

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**This document concerns Metro Bank PLC (the “Company”). If you are in any doubt as to the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the FSMA if you are in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.**

If you sell or transfer, or have sold or otherwise transferred, all of your Old MB Shares, please forward this document, together with the accompanying documents (other than the personalised Forms of Proxy), at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or the transferee. If you sell or transfer, or have sold or otherwise transferred only part of your holding of Old MB Shares, you should retain this document and the accompanying documents and contact the bank, stockbroker or other agent through whom the sale or transfer was effected.

**The release, publication or distribution of this document, and any accompanying documents (in whole or in part) in, into or from jurisdictions other than the United Kingdom, and the allotment and/or issuance of the New MB Shares in jurisdictions other than the United Kingdom, may be restricted by the laws of those jurisdictions and therefore persons outside the United Kingdom into whose possession this document and/or any accompanying document comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.**

---



**METRO BANK PLC**

*(a public limited company registered in England and Wales with registered number 06419578)*

**Proposed reduction of capital and introduction of a new holding company**

**METRO BANK HOLDINGS PLC**

**by means of a Scheme of Arrangement under  
Part 26 of the Companies Act 2006**

**Notices of MB Court Meeting and MB General Meeting**

---

This document is not a prospectus but a shareholder circular and it does not constitute or form part of any offer or invitation to purchase, acquire, subscribe for, sell, otherwise dispose of or issue any securities or the solicitation of any offer to purchase, acquire, subscribe for, sell or otherwise dispose of, any security, including Old MB Shares, New MB Shares or any other securities of the Company or New MB.

This document has been published solely in connection with the Scheme. Information on the Admission of New MB Shares, including the risks to Admission and/or the New MB Shares, are contained in the Prospectus.

**This document and the information incorporated by reference into this document, together with the accompanying Forms of Proxy, should be read as a whole. Your attention is drawn to the letter from the Chair of the Company in Part I (*Letter from the Chair*) of this document, which contains the unanimous recommendation of the MB Directors that you vote in favour of the Scheme Resolution to be proposed at the MB General Meeting referred to below.**

**Notice of the MB Court Meeting to be held at first floor, One Southampton Row, London WC1B 5HA at 10.30 a.m. (London time) on 26 April 2023 is set out in Part VI (*Notice of MB Court Meeting*) of this document. If you are not able to attend the MB Court Meeting, you are strongly encouraged to complete, sign and return the Blue Form of Proxy that accompanies this document, in accordance with the instructions printed thereon, as soon as possible, but in any event so as to be received by the Registrar not later than 10.30 a.m. (London time) on 24 April 2023 (or, if the MB Court Meeting is adjourned, not later than 48 hours before the time of the**

---

This document is dated 22 March 2023.

adjourned meeting, excluding any part of such 48 hour period falling on a day that is not a Business Day). If the Blue Form of Proxy is not so returned by the relevant time, it may be emailed to the Company's Registrar, Equiniti at [proxyvotes@equiniti.com](mailto:proxyvotes@equiniti.com) before the time that the MB Court Meeting is due to commence or handed to the Registrar or the Chair immediately prior to the start of the MB Court Meeting, and it will still be valid. If you hold Old MB Shares in CREST, you may appoint the Chair of the MB Court Meeting as proxy through the CREST electronic proxy appointment service by completing and transmitting a CREST proxy instruction to the Registrar, Equiniti (under CREST participant ID RA19), so that it is received no later than 10.30 a.m. (London time) on 24 April 2023. If you would like to submit your proxy vote electronically, you can do so by visiting [www.sharevote.co.uk](http://www.sharevote.co.uk). You will need to enter the Voting ID, Task ID and Shareholder Reference Number printed on the Blue Form of Proxy and follow the online instructions. Alternatively, if you have already registered with Equiniti's online portfolio service, Shareview, you can appoint the proxy electronically by logging on to your portfolio at [www.shareview.co.uk](http://www.shareview.co.uk) by using your usual user ID and password. Once logged in, simply click "view" on the "My Investments" page, click on the link to vote and then follow the on-screen instructions. Full details and instructions on these electronic proxy facilities are given on the respective websites. The deadline for receipt of electronic proxies is 10.30 a.m. (London time) on 24 April 2023.

Notice of the MB General Meeting to be held at first floor, One Southampton Row, London WC1B 5HA at 10.45 a.m. (London time) on 26 April 2023 is set out in Part VII (*Notice of MB General Meeting*) of this document. If you are not able to attend the MB General Meeting, you are strongly encouraged to complete, sign and return the Yellow Form of Proxy that accompanies this document, in accordance with the instructions printed thereon, as soon as possible, but in any event so as to be received by the Registrar not later than 10.45 a.m. (London time) on 24 April 2023 (or, if the MB General Meeting is adjourned, not later than 48 hours before the time of the adjourned meeting, excluding any part of such 48 hour period falling on a day that is not a Business Day). If the Yellow Form of Proxy is not lodged by the relevant time, it will be invalid. If you hold Old MB Shares in CREST, you may appoint the Chair of the MB General Meeting as proxy through the CREST electronic proxy appointment service by completing and transmitting a CREST proxy instruction to the Registrar, Equiniti (under CREST participant ID RA19), so that it is received no later than 10.45 a.m. (London time) on 24 April 2023. If you would like to submit your proxy vote electronically, you can do so by visiting [www.sharevote.co.uk](http://www.sharevote.co.uk). You will need to enter the Voting ID, Task ID and Shareholder Reference Number printed on the Yellow Form of Proxy and follow the online instructions. Alternatively, if you have already registered with Equiniti's online portfolio service, Shareview, you can appoint the proxy electronically by logging on to your portfolio at [www.shareview.co.uk](http://www.shareview.co.uk) by using your usual user ID and password. Once logged in, simply click "view" on the "My Investments" page, click on the link to vote and then follow the on-screen instructions. Full details and instructions on these electronic proxy facilities are given on the respective websites. The deadline for receipt of electronic proxies is 10.45 a.m. (London time) on 24 April 2023.

Certain terms used in this document are defined in Part V (*Definitions*).

If you have any questions about this document, the MB Court Meeting or the MB General Meeting, or are in any doubt how to complete the Forms of Proxy, please call Equiniti between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (except public holidays in England and Wales) on +44 (0)371-384-2050. Calls outside the United Kingdom will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones. Please note that calls may be monitored or recorded and Equiniti cannot provide legal, tax or financial advice or advice on the merits of the Scheme.

MB Shareholders should only rely on the information contained in this document. No person has been authorised to give any information or make any representations other than those contained or incorporated into this document and, if given or made, such information or representations must not be relied upon as having been so authorised by the Company, the MB Directors or any other person involved in the Scheme. Neither the delivery of this document, the holding of the MB General Meeting nor Admission shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Metro Bank Group since the date of this document or that the information in, or incorporated into, this document is correct as at any time after its date.

## **General**

This document and the accompanying documents have been prepared to comply with English law, the Listing Rules and applicable regulations, and the information disclosed may not be the same as that which would have been disclosed if this document or the accompanying documents had been prepared in accordance with the laws of any other jurisdiction.

**THE CONTENTS OF THIS DOCUMENT OR ANY SUBSEQUENT COMMUNICATION FROM THE COMPANY OR ITS AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES OR AGENTS ARE NOT TO BE CONSTRUED AS LEGAL, FINANCIAL OR TAX ADVICE.**

## TABLE OF CONTENTS

	<b>Page</b>
PART I LETTER FROM THE CHAIR.....	5
PART II EXPLANATION OF THE SCHEME AND ITS EFFECTS.....	9
PART III ADDITIONAL INFORMATION .....	22
PART IV THE SCHEME OF ARRANGEMENT .....	25
PART V DEFINITIONS .....	31
PART VI NOTICE OF MB COURT MEETING .....	35
PART VII NOTICE OF MB GENERAL MEETING .....	37
PART VIII SHAREHOLDER Q&A .....	43

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The times and dates set out in the timetable below and throughout this document that fall after the date of this document are based on the Company's current expectations and are subject to change. The times and dates are indicative only and will depend, among other things, on the dates on which the conditions to implementation of the Scheme are satisfied or, where applicable, waived, and on the date on which the Court sanctions the Scheme. If the scheduled dates of the MB Court Meeting and/or the MB General Meeting change, the revised dates and/or times will be notified to MB Shareholders by an announcement made by the Company through a Regulatory Information Service (as defined in the Listing Rules). All times shown are London times unless otherwise stated.

<b>PRINCIPAL EVENTS</b>	<b>TIME AND DATE</b>
Publication of this document	22 March 2023
Voting Record Time for the MB Court Meeting	6.30 p.m. on 24 April 2023 <sup>(1)</sup>
Voting Record Time for the MB General Meeting	6.30 p.m. on 24 April 2023
Latest time for receipt of Forms of Proxy/CREST proxy instructions for the MB Court Meeting	10.30 a.m. on 24 April 2023 <sup>(2)</sup>
Latest time for receipt of Forms of Proxy/CREST proxy instructions for the MB General Meeting	10.45 a.m. on 24 April 2023 <sup>(3)</sup>
<b>MB Court Meeting</b>	<b>10.30 a.m. on 26 April 2023<sup>(4)</sup></b>
<b>MB General Meeting</b>	<b>10.45 a.m. on 26 April 2023<sup>(5)</sup></b>
Scheme Court Hearing	17 May 2023
Last day of dealings in Old MB Shares	19 May 2023
<b>Scheme Record Time</b>	<b>6.30 p.m. on 19 May 2023</b>
<b>Scheme Effective Date</b>	<b>After 6.30 p.m. on 19 May 2023</b>
Delisting of Old MB Shares, Admission and commencement of dealings in New MB Shares on the London Stock Exchange	8.00 a.m. on 22 May 2023
Crediting of New MB Shares to CREST accounts	As soon as practicable after 8.00 a.m. on 22 May 2023
Despatch of share certificates in respect of New MB Shares which are issued pursuant to the Scheme	By no later than 2 June 2023

Notes:

- (1) If either of the Meetings is adjourned, the Voting Record Time for the relevant adjourned meeting will be 6.30 p.m. on the date that is two days before the date set for the adjourned Meeting.
- (2) It is requested that the Blue Form of Proxy for the MB Court Meeting be lodged before 10.30 a.m. on 24 April 2023 or, if the MB Court Meeting is adjourned, not later than 48 hours before the time of the adjourned meeting (excluding any part of such 48 hour period falling on a day that is not a Business Day). However, any Blue Forms of Proxy not so lodged may be emailed to the Company's Registrar, Equiniti at proxyvotes@equiniti.com, before the time that the MB Court Meeting is due to commence, or handed to the Registrar or the Chair immediately prior to the start of the MB Court Meeting, and will still be valid.
- (3) The Yellow Form of Proxy for the MB General Meeting must be lodged before 10.45 a.m. on 24 April 2023 in order for it to be valid or, if the MB General Meeting is adjourned, not later than 48 hours before the time of the adjourned meeting (excluding any part of such 48 hour period falling on a day that is not a Business Day). Any Yellow Forms of Proxy not lodged by the date and time set out above will be invalid.
- (4) To commence at the time fixed or as soon thereafter as the annual general meeting of the Company has concluded or been adjourned.
- (5) To commence at the time fixed or as soon thereafter as the MB Court Meeting has concluded or been adjourned.

**PART I**  
**LETTER FROM THE CHAIR**

**MB Directors**

Robert Sharpe (*Chair*)  
Daniel Frumkin (*Chief Executive Officer*)  
James Hopkinson (*Chief Financial Officer*)  
Anna (Monique) Melis (*Senior Independent Director*)  
Catherine Brown (*Independent Non-Executive Director*)  
Dorita Gilinski (*Shareholder Appointed Non-Executive Director*)  
Anne Grim (*Independent Non-Executive Director*)  
Ian Henderson (*Independent Non-Executive Director*)  
Paul Thandi (*Independent Non-Executive Director*)  
Michael Torpey (*Independent Non-Executive Director*)  
Nicholas Winsor (*Independent Non-Executive Director*)

**Registered Office**

One Southampton Row  
London WC1B 5HA  
United Kingdom

*To MB Shareholders and, for information only, participants in the Existing MB Share Plans*

22 March 2023

Dear MB Shareholder,

**Proposed introduction of Metro Bank Holdings PLC (“New MB”)  
as a new holding company of the Metro Bank Group and related matters**

**1 Introduction**

The Company intends to introduce New MB as a new non-operating bank holding company of the Company and its subsidiaries by means of a scheme of arrangement, pursuant to Part 26 of the Companies Act.

The Scheme is between the Company and MB Shareholders and involves the cancellation of shares currently held by MB Shareholders (the “**Old MB Shares**”) in exchange for the same number of shares in New MB (the “**New MB Shares**”). The rights attaching to the New MB Shares will be substantially the same as those attaching to the Old MB Shares at the Scheme Effective Date. In short, for every Old MB Share, an MB Shareholder will receive one New MB Share and the Company will be wholly owned by New MB.

The Scheme also incorporates a reduction of capital of the Company by way of cancellation of the Company’s share premium account. The reserve arising as a result of the reduction will constitute a realised profit of the Company and (after deducting realised losses which, as at 31 December 2022, were £1,014 million) create distributable reserves (the “**MB Share Premium Account Cancellation**”).

The Scheme, including the MB Share Premium Account Cancellation, is not expected to have any adverse impact on MB Shareholders. The Scheme is being undertaken as a reorganisation for the reasons set out below and the MB Share Premium Account Cancellation is being undertaken predominantly to support the Metro Bank Group’s ability to meet its MREL requirements, which consist of own funds eligible liabilities instruments which are capable of being bailed-in and which meet certain eligibility requirements, going forward.

This document includes full details of the Scheme, together with an explanatory statement in respect of the Scheme and notices convening the MB Court Meeting and the MB General Meeting. It also contains the expected timetable for the Scheme and specifies the necessary actions to be taken by MB Shareholders. This document and the Forms of Proxy for use in connection with the MB Court Meeting and the MB General Meeting are being made available to all MB Shareholders.

**The MB Board is unanimously recommending that you vote in favour of the Scheme Resolution and the related proposals.**

## **2 Reasons for the Introduction of a New Holding Company and the Related Proposals**

The Bank of England develops a resolution plan for each UK bank, building society and certain investment firms, which sets out the actions the Bank of England would take if the firm in question was failing or likely to fail and needed to be resolved taking into account public policy considerations. A single point of entry “bail-in” is the Bank of England’s preferred resolution strategy for the largest banks that provide vital services to the UK economy (as stated in the Bank of England’s “Resolvability assessment of major UK banks”, published on 10 June 2022).

In relation to the Company, on 31 December 2018, the Bank of England confirmed that the preferred resolution strategy for the Metro Bank Group is bail-in with a single point of entry at the parent company level, which is currently the Company. Consistent with its statement of policy, on 18 February 2022, the Bank of England confirmed that it expects the Company to establish a new non-operating bank holding company (clean holding company) as resolution entity (single point of entry) and UK parent financial holding company of the Metro Bank Group by no later than 26 June 2023.

The Company is therefore proposing to establish a new non-operating bank holding company for the Metro Bank Group to comply with the Bank of England’s requirements for a “clean holding company” in order to facilitate the Metro Bank Group’s “single point of entry” resolution strategy and to ensure structural subordination of MREL. New MB will be the resolution entity and is expected to be the entity which will be used going forwards to issue any external MREL to the market at a future time on a structurally subordinated basis.

The Company has concluded that the Scheme will provide the most efficient, timely and cost-effective manner of meeting the Bank of England’s requirements to establish the new non-operating bank holding company, whilst preserving its shareholders’ current proportionate shareholdings in the Company.

In addition to meeting the Bank of England’s requirements, the Company has concluded that the Scheme provides it with the opportunity to better prepare the Company for its future as a subsidiary of the non-operating bank holding company. Consequently, as part of the Scheme, the Company intends to effect the MB Share Premium Account Cancellation, pursuant to which all amounts standing to the credit of the Company’s share premium account will be cancelled. The reserve arising as a result of the cancellation will constitute a realised profit of the Company and (after deducting realised losses which, as at 31 December 2022, were £1,014 million) create distributable reserves of the Company.

The Company currently has no distributable reserves, so this creation of distributable reserves in the Company will provide it with the ability to undertake future issuances of regulatory capital instruments to New MB and to make and pay distributions to New MB in order to support New MB’s regulatory capital issuances (to meet the Metro Bank Group’s consolidated MREL requirements) and to support the operations of the Metro Bank Group going forward. The Company considers the MB Share Premium Account Cancellation as a key feature of the Scheme and will represent a key part of the Company’s (and, following the implementation of the Scheme, New MB’s) ability to meet its ongoing regulatory capital requirements.

## **3 Effects of the Scheme**

The effects of the implementation of the Scheme will be as follows:

- (a) instead of having its ordinary share capital owned by MB Shareholders, the Company will become a wholly owned subsidiary of New MB with effect from the Scheme Effective Date;
- (b) instead of owning Old MB Shares, each MB Shareholder will, from the Scheme Effective Date, own the same number of New MB Shares and will have the same proportionate voting and economic rights in New MB as they currently have as an MB Shareholder;
- (c) New MB will be the holding company of the Metro Bank Group; and
- (d) the Company’s share premium account will be cancelled.

The New MB Directors are the same as the directors of the Company, and the management of New MB will be the same as the management of the Company as at the date of this document. New MB will replicate any changes to the composition of the MB Board that occur between the date of this



document and the Scheme Effective Date. New MB will follow the Company in complying with the same principles of the UK Corporate Governance Code, retaining the Metro Bank Group's strong commitment to the high standards of governance and corporate responsibility.

The New MB Articles upon implementation of the Scheme will be based on the MB Articles subject only to certain minor updates (which are summarised in Section 3 of Part III (*Additional Information*) of this document) and the terms of the New MB Bonus Shares, and will be made available for inspection in accordance with Section 6 of Part III (*Additional Information*).

New MB will be subject to the same regulatory regime as currently applies to the Company.

#### **4 Listing, Delisting and Settlement**

The last time for dealing in the Old MB Shares on the London Stock Exchange will be on the Scheme Effective Date (and is expected to be close of business on 19 May 2023), such that no transfers of the Old MB Shares will be registered after 6.30 p.m. on that date.

Prior to the Scheme becoming effective in accordance with its terms, an application will be made by the Company to the London Stock Exchange to cancel trading in the Old MB Shares on its main market for listed securities and to the FCA to cancel the listing of the Old MB Shares from the Official List, in each case to take effect shortly after the Scheme Effective Date.

On the Scheme Effective Date, the Company will become a wholly owned subsidiary of New MB and share certificates in respect of the Old MB Shares will cease to be valid. In addition, entitlements to the Old MB Shares held within the CREST system will be disabled from the Scheme Effective Date and will expire and be removed soon thereafter.

Prior to the Scheme Effective Date, applications will be made to the London Stock Exchange for the New MB Shares to be admitted to trading on its main market for listed securities and to the FCA for the New MB Shares to be admitted to the premium listing segment of the Official List.

The New MB Shares will be admitted to trading on the London Stock Exchange at 8.00 a.m. on the Business Day after the Scheme Effective Date (the Scheme Effective Date is expected to be 19 May 2023) and dealings for normal settlement in the New MB Shares will commence at that time.

#### **5 Further Information**

Further information about the Scheme and the impact of the Scheme on the Existing MB Share Plans is set out in the explanatory statement contained in Part II (*Explanation of the Scheme and its Effects*) of this document.

#### **6 Action to be Taken**

The Scheme is conditional upon a number of matters which are set out in full in the explanatory statement contained in Part II (*Explanation of the Scheme and its Effects*) of this document, including: (i) the approval by MB Shareholders of the Scheme Resolution at the MB General Meeting and of the Scheme at the MB Court Meeting; (ii) the obtaining of customary regulatory approvals; and (iii) the sanction of the Scheme by the Court.

Notices convening the MB Court Meeting and the MB General Meeting are set out, respectively, in Part VI (*Notice of MB Court Meeting*) and Part VII (*Notice of MB General Meeting*) of this document. Further details of the MB Court Meeting and the MB General Meeting are contained in Part II (*Explanation of the Scheme and its Effects*) of this document, including the action to be taken by MB Shareholders.

**In order for the Court to be satisfied that the votes cast fairly represent the views of MB Shareholders, it is important that as many votes as possible are cast at the MB Court Meeting. MB Shareholders are therefore strongly encouraged to attend the Meetings, and if they cannot do so to complete, sign and return the Blue Form of Proxy, appoint a proxy through the CREST electronic proxy appointment service or appoint a proxy electronically by visiting [www.sharevote.co.uk](http://www.sharevote.co.uk) or [www.shareview.co.uk](http://www.shareview.co.uk) (as appropriate) as soon as possible. A separate Yellow Form of Proxy for use at the MB General Meeting is also enclosed.**

**7 Recommendation**

The MB Board unanimously believes that the Scheme is in the best interests of the Company and its shareholders as a whole.

**Accordingly, the MB Board unanimously recommends that MB Shareholders vote in favour of the Scheme at the MB Court Meeting and in favour of the Scheme Resolution at the MB General Meeting, as the MB Directors intend to do in respect of their own shareholdings totalling 2,803,570 Old MB Shares (representing approximately 1.62 per cent. (1.62%) of the issued share capital of the Company) as at the Latest Practicable Date.**

Yours sincerely,

**Robert Sharpe**

*Chair of Metro Bank PLC*



## PART II

### EXPLANATION OF THE SCHEME AND ITS EFFECTS

(Explanatory Statement in compliance with Section 897 of the Companies Act)

#### 1 BACKGROUND TO AND REASONS FOR THE SCHEME

The Bank of England develops a resolution plan for each UK bank, building society and certain investment firms, which sets out the actions the Bank of England would take if the firm in question was failing or likely to fail and needed to be resolved taking into account public policy considerations. A single point of entry “bail-in” is the Bank of England’s preferred resolution strategy for the largest banks that provide vital services to the UK economy (as stated in the Bank of England’s “Resolvability assessment of major UK banks”, published on 10 June 2022).

In relation to the Company, on 31 December 2018, the Bank of England confirmed that the preferred resolution strategy for the Metro Bank Group is bail-in with a single point of entry at the parent company level, which is currently the Company. Consistent with its statement of policy, on 18 February 2022, the Bank of England confirmed that it expects the Company to establish a new non-operating bank holding company (clean holding company) as resolution entity (single point of entry) and UK parent financial holding company of the Metro Bank Group by no later than 26 June 2023.

The Company is therefore proposing to establish a new non-operating bank holding company for the Metro Bank Group to comply with the Bank of England’s requirements for a “clean holding company” in order to facilitate the Metro Bank Group’s “single point of entry” resolution strategy and to ensure structural subordination of MREL. New MB will be the resolution entity and is expected to be the entity which will be used going forwards to issue any external MREL to the market at a future time on a structurally subordinated basis.

The Company has concluded that the Scheme will provide the most efficient, timely and cost-effective manner of meeting the Bank of England’s requirements to establish the new non-operating bank holding company, whilst preserving its shareholders’ current proportionate shareholdings in the Company.

In addition to meeting the Bank of England’s requirements, the Company has concluded that the Scheme provides it with the opportunity to better prepare the Company for its future as a subsidiary of the non-operating bank holding company. Consequently, as part of the Scheme, the Company intends to effect the MB Share Premium Account Cancellation, pursuant to which all amounts standing to the credit of the Company’s share premium account will be cancelled. The reserve arising as a result of the cancellation will constitute a realised profit of the Company and (after deducting realised losses which, as at 31 December 2022, were £1,014 million) create distributable reserves of the Company.

The Company currently has no distributable reserves, so this creation of distributable reserves in the Company will provide it with the ability to undertake future issuances of regulatory capital instruments to New MB and to make and pay distributions to New MB in order to support New MB’s regulatory capital issuances (to meet the Metro Bank Group’s consolidated MREL requirements) and to support the operations of the Metro Bank Group going forward. The Company considers the MB Share Premium Account Cancellation as a key feature of the Scheme and will represent a key part of the Company’s (and, following the implementation of the Scheme, New MB’s) ability to meet its ongoing regulatory capital requirements.

The introduction of New MB as a new non-operating bank holding company of the Company and its subsidiaries and the MB Share Premium Account Cancellation will be effected by means of a scheme of arrangement pursuant to Part 26 of the Companies Act between the Company and MB Shareholders, the principal features and effects of which are set out below.

The Scheme, including the MB Share Premium Account Cancellation, is not expected to have any adverse impact on MB Shareholders.

## **2 PRINCIPAL FEATURES OF THE SCHEME**

The principal steps in relation to the Scheme are as follows:

### **2.1 Cancellation of the Old MB Shares**

All of the Old MB Shares will be cancelled on the Scheme Effective Date.

### **2.2 Issue of Intra-Group Shares by the Company to New MB**

Following the cancellation of the Old MB Shares, the credit arising as a result of that cancellation will be capitalised and applied in paying up in full at par such number of Intra-Group Shares as is equal to the number of Old MB Shares cancelled.

The Intra-Group Shares will be issued, credited as fully paid, to New MB. As a result, New MB will become the new holding company of the Company and of the Metro Bank Group.

### **2.3 Issue of New MB Shares by New MB to MB Shareholders**

In consideration for the cancellation of the Old MB Shares, the MB Shareholders will receive, in respect of any Old MB Shares held as at the Scheme Record Time:

**for each Old MB Share, one (1) New MB Share.**

With effect from the Scheme Effective Date, the rights attaching to the New MB Shares will be substantially the same as those attaching to the Old MB Shares at the Scheme Effective Date. Upon the implementation of the Scheme, a New MB Shareholder will have the same proportionate voting and economic rights in New MB as they currently have as an MB Shareholder.

### **2.4 MB Share Premium Account Cancellation**

The share premium account of the Company, which stood at £1,963,769,713.65 as at 31 December 2022, will be cancelled on the Scheme Effective Date. The reserve arising as a result of the cancellation will constitute a realised profit of the Company and (after deducting realised losses which, as at 31 December 2022, were £1,014 million) create distributable reserves.

### **2.5 Amendments to the MB Articles in relation to the Scheme**

At the MB General Meeting, MB Shareholders will be asked to approve amendments to the MB Articles ensuring that: (i) any Old MB Shares which are issued to any person other than New MB or its nominee(s) before the Scheme Record Time are issued subject to the terms of the Scheme and the holders of such shares will be bound by the Scheme accordingly; and (ii) any Old MB Shares which are issued after the Scheme Record Time will be immediately transferred to New MB in exchange for the issue or transfer to the relevant holder of one New MB Share for each Old MB Share transferred. These amendments will avoid any person other than New MB being left holding Old MB Shares after dealings in such shares have ceased on the London Stock Exchange and will ensure that New MB will own the entire issued share capital of the Company.

At the MB General Meeting, MB Shareholders will also be asked to authorise the allotment and issue to New MB of one Special Share and to amend the MB Articles to include the rights attaching to such Special Share. The Special Share will be subscribed for by New MB for a subscription price of £1.00 payable in cash prior to the Scheme Record Time. This means there will be no requirement under section 593 of the Companies Act for an independent valuation of the Intra-Group Shares to be issued to New MB pursuant to the Scheme.

## **3 DIRECTORS' AND OTHER INTERESTS**

As at the Latest Practicable Date, the MB Board was composed of Robert Sharpe, Daniel Frumkin, James Hopkinson, Anna (Monique) Melis, Catherine Brown, Anne Grim, Ian Henderson, Paul Thandi, Michael Torpey, Nicholas Winsor and Dorita Gilinski.

Details of the current interests of the MB Directors in, and options and awards relating to, the Old MB Shares are set out in Sections 1.1 and 1.2 of Part III (*Additional Information*) of this document. The Old MB Shares held by each of the Directors at the Scheme Record Time will be subject to the Scheme.

The effect of the Scheme on options and awards held by certain Directors, in connection with other participation in Existing MB Share Plans, is described in Section 7 of Part II (*Explanation of the Scheme and its Effects*).

Details of the MB Directors' contracts of employment and/or service contracts, and letters of appointment, are set out in Section 1.3 of Part III (*Additional Information*) of this document.

Robert Sharpe and Daniel Frumkin are the New MB Initial Shareholders who together hold the initial share capital of New MB, as more fully described in Section 12 of Part II (*Explanation of the Scheme and its Effects*) of this document.

Save as set out or referenced above, the effect of the Scheme on the interests of the MB Directors does not differ from its effect on the like interests of other MB Shareholders.

#### **4 CONDITIONS TO IMPLEMENTATION OF THE SCHEME**

The implementation of the Scheme is conditional upon:

- (a) the approval of the Scheme by a majority in number of MB Shareholders representing not less than seventy-five per cent. (75%) in value of the voting rights of the Old MB Shares held by those MB Shareholders present and voting, either in person or by proxy, at the MB Court Meeting (or at any adjournment of such meeting);
- (b) the passing of the Scheme Resolution to approve the Scheme and various matters in connection with the Scheme including: (i) the cancellation of the Old MB Shares; (ii) the cancellation of the Company's share premium account; (iii) the de-listing of the Old MB Shares; (iv) the issuance of Intra-Group Shares to New MB; and (v) the amendments to the MB Articles in relation to the Scheme and the Special Share;
- (c) the PRA having been notified of, and having approved: (i) the cancellation of the Scheme Shares; and (ii) the cancellation of the Company's share premium account, in each case pursuant to Articles 77 and 78(1) of the UK CRR;
- (d) the PRA: (i) having been notified of the issuance of Intra-Group Shares by the Company to New MB; and (ii) having approved the issuance of New MB Shares by New MB, in each case pursuant to Article 26(3) of the UK CRR;
- (e) the PRA having approved New MB as a parent financial holding company of the Company pursuant to section 192R of the FSMA;
- (f) in respect of New MB in connection with the acquisition of the Intra-Group Shares under the Scheme, the appropriate regulator (as defined in section 178(2A) of the FSMA) of each UK authorised person (as defined in section 191G of the FSMA) within the New Group: (i) having given notice for the purpose of section 189(4)(a) of the FSMA that it has determined to approve such acquisition of control unconditionally; (ii) having given notice for the purpose of section 189(7) of the FSMA that it has determined to approve such acquisition of control subject to conditions that are acceptable to New MB (acting reasonably); or (iii) being treated, by virtue of section 189(6) of the FSMA, as having approved such acquisition of control, in each case, where references to FSMA are read, where applicable, with the Financial Services and Markets Act 2000 (Controllers) (Exemption) Order 2009 (SI 2009/774);
- (g) the sanction of the Scheme by the Court at the Scheme Court Hearing;
- (h) a copy of the Court Order (and a copy of the related MB Statement of Capital) having been delivered to the Registrar of Companies;
- (i) permission having been granted by the FCA to de-list the Old MB Shares and to admit (subject to the issuance of Intra-Group Shares in connection with the Scheme and satisfaction of Conditions (a) to (h) above, save to the extent such Conditions are already satisfied) the New MB Shares to the premium listing segment of the Official List; and

- (j) the London Stock Exchange having agreed to admit the New MB Shares to trading on its main market for listed securities and its agreement not being withdrawn prior to the Scheme Effective Date,

(together the “**Conditions**”).

The MB Directors will not take the necessary steps to implement the Scheme unless the Conditions have been satisfied and, at the relevant time, they consider that it continues to be in the best interests of the Company and MB Shareholders that the Scheme should be implemented.

The Scheme Court Hearing at which it is proposed that the Court sanction the Scheme and confirm the MB Share Premium Account Cancellation is expected to be held on or around 17 May 2023. The Scheme Court Hearing may be held remotely or in person (at The Royal Courts of Justice, The Rolls Building, 7 Rolls Buildings, Fetter Lane, London EC4A 1NL). MB Shareholders who wish to support or oppose the Scheme have the right to appear in person, or be represented by counsel, at the Scheme Court Hearing. Details of how to attend the Scheme Court Hearing will be announced by the Company and will also be available on the Company’s website at [www.metrobankonline.co.uk/investor-relations](http://www.metrobankonline.co.uk/investor-relations).

As at the Latest Practicable Date, New MB has received the following approvals (having made the related notifications):

- (a) under Articles 77 and 78(1) of the UK CRR from the PRA to cancel the Scheme Shares and to cancel the Company’s share premium account;
- (b) under Article 26(3) of the UK CRR from the PRA to the issuance of the Intra-Group Shares by the Company to New MB and to the issuance of the New MB Shares by New MB;
- (c) under section 192R of the FSMA from the PRA as a parent financial holding company of the Company; and
- (d) under section 189(4)(a) of the FSMA from: (i) the PRA to acquire control of the Company; and (ii) the FCA to acquire control of Retail Money Market Limited (a subsidiary of the Company), in each case, in connection with the acquisition of the Intra-Group Shares under the Scheme.

## **5 OTHER DETAILS OF THE SCHEME**

The full text of the Scheme and of the Scheme Resolution to be proposed at the MB Court Meeting and the MB General Meeting are set out in Part IV (*The Scheme of Arrangement*), Part VI (*Notice of MB Court Meeting*) and Part VII (*Notice of MB General Meeting*) of this document. The Scheme is governed by English law and is subject to the jurisdiction of the courts of England and Wales.

The Scheme contains a provision for the Company and New MB jointly to consent, on behalf of all persons concerned, to any modification of or addition to the Scheme, or to any condition that the Court may think fit to approve or impose. The Company has been advised that the Court would be unlikely to approve or impose any modification of or addition to, or impose a condition on, the Scheme which would be material to the interests of MB Shareholders unless MB Shareholders were informed of any such modification, addition or condition and given the opportunity to vote on that basis. It would be a matter for the Court to decide, in its discretion, whether or not a further meeting of MB Shareholders should be held in these circumstances.

If the Scheme is sanctioned by the Court and the other Conditions are satisfied, the Scheme is expected to become effective on the first Friday which is a Business Day after the day of the Scheme Court Hearing (the date of the Scheme Court Hearing is expected to be 17 May 2023). Dealings in New MB Shares on the London Stock Exchange are expected to commence at 8.00 a.m. on the next Business Day (which is expected to be 22 May 2023).

If the Scheme has not become effective by 31 December 2023 (or such later date as the Company and New MB may agree and the Court may allow), it will lapse, in which event the Scheme will not proceed, there will not be a new holding company of the Company, MB Shareholders will remain shareholders of the Company, the Company’s share premium account will not be cancelled and the Old MB Shares will continue to be listed on the Official List and admitted to trading on the London Stock Exchange.

## 6 MB SHAREHOLDER APPROVAL FOR IMPLEMENTATION OF THE SCHEME

The Scheme will require the approval of MB Shareholders at the MB Court Meeting, convened pursuant to an order of the Court, and the passing by MB Shareholders of the Scheme Resolution at the MB General Meeting. Both of the Meetings have been convened for 26 April 2023 and will be held at first floor, One Southampton Row, London WC1B 5HA.

The Scheme also requires separate sanction from the Court.

Notices of the MB Court Meeting and the MB General Meeting are contained, respectively, in Part VI (*Notice of MB Court Meeting*) and Part VII (*Notice of MB General Meeting*) of this document.

Entitlement to attend and vote at these Meetings and the number of votes which may be cast thereat will be determined by reference to the register of members of the Company at the Voting Record Time. All MB Shareholders whose names appear on the register of members of the Company at the Voting Record Time will be entitled to attend, speak and vote at the relevant Meeting in respect of the number of Old MB Shares registered in their name at that time.

### 6.1 MB Court Meeting

The MB Court Meeting has been convened for 10.30 a.m. (London time) on 26 April 2023 (or as soon thereafter as the annual general meeting of the Company convened for the same day has finished or is adjourned) pursuant to an order of the Court. At the MB Court Meeting, or at any adjournment thereof, MB Shareholders will consider and, if thought fit, approve the Scheme.

Voting at the MB Court Meeting will be by poll and not on a show of hands and each MB Shareholder entitled to attend and who is present in person or by proxy will be entitled to one vote for each Old MB Share held. The statutory majority required to approve the Scheme at the MB Court Meeting is a majority in number of MB Shareholders present and voting (either in person or by proxy) at the MB Court Meeting and representing not less than seventy-five per cent. (75%) in value of the voting rights of the Old MB Shares held and voted by such MB Shareholders.

**In order for the Court to be satisfied that the votes cast constitute a fair representation of the views of MB Shareholders, it is important that as many votes as possible are cast at the MB Court Meeting. MB Shareholders are therefore urged to take the action referred to in Section 17 of this Part II (*Explanation of the Scheme and its Effects*).**

If the Scheme is approved and becomes effective, it will be binding on all MB Shareholders, irrespective of whether they cast their votes at the MB Court Meeting and irrespective of the manner in which they voted.

### 6.2 MB General Meeting

The MB General Meeting has been convened for 10.45 a.m. (London time) on 26 April 2023 (or as soon thereafter as the MB Court Meeting has finished or is adjourned). At the MB General Meeting or at any adjournment thereof, MB Shareholders will consider and, if thought fit, pass the Scheme Resolution set out in the Notice of MB General Meeting contained in Part VI (*Notice of MB Court Meeting*) of this document.

#### ***Scheme Resolution***

The Scheme Resolution is proposed in order to approve:

- (a) for the purposes of giving effect to the Scheme:
  - (i) the authority to enable the MB Directors to take all such actions as they may consider necessary or appropriate for carrying the Scheme into effect;
  - (ii) the cancellation of the Company's share premium account;
  - (iii) the reduction of the share capital of the Company by the cancellation of the Old MB Shares;
  - (iv) the application of the reserve arising as a result of the cancellation of the Old MB Shares by paying up the Intra-Group Shares and the issuance, credited as fully paid, of such number of Intra-Group Shares as are equal to the number of Old MB Shares cancelled, to New MB;



- (v) the authority to enable the MB Directors to issue Intra-Group Shares in accordance with section 551 of the Companies Act; and
  - (vi) the de-listing of the Old MB Shares;
- (b) amendments to the MB Articles to deal with certain matters relating to the Scheme (including the rights attaching to the Special Share);
  - (c) allotment by the MB Directors of the Special Share in accordance with section 551 of the Companies Act, which is to avoid the requirement under section 593 of the Companies Act for an independent valuation of the Intra-Group Shares to be allotted by Old MB to New MB pursuant to the Scheme; and
  - (d) the allotment of the Special Share wholly for cash as if section 561(1) of the Companies Act did not apply to such allotment.

The Scheme Resolution will be proposed as a special resolution. The majority required for the passing of the special resolution is not less than seventy-five per cent. (75%) of the votes cast (in person or by proxy) at the MB General Meeting.

Voting on the Scheme Resolution will be by poll and not on a show of hands.

### **6.3 Forms of Proxy**

If you are not able to attend the MB Court Meeting and/or the MB General Meeting, please instead complete and sign the Form(s) of Proxy (as applicable) accompanying this document, blue for the MB Court Meeting and yellow for the MB General Meeting, in accordance with the instructions printed on them, and return them to the Company's Registrar, Equiniti, at the return address printed on the back of the relevant Form of Proxy or using the pre-paid envelope provided (for use in the UK only) as soon as possible, and in any event by no later than 10.30 a.m. (London time) on 24 April 2023, in the case of the MB Court Meeting, and 10.45 a.m. (London time) on 24 April 2023, in the case of the MB General Meeting. If the Blue Form of Proxy for the MB Court Meeting is not so returned by the relevant time, it may be emailed to the Company's Registrar, Equiniti at [proxyvotes@equiniti.com](mailto:proxyvotes@equiniti.com) before the time that the MB Court Meeting is due to commence or handed to the Registrar or the Chair immediately prior to the start of the MB Court Meeting, and it will still be valid.

You can also appoint your proxy electronically at Equiniti's website, [www.sharevote.co.uk](http://www.sharevote.co.uk) by no later than 10.30 a.m. (London time) on 24 April 2023, in the case of the MB Court Meeting, and 10.45 a.m. (London time) on 24 April 2023, in the case of the MB General Meeting (or, in the case of any adjournment, no later than 48 hours before the time fixed for the holding of the adjourned meeting, excluding any part of such 48 hour period falling on a day that is not a Business Day).

If you are registered with [www.shareview.co.uk](http://www.shareview.co.uk), you can log on and appoint a proxy through that service no later than 10.30 a.m. (London time) on 24 April 2023, in the case of the MB Court Meeting, and 10.45 a.m. (London time) on 24 April 2023, in the case of the MB General Meeting (or, in the case of any adjournment, no later than 48 hours before the time fixed for the holding of the adjourned meeting, excluding any part of such 48 hour period falling on a day that is not a Business Day).

If you hold your Old MB Shares in uncertificated form through CREST, you may appoint a proxy using the CREST electronic proxy appointment service in accordance with the procedures set out in the CREST manual (please also refer to the accompanying notes to the Notice of MB General Meeting set out at the end of Part VII (*Notice of MB General Meeting*) of this document). A proxy appointment submitted via CREST (under CREST participant ID RA19) must be received by Equiniti, no later than 10.30 a.m. (London time) on 24 April 2023, in the case of the MB Court Meeting, and 10.45 a.m. (London time) on 24 April 2023, in the case of the MB General Meeting (or, in the case of any adjournment, no later than 48 hours before the time fixed for the holding of the adjourned meeting, excluding any part of such 48 hour period falling on a day that is not a Business Day).

## 7 EFFECT OF THE SCHEME

Upon the Scheme becoming effective, the Scheme will be binding on all MB Shareholders, irrespective of whether or not they attended or voted at the MB Court Meeting or the MB General Meeting (and, if they attended and voted (whether in person or by proxy), whether or not they voted in favour).

The effect of implementation of the Scheme will be as follows:

- (a) instead of having its ordinary share capital owned by the MB Shareholders, the Company will become a wholly owned subsidiary of New MB with effect from the Scheme Effective Date, as a result of all of the Old MB Shares being cancelled (as described in Section 2.1 of this Part II (*Explanation of the Scheme and its Effects*)) and the Intra-Group Shares being issued, credited as fully paid, to New MB (as described in Section 2.2 of this Part II (*Explanation of the Scheme and its Effects*));
- (b) instead of owning Old MB Shares, each MB Shareholder will, from the Scheme Effective Date, own the same number of New MB Shares and will have the same proportionate voting and economic rights in New MB as they currently have as an MB Shareholder, as a result of New MB having issued New MB Shares to holders of Old MB Shares as at the Scheme Record Time (as described in Section 2.3 of this Part II (*Explanation of the Scheme and its Effects*));
- (c) New MB will be the holding company of the New Group; and
- (d) the share premium account of the Company will be cancelled.

The New MB Directors are the same as the directors of the Company, and the management of New MB will be the same as the management of the Company as at the date of this document. New MB will replicate any changes to the composition of the MB Board that occur between the date of this document and the Scheme Effective Date. New MB will follow the Company in complying with the same principles of the UK Corporate Governance Code, retaining the Metro Bank Group's strong commitment to the high standards of governance and corporate responsibility.

Pursuant to the Scheme, the Company intends to effect a reduction of its capital by way of cancellation of its share premium account. The reserve arising as a result of the cancellation will constitute a realised profit of the Company and (after deducting realised losses) create distributable reserves. This creation of additional distributable reserves in the Company will provide it with the flexibility to undertake future issuances of regulatory capital instrument to New MB and to make and pay distributions to New MB in order to support New MB's regulatory capital issuances to meet the Metro Bank Group's MREL requirements and to support the operations of the Metro Bank Group going forward.

New MB will be subject to the same regulatory regime as currently applies to the Company.

### 7.1 Employee Share Plans

The Company has, since admission of the Old MB Shares to the premium listing segment of the Official List and to trading on the main market for listed securities of the London Stock Exchange on 10 March 2016, operated the Existing MB Share Plans.

The intention is for (i) participants in the Existing MB Share Plans to have their awards exchanged for equivalent awards over New MB Shares, subject to the rules of the Existing MB Share Plans and, where required, participant consent; and (ii) once exchanged, awards to continue on their same terms (except for the fact that references in the Existing MB Share Plans to the Company operating the Existing MB Share Plans will be construed as being to New MB).

Where consent to exchange is required and not given such awards will either, depending on the terms of the award: (i) become exercisable by the participant for a period ending 20 days after the date on which the Scheme is sanctioned by the Court, following which they will lapse (if not exchanged) or (ii) continue over Old MB Shares subject to their original terms. If and when awards that continue over Old MB Shares are exercised after the Scheme Effective Date, each Old MB Share delivered to satisfy the award will immediately be transferred to the Company in exchange for the issue or transfer to the participant of one New MB Share, in accordance with the amendments to the MB Articles described in Section 2.5 of this Part II (*Explanation of the Scheme and its Effects*).



Further information on the Existing MB Share Plans is set out in Section 14 of Part XV (Additional Information) of the New MB Prospectus dated 22 March 2023.

## **8 CANCELLATION OF THE COMPANY'S SHARE PREMIUM ACCOUNT**

The Scheme also involves a reduction of capital by way of cancellation of the Company's share premium account, and the reserve arising as a result of the reduction will constitute a realised profit of the Company and (after deducting realised losses which, as at 31 December 2022, were £1,014 million) create distributable reserves.

## **9 LISTING, DELISTING, DEALINGS AND SETTLEMENT**

The last time for dealing in the Old MB Shares on the London Stock Exchange will be on the Scheme Effective Date (and is expected to be close of business on 19 May 2023), such that no transfers of the Old MB Shares will be registered after 6.30 p.m. on that date.

Prior to the Scheme becoming effective in accordance with its terms, an application will be made by the Company to the London Stock Exchange to cancel trading in the Old MB Shares on its main market for listed securities and to the FCA to cancel the listing of the Old MB Shares from the Official List, in each case to take effect shortly after the Scheme Effective Date.

On the Scheme Effective Date, the Company will become a wholly owned subsidiary of New MB and share certificates in respect of the Old MB Shares will cease to be valid. In addition, entitlements to the Old MB Shares held within the CREST system will be disabled from the Scheme Effective Date and will expire and be removed soon thereafter.

Prior to the Scheme Effective Date, applications will be made to the London Stock Exchange for the New MB Shares to be admitted to trading on its main market for listed securities and to the FCA for the New MB Shares to be admitted to the premium listing segment of the Official List.

The New MB Shares will be admitted to trading on the London Stock Exchange at 8.00 a.m. on the Business Day after the Scheme Effective Date (the Scheme Effective Date is expected to be 19 May 2023) and dealings for normal settlement in the New MB Shares will commence at that time.

No application has been made, or is currently intended to be made, by New MB for the New MB Shares to be admitted to listing or trading on any other exchange.

**With effect from (and including) the Scheme Effective Date, all share certificates representing the Old MB Shares will cease to be valid and binding in respect of such holdings and should be destroyed.**

## **10 SHARE CERTIFICATES AND CREST**

It is proposed that the New MB Shares be made eligible for settlement in CREST, the paperless system for settlement of trades in securities, admitted to the Official List, and traded on the London Stock Exchange's main market for listed securities operated by Euroclear. Euroclear requires New MB to confirm to it that certain conditions imposed by the CREST Regulations are satisfied before Euroclear will admit any security to CREST. It is expected that these conditions will be satisfied in respect of the New MB Shares on Admission. As soon as practicable after satisfaction of the Conditions, it is expected that New MB will confirm this to Euroclear.

Subject to the above, New MB Shares can be held in certificated or uncertificated form. Definitive share certificates for the New MB Shares of MB Shareholders who held their Old MB Shares in certificated form are expected to be despatched by no later than 14 days after the Scheme Effective Date. In the case of joint holders, share certificates will be despatched to the joint holder whose name appears first in the register. All share certificates will be sent by pre-paid first class post at the risk of the person entitled thereto. Pending the despatch of such certificates, transfers of New MB Shares in certificated form will be certified against the register of New MB. No share certificates will be issued in respect of New MB Shares in uncertificated form. Temporary documents of title have not been, and will not be, issued in respect of such shares. New MB will have the right to issue New MB Shares to all shareholders in certificated form if, for reasons outside its reasonable control, it is not able to issue such shares in uncertificated form.

Old MB Shares held in uncertificated form will be disabled in CREST when the Scheme becomes effective. For MB Shareholders who held their Old MB Shares in a CREST account, New MB Shares which are issued pursuant to the Scheme are expected to be credited to the relevant CREST member account on the Business Day after the Scheme Effective Date (the Scheme Effective Date is expected to be 19 May 2023). CREST is a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The New MB Articles permit the holding of New MB Shares under the CREST system. Application will be made for the New MB Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in New MB Shares following Admission may take place within the CREST system. CREST is a voluntary system and holders of New MB Shares who wish to receive and retain share certificates will be able to remove their New MB Shares from the CREST system following the Scheme becoming effective.

If you currently hold Old MB Shares in uncertificated form, the Old MB Shares under ISIN GB00BZ6STL67 will be disabled from the Scheme Record Time and, on or soon after 8.00 a.m. (London time) on the Business Day after the Scheme Effective Date (the Scheme Effective Date is expected to be 19 May 2023), your CREST account will be credited with New MB Shares under ISIN GB00BMX3W479.

All instructions, bank mandates, elections and communication preferences in force on the Scheme Effective Date relating to notices and other communications will, unless and until varied or revoked, be deemed from the Scheme Effective Date to be valid and effective mandates or instructions to New MB in relation to the corresponding holding of New MB Shares.

All documents, certificates, cheques or other communications sent by, to, from or on behalf of MB Shareholders, or as such persons shall direct, will be sent entirely at their own risk.

Information on listing, dealings, share certificates and settlement is set out in Section 9 of this Part II (*Explanation of the Scheme and its Effects*).

## **11 OVERSEAS SHAREHOLDERS**

The implications of the Scheme for, and the distribution of this document to, Overseas Shareholders may be affected by the laws of the relevant jurisdictions. Overseas Shareholders should inform themselves about and observe all applicable legal requirements.

It is the responsibility of any person into whose possession this document comes to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection with the Scheme and the distribution of this document and/or the accompanying documents, including obtaining any governmental, exchange control or other consents which may be required and/or compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes or levies due in such jurisdiction.

If, in respect of any Overseas Shareholder, New MB is advised that the allotment and/or issuance of New MB Shares pursuant to the Scheme would or might infringe the laws of any jurisdiction outside the United Kingdom, or would or might require New MB to obtain any governmental or other consent or effect any registration, filing or other formality with which New MB is unable to comply or which it regards as unduly onerous, the Scheme provides that New MB may determine that the New MB Shares shall be issued to such shareholder and then sold on their behalf as soon as reasonably practicable. Alternatively, New MB may determine that no New MB Shares shall be issued to that shareholder but instead those New MB Shares shall be issued to a person appointed by New MB on behalf of such shareholder, on terms that they shall be sold on behalf of such shareholder as soon as reasonably practicable after the Scheme becomes effective. In either case, the sale will be at the best price which can reasonably be obtained at the time of sale, with the net proceeds of sale being remitted to the Overseas Shareholder concerned at the risk of such shareholder.

The New MB shares have not been approved or disapproved by the US Securities and Exchange Commission (the "SEC") or any other us or non-US governmental or regulatory authority, and neither the SEC nor any such other governmental or regulatory authority has confirmed or passed upon the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offence.

The New MB Shares to be issued under the Scheme will not be registered under the U.S. Securities Act of 1933 (the “U.S. Securities Act”), or the securities laws of any state of the United States. Such securities will be issued in reliance upon the exemption from registration provided by section 3(a)(10) of the U.S. Securities Act on the basis of the approval of the Court, which will consider, among other things, the fairness of the Scheme to the persons affected.

Overseas Shareholders should consult their own legal, financial and tax advisers with respect to the legal, financial and tax consequences of the Scheme in their particular circumstances.

## **12 INITIAL SHARE CAPITAL OF NEW MB**

On incorporation, New MB’s share capital consisted of two ordinary shares with a par value of £1.00 each (the “**Ordinary Subscriber Shares**”) which were issued, and fully paid, to the New MB Initial Shareholders and 50,000 redeemable preference shares with a par value of £1.00 each (the “**Redeemable Preference Subscriber Shares**”) which were issued to the New MB Initial Shareholders and paid up to £0.25 per share to enable New MB to obtain a trading certificate pursuant to section 761 of the Companies Act.

It is proposed that the Redeemable Preference Subscriber Shares will be fully paid up by the New MB Initial Shareholders and then redeemed and cancelled by New MB after the Scheme Effective Date.

With effect from the Scheme Effective Date, the Ordinary Subscriber Shares will become Special Subscriber Shares and:

- (a) the holders of the Special Subscriber Shares shall be entitled out of the profits available for distribution and resolved to be distributed, in priority to any payment of any dividend to the holders of the ordinary shares but subordinate to the payment of any dividend to the holders of any other class of shares, to the amount of £0.01 per Special Subscriber Share per annum for each full calendar year for which such Special Subscriber Share is in issue;
- (b) if there is a return of capital on winding-up or otherwise, the holders of the Special Subscriber Shares shall be entitled in priority to the holders of the ordinary shares but subordinate to the holders of any other class of shares, to repayment of the amount paid up or credited as paid up on the Special Subscriber Shares; and
- (c) the holders of the Special Subscriber Shares shall not be entitled to receive notice of or attend and vote at any general meeting of New MB unless a resolution is to be proposed which varies, modifies, alters or abrogates any of the rights attaching to the Special Subscriber Shares.

It is proposed that the Special Subscriber Shares will be cancelled as part of the New MB Reduction of Capital for their nominal value.

## **13 SHAREHOLDER AUTHORITIES RELATING TO NEW MB**

The New MB Initial Shareholders and/or New MB Directors are expected to pass prior to the MB Court Meeting, certain resolutions in order to, among other matters, authorise New MB to carry out the actions required of it in relation to the Scheme and the related proposals. The intention is that New MB will, following the Scheme Effective Date, have in place substantially similar shareholder authorities to those applying to the Company as at the Scheme Effective Date, as well as authorities to facilitate the implementation of the Scheme and of the Bonus Issue, and the reduction of capital described in Section 14, including:

- (a) the approvals of the share plan of New MB;
- (b) the approval of the Directors’ Remuneration Policy of New MB;
- (c) the appointment of auditors of New MB;
- (d) the authority for the New MB Audit Committee to determine the auditors’ remuneration;
- (e) the authority to apply a ratio in relation to the fixed and variable components of remuneration for individuals whose remuneration is regulated by the PRA’s Remuneration Code, such that the variable component of total remuneration for such an individual does not exceed two hundred per cent. (200%) of the fixed component of the total remuneration for that individual;
- (f) the authority for the New MB Directors to allot New MB Shares generally, up to a specified limit;

- (g) the authority for the New MB Directors to allot New MB Shares in connection with an offer by way of a rights issue, up to a specified limit;
- (h) the authority for the New MB Directors to disapply pre-emption rights generally, up to a specified limit;
- (i) the authority for the New MB Directors to disapply pre-emption rights in relation to acquisitions or specified capital instruments, up to a specified limit;
- (j) the ability for New MB to call general meetings (other than annual general meetings) on not less than 14 clear days' notice;
- (k) upon the Scheme Effective Date, the Ordinary Subscriber Shares be converted into and redesignated as special shares of £1.00 each (the "**Special Subscriber Shares**") having the rights and being subject to the conditions as described in Section 12 above; and
- (l) the approval of the Bonus Issue (conditional on the Scheme becoming effective) and of the New MB Reduction of Capital (conditional on the Bonus Issue) as described in Section 14 below.

#### **14 CREATION OF DISTRIBUTABLE RESERVES IN NEW MB**

Whilst New MB will have no distributable profits or reserves immediately upon the Scheme becoming effective, New MB will have a significant merger reserve.

The merger reserve will be undistributable and cannot be directly reduced or cancelled. However, New MB intends to capitalise the merger reserve shortly after the Scheme Effective Date. This involves using the entirety of the merger reserve arising from the implementation of the Scheme to pay up newly issued shares ("**New MB Bonus Shares**") by way of a bonus issue to New MB Shareholders in proportion to the number of New MB Shares held by them at that time (the "**Bonus Issue**").

New MB intends to carry out a reduction of capital by cancelling the New MB Bonus Shares and the Special Subscriber Shares as soon as possible after the New MB Bonus Shares are issued (the "**New MB Reduction of Capital**"), subject to the approval of the Court. The cancellation of the New MB Bonus Shares and the Special Subscriber Shares would create a realised profit of New MB which, after the deduction of any realised losses of New MB, would be available for distribution. New MB does not anticipate declaring a dividend in the near future.

The New MB Bonus Shares will rank in preference to the New MB Shares but subordinate to the Redeemable Preference Subscriber Shares and the Special Subscriber Shares, in a distribution of capital on a winding-up and in relation to any profits available for distribution and resolved to be distributed, in the amount of £0.000001 on each such share per annum for each full calendar year for which it is in issue. The New MB Bonus Shares will not carry a right to receive notice, attend or vote at general meetings.

As the New MB Bonus Shares will only exist for a short amount of time, they will not be transferable, no share certificates will be issued in respect of them and they will not be admitted to CREST.

The Bonus Issue and the reduction of capital described in this Section 14 will be conditional on the Scheme taking effect and on receiving the applicable shareholder approvals described in Section 13 above.

#### **15 PROSPECTUS**

New MB has prepared the Prospectus for the purposes of and in connection with Admission, which is incorporated into this document by reference, and MB Shareholders should read the Prospectus alongside this document. For the purposes of Rule 3.2 of the Prospectus Regulation Rules, the Prospectus will be published in electronic form and be available on New MB's website at [www.metrobankonline.co.uk/investor-relations](http://www.metrobankonline.co.uk/investor-relations). MB Shareholders can also request a printed copy of the Prospectus to be delivered to them upon request and free of charge. MB Shareholders wishing to request a printed copy of the Prospectus should contact the Company by e-mail to [companysecretary@metrobank.plc.uk](mailto:companysecretary@metrobank.plc.uk). The distribution of the Prospectus in, into or from jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and, therefore, MB Shareholders requesting a Prospectus to be delivered outside the United Kingdom should inform themselves about, and observe, any such restrictions.

The Prospectus includes at Part XIV a summary of certain tax consequences of the Scheme for MB Shareholders and at Part XII a discussion of the New Group's financial condition and results of operations, and the attention of MB Shareholders is drawn in particular to that information.

## 16 FURTHER INFORMATION

You should read the whole of this document.

Your attention is drawn, in particular, to the letter from the Chair in Part I (*Letter from the Chair*) of this document, the additional information set out in Part III (*Additional Information*) of this document, the Scheme set out in Part IV (*The Scheme of Arrangement*) of this document, the notices of meeting in Part VI (*Notice of MB Court Meeting*) and Part VII (*Notice of MB General Meeting*) of this document and to the Prospectus.

## 17 ACTION TO BE TAKEN

MB Shareholders will find enclosed with this document:

- (a) a Blue Form of Proxy for use in connection with the MB Court Meeting; and
- (b) a Yellow Form of Proxy for use in connection with the MB General Meeting.

It is important that, for the MB Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of the opinion of MB Shareholders.

If you are not able to attend the MB Court Meeting and/or the MB General Meeting, please instead complete, sign and return the Form(s) of Proxy (as applicable), as soon as possible and in any event to MB's Registrar, Equiniti, at their address: Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, as follows:

- (a) **Blue Form of Proxy for the MB Court Meeting by 10.30 a.m. (London time) on 24 April 2023; and**
- (b) **Yellow Form of Proxy for the MB General Meeting by 10.45 a.m. (London time) on 24 April 2023,**

(or, in the case of an adjourned meeting, no later than 48 hours prior to the time and date set for the adjourned Meeting, excluding any part of such 48 hour period falling on a day that is not a Business Day).

You can also appoint your proxy electronically at Equiniti's website, [www.sharevote.co.uk](http://www.sharevote.co.uk) by no later than 10.30 a.m. (London time) on 24 April 2023, in the case of the MB Court Meeting, and 10.45 a.m. (London time) on 24 April 2023, in the case of the MB General Meeting (or, in the case of any adjournment, no later than 48 hours prior to the time fixed for the adjourned meeting, excluding any part of such 48 hour period falling on a day that is not a Business Day). If you are registered with [www.shareview.co.uk](http://www.shareview.co.uk), you can log on and appoint a proxy through Equiniti's online service no later than 10.30 a.m. (London time) on 24 April 2023, in the case of the MB Court Meeting, and 10.45 a.m. (London time) on 24 April 2023, in the case of the MB General Meeting (or, in the case of any adjournment, no later than 48 hours prior to the time fixed for the adjourned meeting, excluding any part of such 48 hour period falling on a day that is not a Business Day).

If you hold your Old MB Shares in uncertificated form (i.e. in CREST), you may appoint a proxy using the CREST electronic proxy appointment service in accordance with the procedures set out in the CREST manual (please also refer to the accompanying notes for the Notice of MB General Meeting set out at the end of Part VII (*Notice of MB General Meeting*) of this document). A proxy appointment submitted via CREST (under CREST participant ID RA19) must be received by the Company's Registrar, Equiniti, not later than 10.30 a.m. (London time) on 24 April 2023, in the case of the MB Court Meeting, and by 10.45 a.m. (London time) on 24 April 2023, in the case of the MB General Meeting (or, in the case of any adjournment, no later than 48 hours prior to the time fixed for the adjourned meeting, excluding any part of such 48 hour period falling on a day that is not a Business Day).

In each case, the Forms of Proxy and voting instruction cards should be completed in accordance with the instructions printed on them.

The Blue Form of Proxy in respect of the MB Court Meeting may also be emailed to Equiniti at [proxyvotes@equiniti.com](mailto:proxyvotes@equiniti.com) before the time that the Court Meeting is due to commence or handed to the Registrar or the Chair immediately prior to the start of the MB Court Meeting, and it will still be valid. However, in the case of the MB General Meeting, the Yellow Form of Proxy will be invalid unless it is lodged so as to be received at least 48 hours before the time appointed for such Meeting (excluding any part of such 48 hour period falling on a day that is not a Business Day).



## PART III

### ADDITIONAL INFORMATION

#### 1 MB DIRECTORS

The MB Directors and their principal functions are as follows:

<b>MB Director</b>	<b>Position</b>
Robert Sharpe	Chair
Daniel Frumkin	Chief Executive Officer
James Hopkinson	Chief Financial Officer
Anna (Monique) Melis	Senior Independent Director
Catherine Brown	Independent Non-Executive Director
Anne Grim	Independent Non-Executive Director
Ian Henderson	Independent Non-Executive Director
Paul Thandi	Independent Non-Executive Director
Michael Torpey	Independent Non-Executive Director
Nicholas Winsor	Independent Non-Executive Director
Dorita Gilinski	Shareholder Appointed Non-Executive Director

Each of the MB Director's business address is One Southampton Row, London WC1B 5HA, and each of the MB Director's business telephone number is 020 3402 8385 or, when dialling from outside the United Kingdom, +44 20 3402 8385.

The New MB Directors are the same as the directors of the Company, and the management of New MB will be the same as the management of the Company as at the date of this document. New MB will replicate any changes to the composition of the MB Board that occur between the date of this document and the Scheme Effective Date. New MB will follow the Company in complying with the same principles of the UK Corporate Governance Code, retaining the Metro Bank Group's strong commitment to the high standards of governance and corporate responsibility.

#### 1.1 Directors' interests

On the Scheme becoming effective, assuming that no further Old MB Shares have been purchased by them or issued to them after the Latest Practicable Date and no Old MB Shares have been issued or repurchased by the Company after the Latest Practicable Date, the MB Directors will have the following beneficial interests in New MB Shares by virtue of the effect of the Scheme on their Old MB Shares:

<b>Name</b>	<b>Number of Old MB Shares</b>	<b>% of issued share capital of MB</b>
<b>MB Directors</b>		
Robert Sharpe	46,000	0.03
Daniel Frumkin	2,350,000	1.36
James Hopkinson	168,498	0.10
Anna (Monique) Melis	1,690	0.00
Catherine Brown	100	0.00
Anne Grim	22,500	0.01
Ian Henderson	15,000	0.01
Michael Torpey	20,000	0.01
Paul Thandi	30,000	0.02
Nicholas Winsor	150,000	0.09
Dorita Gilinski	0	0.00

The interests of the MB Directors together represent approximately 1.62 per cent. (1.62%) of the voting rights attaching to Old MB Shares as at the Latest Practicable Date.



## 1.2 Directors' incentive awards

As at the Latest Practicable Date, options and awards over Old MB Shares held by the MB Directors were as follows:

Name	Number of Old MB Shares subject to awards <sup>(1)(2)</sup>
Robert Sharpe	0
Daniel Frumkin	2,786,654
James Hopkinson	0
Anna (Monique) Melis	0
Catherine Brown	0
Anne Grim	0
Ian Henderson	0
Paul Thandi	0
Michael Torpey	0
Nicholas Winsor	0
Dorita Gilinski	0

Note:

- (1) The awards include both vested and unvested awards, and the vesting of some awards is subject to meeting performance conditions.
- (2) The Company froze the vesting of Old MB Share options and awards for the Executive Directors and the Executive Committee for awards granted for the 2018 and 2019 performance years, pending further analysis and the ongoing external investigations into the risk-weighted assets adjustment announced on 23 January 2019. The Remuneration Committee of the Company determined in January 2023 that awards for some colleagues not implicated in the regulators' conclusions no longer needed to be frozen. However, awards for one former executive director remain frozen for the time being pending the completion of other proceedings.

## 1.3 Directors' service agreements

Key details of the contracts of employment and/or service contracts of each Director are set out below:

Director	Date of appointment	Notice period
Daniel Frumkin	1 January 2020	12 months
Robert Sharpe	1 November 2020	One month
James Hopkinson	5 September 2022	12 months
Catherine Brown	1 October 2018	Three months
Anna (Monique) Melis	20 June 2017	Three months
Paul Thandi	1 January 2019	Three months
Anne Grim	20 April 2020	Three months
Ian Henderson	20 April 2020	Three months
Michael Torpey	1 September 2019	Three months
Nicholas Winsor	20 April 2020	Three months
Dorita Gilinski	26 September 2022	Three months

Any proposals for the early termination of the service contracts of Executive Directors are considered by the Nomination Committee taking into account contractual terms and the principles of mitigation.

The Non-Executive Directors have letters of appointment reflecting their responsibilities and commitments, pursuant to which they are currently appointed for a three-year term which may be renewed subject to their re-election by shareholders at annual general meetings.

## 2 SUMMARY OF THE CHANGES TO THE MB ARTICLES

The following is a summary of the changes which are proposed to be made to the MB Articles pursuant to the Scheme Resolution, which will be put to MB Shareholders at the MB General Meeting.

### **Issuance of Old MB Shares after the MB General Meeting**

In certain circumstances, Old MB Shares may need to be issued after the MB General Meeting but before the Scheme Record Time, but the timing of their issuance could mean that they are not classified as Scheme Shares and are therefore outside the scope of the Scheme. In addition, in certain other circumstances (such as pursuant to certain of the Existing MB Share Plans), Old MB Shares may be issued after the Scheme Record Time, which would also put them outside the scope of the Scheme. In order to address such situations, the MB Articles will be amended in such a way as to ensure that: (i) any Old MB Shares which are issued to any person other than New MB (or its nominee(s)) before the Scheme Record Time are issued subject to the terms of the Scheme and the holders of such shares will be bound by the Scheme accordingly; and (ii) any Old MB Shares which are issued after the Scheme Record Time will be immediately transferred to New MB in exchange for the issue or transfer to the relevant holders of one New MB Share for each Old MB Share transferred.

These measures will avoid any person other than New MB being left holding Old MB Shares after dealings in such shares have ceased on the London Stock Exchange and will further ensure that the Company becomes a wholly owned subsidiary of New MB despite issues of Old MB Shares that would otherwise not be classified as Scheme Shares.

### **3 THE NEW MB ARTICLES**

The New MB Articles are based on the MB Articles with some minor updates (excluding, for the avoidance of doubt, the changes to the MB Articles proposed to be made pursuant to the Scheme Resolution to be put to MB Shareholders at the MB General Meeting). These minor updates relate to the inclusion of clarificatory language acknowledging that certain actions that New MB may take (including in respect of the making and paying of certain distributions and any reduction of capital) are subject to the PRA's consent. These restrictions apply to the Company (and will apply to New MB) and these changes are clarificatory in nature only. Certain typographical errors have also been remedied and minor administrative changes reflected.

The New MB Articles also set out the terms of the New MB Bonus Shares.

The New MB Articles, together with a comparison document showing all changes made to the MB Articles in order to produce the New MB Articles, will be made available for inspection in accordance with Section 6 of this Part III (*Additional Information*).

### **4 FURTHER INFORMATION FOR OVERSEAS SHAREHOLDERS**

If you are a citizen, resident or national of a jurisdiction outside the United Kingdom, your attention is drawn to Section 11 of Part II (*Explanation of the Scheme and its Effects*) of this document for further details concerning the Scheme.

### **5 COSTS AND EXPENSES REGARDING ISSUE OF DOCUMENTATION**

All costs and expenses relating to the issue of this document and to the preparation and implementation of the Scheme will be borne by the Company.

### **6 DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents may be inspected during normal business hours on any Business Day at the registered office of the Company at 1 Southampton Row, London, WC1B 5HA up to and including the date of the MB General Meeting and for 15 minutes before and during the MB General Meeting:

- (a) the MB Articles;
- (b) the New MB Articles;
- (c) a comparison document showing all changes made to the MB Articles in order to produce the New MB Articles; and
- (d) this document.

**PART IV**  
**THE SCHEME OF ARRANGEMENT**

CR-2022-004282

**IN THE HIGH COURT OF JUSTICE  
BUSINESS AND PROPERTY COURTS  
OF ENGLAND AND WALES  
COMPANIES COURT (ChD)**

**IN THE MATTER OF METRO BANK PLC**

**-and-**

**IN THE MATTER OF THE COMPANIES ACT 2006**

---

SCHEME OF ARRANGEMENT  
*(under Part 26 of the Companies Act 2006)*

BETWEEN

METRO BANK PLC

AND

ITS SCHEME SHAREHOLDERS  
*(as hereinafter defined)*

---

**PRELIMINARY**

(A) In this Scheme, unless inconsistent with the subject or context, the following expressions shall bear the following meanings:

<b>“Business Day”</b>	a day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which banks are generally open for business in London other than solely for trading and settlement in Euro
<b>“certificated” or “in certificated form”</b>	a share or other security which is not in uncertificated form (that is, not in CREST)
<b>“Companies Act”</b>	the Companies Act 2006 (as amended)
<b>“Company”</b>	Metro Bank PLC, a public limited company incorporated in England and Wales with the registered number 06419578
<b>“Court”</b>	the High Court of Justice in England and Wales
<b>“Court Order”</b>	the order of the Court sanctioning this Scheme under section 899 of the Companies Act and confirming under section 648 of the Companies Act the Reduction of Capital and the cancellation of share premium account
<b>“CREST”</b>	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended)
<b>“Euroclear”</b>	Euroclear UK & International Limited, incorporated in England and Wales with registered number 02878738

<b>“holder”</b>	a registered holder, including any person entitled by transmission
<b>“Intra-Group Shares”</b>	ordinary shares of £0.000001 each in the capital of the Company to be issued to New MB pursuant to this Scheme
<b>“MB Court Meeting”</b>	the meeting of the Scheme Shareholders convened pursuant to an order of the Court under section 896 of the Companies Act to consider and, if thought fit, approve this Scheme, including any adjournment thereof
<b>“MB Statement of Capital”</b>	the statement of capital scheduled to the Court Order and approved by the Court
<b>“members”</b>	members of the Company on the register of members at any relevant date or time
<b>“New MB”</b>	Metro Bank Holdings PLC, a public limited company incorporated in England and Wales with the registered number 14387040
<b>“New MB Shares”</b>	ordinary shares of £0.000001 each in the capital of New MB
<b>“Old MB Shares”</b>	ordinary shares of £0.000001 each in the capital of the Company
<b>“Reduction of Capital”</b>	the reduction of capital by cancellation of the Scheme Shares provided for in Clause 1.1.2
<b>“Registrar of Companies”</b>	the Registrar of Companies in England and Wales
<b>“Scheme”</b>	this scheme of arrangement in its present form or with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by the Company and New MB
<b>“Scheme Effective Time”</b>	the time and date at which this Scheme becomes effective in accordance with Clause 7
<b>“Scheme Record Time”</b>	6.30 p.m. on the first Friday which is a Business Day after the day on which the Court makes the Court Order
<b>“Scheme Shareholder”</b>	a holder of one or more Scheme Shares at any relevant date or time
<b>“Scheme Shares”</b>	<p>(a) the Old MB Shares in issue at the date of this Scheme;</p> <p>(b) any Old MB Shares issued after the date of this Scheme and before the Scheme Voting Record Time; and</p> <p>(c) any Old MB Shares issued at or after the Scheme Voting Record Time and before the Scheme Record Time on terms that the holder thereof shall be bound by this Scheme, or in respect of which the original or any subsequent holders thereof shall have agreed in writing to be bound by this Scheme,</p> <p>and in each case (where the context requires) remaining in issue at the Scheme Record Time, but excluding any Old MB Shares held by the Company in treasury at any relevant date or time</p>
<b>“Scheme Voting Record Time”</b>	6.30 p.m. on the day which is two Business Days before the date of the MB Court Meeting or, if the MB Court Meeting is adjourned, 6.30 p.m. on the date which is two Business Days before the date of the adjourned meeting
<b>“uncertificated” or “in uncertificated form”</b>	recorded on the relevant register as being held in uncertificated form in CREST and title to which may be transferred by means of CREST

References to **“clauses”** are to clauses of this Scheme, and references to time are to London time.

- (B) The issued share capital of the Company as at the close of business on 17 March 2023 (being the latest practicable date prior to the date of this Scheme) was £172,565,309 divided into 172,565,309 Ordinary Shares of £0.000001 each, all of which were credited as fully paid and none of which were held in treasury. It is proposed that a special share of £1.00 in the capital of the Company be issued to New MB for cash before the Scheme Record Time.

- (C) New MB was incorporated and registered in England and Wales under the Companies Act on 29 September 2022, with the registered number 14387040, as a public limited company under the name MB Group Topco PLC, which name was changed to its present name on 12 December 2022.
- (D) The issued share capital of New MB at the date of this Scheme is £50,002 divided into two fully paid ordinary shares of £1.00 each and 50,000 partly paid redeemable preference shares of £1.00 each, which are each paid up as to 25 pence of their nominal value. It is proposed that all the redeemable preference shares be redeemed after this Scheme becomes effective.
- (E) Upon the Scheme Effective Date, the two ordinary shares of £1.00 each in New MB shall be redesignated as special subscriber shares of £1.00 each. It is proposed that the special subscriber shares be cancelled by reduction of capital after this Scheme becomes effective.
- (F) New MB has agreed to appear by counsel at the hearing to sanction this Scheme and to submit to be bound by and to undertake to the Court to be bound by this Scheme and to execute and do or procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it for the purpose of giving effect to this Scheme.

## THE SCHEME

### 1 Cancellation of share premium account and of the Scheme Shares

#### 1.1 At the Scheme Effective Time:

1.1.1 the share premium account of the Company shall be cancelled; and

1.1.2 the share capital of the Company shall be reduced by cancelling and extinguishing all of the Scheme Shares.

1.2 Subject to and forthwith upon the Reduction of Capital taking effect and notwithstanding anything to the contrary in the articles of association of the Company, the reserve arising in the books of account of the Company as a result of the Reduction of Capital shall be capitalised and applied in paying up in full at par such number of new Intra-Group Shares as shall be equal to the aggregate number of the Scheme Shares cancelled pursuant to Clause 1.1.2, and such Intra-Group Shares shall be allotted and issued, credited as fully paid, to New MB and/or its nominee(s).

### 2 Consideration for the cancellation of the Scheme Shares

2.1 In consideration of the cancellation of the Scheme Shares and the allotment and issue of the Intra-Group Shares pursuant to Clause 1, New MB shall (subject to Clause 3) allot and issue New MB Shares to the Scheme Shareholders (as appearing in the register of members of the Company at the Scheme Record Time) on the following basis:

**For each Scheme Share, one (1) New MB Share.**

2.2 The New MB Shares allotted and issued pursuant to Clause 2.1 shall be issued credited as fully paid, shall rank equally in all respects with all other fully paid New MB Shares in issue at the Scheme Effective Time and shall be entitled to all dividends and other distributions declared, paid or made by New MB by reference to a record time at or after the Scheme Effective Time.

### 3 Overseas shareholders

3.1 The provisions of Clause 2 shall be subject to any prohibition or condition imposed by law. Without prejudice to the generality of the foregoing, if, in respect of any Scheme Shareholder with a registered address in a jurisdiction outside the United Kingdom or whom New MB reasonably believes to be a citizen, resident or national of, or located in, a jurisdiction outside the United Kingdom, New MB is advised that the allotment and/or issue of New MB Shares pursuant to Clause 2 would or may infringe the laws of such jurisdiction or would or might require New MB or the Company to comply with any governmental or other consent or any registration, filing or other formality with which New MB or the Company is unable to comply or in compliance with which New MB or the Company regards as unduly onerous, New MB may, in its sole discretion, either:

3.1.1 determine that such New MB Shares shall be sold, in which event the New MB Shares shall be issued to such Scheme Shareholder and New MB shall appoint a person to act pursuant to this Clause 3.1.1 and such person shall be authorised on behalf of such Scheme Shareholder to procure that such New MB Shares shall, as soon as practicable following the Scheme Effective Time, be sold; or

3.1.2 determine that such New MB Shares shall not be issued to such Scheme Shareholder, but shall instead be issued to a person appointed by New MB to hold such New MB Shares on terms that such person shall, as soon as practicable following the Scheme Effective Time, sell the New MB Shares so issued.

3.2 Any sale under Clause 3.1 shall be carried out at the best price which can reasonably be obtained at the time of sale and the net proceeds of such sale (after the deduction of all expenses and commissions incurred in connection with such sale, including any value added tax payable on the proceeds of sale) shall be paid to such Scheme Shareholder in accordance with Clause 4.

3.3 To give effect to any sale under Clause 3.1, the person appointed by New MB in accordance with Clause 3.1.1 shall be authorised as attorney or agent on behalf of the Scheme Shareholder concerned, and the person appointed by New MB in accordance with Clause 3.1.2 shall be

authorised, to execute and deliver as transferor a form of transfer or other instrument or instruction of transfer (whether as a deed or otherwise) and to give such instructions and to do all other things which such person may consider necessary or expedient in connection with such sale. In the absence of bad faith or wilful default, none of the Company, New MB or the person so appointed shall have any liability for any determination made pursuant to Clause 3.1 or for any loss or damage arising as a result of the timing or terms of any sale pursuant to Clause 3.1.

#### **4 Settlement of consideration**

**4.1** As soon as practicable after the Scheme Effective Time, New MB shall:

4.1.1 allot and issue the New MB Shares which it is required to allot and issue to Scheme Shareholders pursuant to Clause 2, and:

- (a) in the case of Scheme Shares which at the Scheme Record Time are in certificated form, procure the despatch of certificates for such New MB Shares to the persons entitled thereto; and
- (b) in the case of Scheme Shares which at the Scheme Record Time are in uncertificated form, procure that Euroclear is instructed to credit the appropriate stock account in CREST of the relevant Scheme Shareholder with such Scheme Shareholder's entitlement to such New MB Shares, provided that New MB reserves the right to settle all or part of such consideration in the manner set out in Clause 4.1.1(a) if, for reasons outside its reasonable control, it is not able to effect settlement in accordance with this Clause 4.1.1(b) or to do so would incur material additional costs;

4.1.2 in the case of New MB Shares sold pursuant to Clause 3.1 and issued in respect of Scheme Shares which at the Scheme Record Time are in certificated form, procure the despatch to the persons entitled thereto of cheques for the sums payable to them respectively; and

4.1.3 in the case of New MB Shares sold pursuant to Clause 3.1 and issued in respect of Scheme Shares which at the Scheme Record Time are in uncertificated form, procure that Euroclear is instructed to create an assured payment obligation in favour of the payment bank of the persons entitled thereto in accordance with the CREST assured payment arrangements for the sums payable to them respectively, provided that New MB reserves the right to make payment of the said sums by cheque as set out in Clause 4.1.2 if, for reasons outside its reasonable control, it is not able to effect settlement in accordance with this Clause 4.1.3 or to do so would incur material additional costs.

**4.2** All deliveries of share certificates and cheques pursuant to this Scheme shall be effected by sending the same by first class post (or international standard post or airmail, if overseas) in prepaid envelopes addressed to the persons entitled to them at their respective addresses as appearing in the register of members of the Company at the Scheme Record Time or, in the case of joint holders, at the address of that one of the joint holders whose name stands first in such register in respect of such joint holding at the Scheme Record Time, and none of the Company, New MB or any person appointed by New MB in accordance with Clause 3.1 or their respective agents shall be responsible for any loss or delay in the transmission or delivery of any share certificates or cheques sent in accordance with this Clause 4.2 which shall be sent at the risk of the persons entitled thereto.

**4.3** All cheques shall be in sterling, drawn on a UK clearing bank and shall be made payable to the relevant Scheme Shareholder (except that, in the case of joint holders, New MB reserves the right to make such cheques payable to the joint holder whose name stands first in the register of members of the Company in respect of such joint holding at the Scheme Record Time), and the encashment of any such cheque or the creation of any such assured payment obligation in accordance with Clause 4.1.3 shall be a complete discharge of New MB's obligations under this Scheme to pay the relevant monies.

**4.4** The provisions of this Clause 4 shall be subject to any prohibition or condition imposed by law.



## **5 Share certificates and cancellation of entitlements**

With effect from, or as soon as practicable after, the Scheme Effective Time:

- 5.1** all certificates representing Scheme Shares shall cease to have effect as documents of title to the Scheme Shares comprised in the certificates and every Scheme Shareholder shall be bound at the request of the Company to deliver up their share certificate(s) to the Company (or any person appointed by the Company to receive them) or, if the Company so directs, to destroy them;
- 5.2** the Company shall procure that entitlements to Scheme Shares in uncertificated form are disabled and that Euroclear is instructed to cancel the entitlements of Scheme Shareholders to Scheme Shares in uncertificated form; and
- 5.3** the Company shall procure that appropriate entries are made in the register of members of the Company to reflect the cancellation of the Scheme Shares.

## **6 Mandates**

All mandates and other instructions relating to the monetary payment of dividends and all elections or instructions (or deemed instructions), including communication preferences, given to the Company and in force at the Scheme Record Time shall, unless and until varied or revoked, be deemed as from the Scheme Effective Time to be valid and effective mandates and instructions to New MB in relation to the corresponding New MB Shares issued pursuant to this Scheme.

## **7 Scheme Effective Time**

- 7.1** This Scheme shall become effective upon a copy of the Court Order (and a copy of the MB Statement of Capital) being delivered to the Registrar of Companies and, if so ordered by the Court, the Court Order and the MB Statement of Capital being registered by the Registrar of Companies.
- 7.2** Unless this Scheme shall have become effective on or before 31 December 2023 or such later date, if any, as the Company and New MB may agree and the Court may allow, this Scheme shall never become effective.

## **8 Modification**

The Company and New MB may jointly consent on behalf of all concerned to any modification of, or addition to, this Scheme or to any condition which the Court may approve or impose.

## **9 Governing law**

This Scheme shall be governed by the laws of England and Wales and subject to the exclusive jurisdiction of the Courts of England and Wales.

Dated 22 March 2023

## PART V

### DEFINITIONS

The following definitions apply throughout this document, other than in the Scheme set out in Part IV (*The Scheme of Arrangement*), unless the context requires otherwise:

“ <b>Admission</b> ”	admission of the New MB Shares to the premium listing segment of the Official List and to trading on the main market for listed securities of the London Stock Exchange
“ <b>Bonus Issue</b> ”	the capitalisation of merger reserve of New MB by issuing the New MB Bonus Shares credited as fully paid up to the New MB Shareholders in proportion to the number of New MB Shares held by them
“ <b>Business Day</b> ”	a day (other than a Saturday, Sunday or public holiday in England) on which banks are generally open for business in London other than solely for trading and settlement in Euro
“ <b>certificated</b> ” or “ <b>in certificated form</b> ”	a share or other security which is not in uncertificated form (that is, not in CREST)
“ <b>Companies Act</b> ”	the UK Companies Act 2006 (as amended)
“ <b>Company</b> ” or “ <b>MB</b> ”	Metro Bank PLC, a public limited company incorporated in England with the registered number 06419578
“ <b>Conditions</b> ”	the conditions to the implementation of the Scheme set out in Section 4 of Part II ( <i>Explanation of the Scheme and its Effects</i> ) of this document
“ <b>Court</b> ”	the High Court of Justice in England and Wales
“ <b>Court Order</b> ”	the order of the Court sanctioning the Scheme under section 899 of the Companies Act and confirming under section 648 of the Companies Act the reduction of capital by cancellation of the Scheme Shares and the cancellation of share premium account
“ <b>CREST</b> ”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations) in accordance with which securities may be held and transferred in uncertificated form
“ <b>CREST Regulations</b> ”	the Uncertificated Securities Regulations 2001 (SI 2001/3755)
“ <b>Directors</b> ”	the Executive Directors and Non-Executive Directors as at the date of this document
“ <b>EU CRR</b> ”	Regulation (EU) No 575/2013) as amended and in force (the EU Capital Requirements Regulation)
“ <b>Euroclear</b> ”	Euroclear UK & International Limited, incorporated in England and Wales with registered number 02878738
“ <b>Executive Directors</b> ”	the executive directors of the New MB as at the date of this document
“ <b>Existing MB Share Plans</b> ”	the Metro Bank Group’s employee share plans, consisting of Metro Bank’s: (i) Long Term Incentive Plan 2021; (ii) Deferred Variable Reward Plan 2016 (“ <b>DVRP</b> ”); (iii) Long-Term Reward Plan 2014 (“ <b>LTRP</b> ”); (iv) Company Share Option Plan annexed to the DVRP; (v) Company Share Option Plan annexed to the LTRP; and (vi) ShareBuy Plan and Trust Deed 2017
“ <b>FCA</b> ”	the FCA (as defined in the FSMA) (including the FCA acting in the capacity of competent authority for the purposes of Part 6 of the FSMA), or its successor from time to time

<b>“Forms of Proxy”</b>	the Blue Form of Proxy for use at the MB Court Meeting and the Yellow Form of Proxy for use at the MB General Meeting, both of which accompany this document, and a <b>“Form of Proxy”</b> means either of them as the context requires
<b>“FSMA”</b>	the Financial Services and Markets Act 2000, as amended
<b>“Intra-Group Shares”</b>	ordinary shares of £0.000001 each in the capital of the Company to be issued to New MB pursuant to the Scheme
<b>“Latest Practicable Date”</b>	17 March 2023, being the latest practicable date prior to the publication of this document
<b>“Listing Rules”</b>	the listing rules and regulations made by the FCA pursuant to Part 6 of the FSMA, and contained in the FCA’s publication of the same name
<b>“London Stock Exchange”</b>	London Stock Exchange plc
<b>“MB Articles”</b>	the articles of association of the Company adopted by the Company on 4 March 2016, being the articles of association of the Company as at the date of this document
<b>“MB Board”</b>	the MB Directors collectively
<b>“MB Court Meeting”</b>	the meeting of MB Shareholders to be convened pursuant to an order of the Court under section 899 of the Companies Act for the purpose of considering and, if thought fit, approving the Scheme and any adjournment
<b>“MB Directors”</b>	the directors of the Company at the time of publication of this document
<b>“MB General Meeting”</b>	the general meeting of MB Shareholders to be convened for the purpose of considering and, if thought fit, passing the Scheme Resolution and any adjournment, postponement or reconvention thereof
<b>“MB Share Premium Account Cancellation”</b>	the cancellation of the Company’s share premium account pursuant to the Scheme
<b>“MB Shareholders”</b>	the holders of the Old MB Shares from time to time
<b>“MB Statement of Capital”</b>	the statement of capital scheduled to the Court Order and approved by the Court
<b>“Meetings”</b>	the MB Court Meeting and the MB General Meeting
<b>“Metro Bank Group”</b>	the Company and its subsidiary undertakings and, where the context requires, its associated undertakings
<b>“MREL”</b>	the minimum requirement for own funds and eligible liabilities
<b>“New Group”</b>	New MB and its subsidiary undertakings and, where the context requires, its associated undertakings, in each case, as if the Scheme has been implemented in accordance with its terms
<b>“New MB”</b>	Metro Bank Holdings PLC, a public limited company incorporated in England and Wales with the registered number 14387040
<b>“New MB Articles”</b>	the articles of association of New MB approved by the New MB Initial Shareholders to take effect as the articles of association of New MB on the incorporation of New MB
<b>“New MB Audit Committee”</b>	the audit committee of New MB
<b>“New MB Bonus Shares”</b>	special shares of £0.000001 each in the capital of New MB to be issued by way of the Bonus Issue
<b>“New MB Directors”</b>	the directors of New MB
<b>“New MB Initial Shareholders”</b>	Robert Sharpe and Daniel Frumkin

<b>“New MB Reduction of Capital”</b>	the reduction of capital of New MB by cancelling the New MB Bonus Shares and the Special Subscriber Shares
<b>“New MB Shareholders”</b>	the holders of the New MB Shares
<b>“New MB Shares”</b>	ordinary shares of £0.000001 each in the capital of New MB proposed to be issued and allotted as fully paid by New MB to the holders of Scheme Shares pursuant to the Scheme
<b>“Nomination Committee”</b>	the nomination committee of the New MB
<b>“Non-Executive Directors”</b>	the non-executive directors of the New MB as at the date of this document
<b>“Official List”</b>	the official list maintained by the FCA pursuant to the FSMA
<b>“Old MB Shares”</b>	ordinary shares of £0.000001 each in the capital of the Company
<b>“Ordinary Subscriber Shares”</b>	ordinary shares in the capital of New MB of £1.00 each in issue as at the date of this document
<b>“Overseas Shareholder”</b>	an MB Shareholder with a registered address outside the United Kingdom or whom New MB reasonably believes to be a citizen, resident or national of, or located in, a jurisdiction outside the United Kingdom
<b>“pence”, “sterling” or “£”</b>	the lawful currency of the United Kingdom
<b>“PRA” or “Prudential Regulation Authority”</b>	the Prudential Regulation Authority (as defined in the FSMA) or its successor from time to time
<b>“Prospectus Regulation Rules”</b>	the Prospectus Regulation Rules of the FCA made under section 73A of the FSMA
<b>“Redeemable Preference Subscriber Shares”</b>	redeemable preference shares in the capital of the New MB of £1.00 each in issue as at the date of this document
<b>“Registrar” or “Equiniti”</b>	Equiniti Limited
<b>“Registrar of Companies”</b>	the Registrar of Companies in England and Wales
<b>“Scheme”</b>	the scheme of arrangement pursuant to Part 26 of the Companies Act which is set out in Part IV ( <i>The Scheme of Arrangement</i> ) of this document with or subject to any modification, addition or condition approved or imposed by the Court and agreed by the Company
<b>“Scheme Court Hearing”</b>	the hearing by the Court to sanction the Scheme pursuant to section 899 of the Companies Act
<b>“Scheme Effective Date”</b>	the date on which the Scheme becomes effective in accordance with its terms, expected to be 19 May 2023
<b>“Scheme Record Time”</b>	6.30 p.m. on the first Friday which is a Business Day after the day on which the Court sanctions the Scheme, expected to be 19 May 2023
<b>“Scheme Resolution”</b>	the special resolution to be proposed at the MB General Meeting as set out in Part VII ( <i>Notice of MB General Meeting</i> ) of this document
<b>“Scheme Shareholders”</b>	the holders of Scheme Shares
<b>“Scheme Shares”</b>	<ul style="list-style-type: none"> <li>(a) the Old MB Shares in issue at the date of this document;</li> <li>(b) any Old MB Shares issued after the date of this document and before the Scheme Voting Record Time; and</li> <li>(c) any Old MB Shares issued at or after the Scheme Voting Record Time and before the Scheme Record Time on terms that the holder thereof shall be bound by the Scheme, or in respect of which the original or any subsequent holders thereof shall have agreed in writing to be bound by the Scheme,</li> </ul>

and in each case (where the context requires) remaining in issue at the Scheme Record Time, but excluding any Old MB Shares held by the Company in treasury at any relevant date or time

<b>“Special Share”</b>	the one non-voting special share of £1.00 in the capital of the Company
<b>“Special Subscriber Shares”</b>	the special shares of £1.00 each in the capital of New MB, following the redesignation of the Ordinary Subscriber Shares
<b>“subsidiary”, “subsidiary undertaking” and “undertaking”</b>	shall be construed in accordance with the Companies Act
<b>“UK” or “United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland
<b>“UK CRR”</b>	Regulation (EU) No 575/2013 as it forms part of retained EU law as defined in the European Union (Withdrawal) Act 2018
<b>“Voting Record Time”</b>	6.30 p.m. on the Business Day falling two Business Days before the date of the MB Court Meeting or the MB General Meeting or any adjournment thereof (as the case may be)

Any references to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

**PART VI**  
**NOTICE OF MB COURT MEETING**  
**METRO BANK PLC**

**CR-2022-004282**

**IN THE HIGH COURT OF JUSTICE  
BUSINESS AND PROPERTY COURTS  
OF ENGLAND AND WALES  
COMPANIES COURT (ChD)  
DEPUTY ICC JUDGE PASSFIELD**

**IN THE MATTER OF METRO BANK PLC**

**- and -**

**IN THE MATTER OF THE COMPANIES ACT 2006**

NOTICE IS GIVEN that, by an Order dated 13 March 2023 made in the above matters, the Court has given permission for a meeting (the “**Court Meeting**”) to be convened of the Scheme Shareholders (as defined in the scheme of arrangement referred to below) for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement (the “**Scheme**”) proposed to be made between Metro Bank PLC (registered in England and Wales with the registered number 06419578) (the “**Company**”) and the Scheme Shareholders, and that such meeting shall be held at **first floor, One Southampton Row, London WC1B 5HA at 10.30 a.m. (London time) on 26 April 2023** (or as soon thereafter as the annual general meeting of the Company convened for the same day has finished or is adjourned) at which place and time all Scheme Shareholders are requested to attend.

A copy of the Scheme and a copy of the explanatory statement required to be furnished pursuant to section 897 of the Companies Act 2006 are incorporated in the document of which this Notice forms part.

**Scheme Shareholders entitled to attend and vote at the Court Meeting may vote in person or they may appoint another person, whether a member of the Company or not, as their proxy to attend and vote at the Court Meeting.**

A Blue Form of Proxy for use in connection with the Court Meeting is enclosed with this Notice or shall be sent in a separate mailing to those Scheme Shareholders who have elected or are deemed to have elected to receive documents and notices from the Company via the Company’s website. Scheme Shareholders entitled to attend and vote at the Court Meeting who hold their shares through CREST may appoint a proxy using the CREST electronic proxy appointment service.

Scheme Shareholders entitled to attend and vote at the Court Meeting may appoint a proxy electronically by logging on to the Sharevote website, [www.sharevote.co.uk](http://www.sharevote.co.uk), using their personal Authentication Reference Number (this is the series of numbers printed under the headings Voting ID, Task ID and Shareholder Reference Number on the Blue Form of Proxy). Alternatively, Scheme Shareholders who have already registered with the Company’s Registrar, Equiniti’s online portfolio service, Shareview, can appoint their proxy electronically by logging on to their portfolio at [www.shareview.co.uk](http://www.shareview.co.uk) by using their usual user ID and password. Once logged in, simply click “view” on the “My Investments” page, click on the link to vote and then follow the on-screen instructions. Full details and instructions on these electronic proxy facilities are given on the respective websites. Scheme Shareholders should note that they may not appoint more than one proxy in respect of their shareholding through the Sharevote or Shareview service, and if they wish to appoint more than one proxy, they should request Blue Forms of Proxy from the Company’s Registrar, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, and submit them as set out below.

**Completion and return of the Blue Form of Proxy or the appointment of a proxy through CREST or electronically shall not prevent a Scheme Shareholder from attending and voting in person at the Court Meeting or any adjournment thereof.**

Scheme Shareholders are entitled to appoint a proxy in respect of some or all of their shares. Scheme Shareholders are also entitled to appoint more than one proxy, provided that each proxy is appointed to

exercise the rights attached to a different share or shares held by such Scheme Shareholder. A space has been included in the Blue Form of Proxy to allow Scheme Shareholders to specify the number of shares in respect of which that proxy is appointed. Scheme Shareholders who return the Blue Form of Proxy duly executed but leave this space blank shall be deemed to have appointed the proxy in respect of all their Scheme Shares.

Scheme Shareholders who wish to appoint more than one proxy in respect of their shareholding should contact the Company's Registrar, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA for further Blue Forms of Proxy or photocopy the Blue Form of Proxy as required. Such Scheme Shareholders should also read the information regarding the appointment of multiple proxies set out on the Blue Form of Proxy.

It is requested that the Blue Form of Proxy for the Court Meeting, and any power of attorney or other authority under which it is executed (or a duly certified copy of any such power or authority), be lodged with the Company's Registrar, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, or be submitted through CREST or electronically, by no later than **10.30 a.m. (London time) on 24 April 2023** (or not less than 48 hours before the time appointed for any adjourned meeting, excluding any part of such 48 hour period falling on a day that is not a Business Day). However, any Blue Forms of Proxy not so lodged may be emailed to the Company's Registrar, Equiniti at proxyvotes@equiniti.com, before the time that the Court Meeting is due to commence, or handed to the Registrar or the Chair immediately prior to the start of the Court Meeting, and will still be valid.

In the case of joint holders of Scheme Shares, the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding (the first being the most senior).

Entitlement to attend and vote at the Court Meeting or any adjournment of it and the number of votes which may be cast at the Court Meeting shall be determined by reference to the register of members of the Company at 6.30 p.m. on the day which is two business days before the date of the Court Meeting or adjourned meeting (as the case may be). In each case, changes to the register of members of the Company after such time shall be disregarded.

By the said order, the Court has appointed Robert Sharpe or, failing him, Monique Melis, or failing her, Daniel Sweeney Frumkin, or failing them any other Director of the Company to act as the Chair of the Court Meeting and has directed the Chair to report the result of the Court Meeting to the Court.

The Scheme will be subject to the subsequent sanction of the Court.

**Dated: 22 March 2023**

Linklaters LLP  
One Silk Street  
London  
EC2Y 8HQ  
United Kingdom  
*Solicitors for the Company*



**PART VII**  
**NOTICE OF MB GENERAL MEETING**  
**METRO BANK PLC**

*(a public limited company registered in England and Wales with registered number 06419578)*

NOTICE IS GIVEN that a general meeting of Metro Bank PLC (the “**Company**”) shall be held at **first floor, One Southampton Row, London WC1B 5HA at 10.45 a.m. (London time) on 26 April 2023** (or as soon thereafter as the MB Court Meeting (as defined in the document of which this Notice forms part) has concluded or been adjourned) for the purpose of considering and, if thought fit, passing the following resolution which shall be proposed as a special resolution. Voting on the special resolution shall be by way of a poll.

**SPECIAL RESOLUTION**

THAT:

- (1) for the purpose of giving effect to the scheme of arrangement dated 22 March 2023 (the “**Scheme**”) between the Company and its Scheme Shareholders (as defined in the Scheme), a print of which has been produced at this meeting and for the purposes of identification signed by the chair of this meeting, in its original form or subject to any modification, addition or condition agreed by the Company and Metro Bank Holdings PLC and approved or imposed by the High Court of Justice in England and Wales:
  - (a) the directors of the Company (or a duly authorised committee of the directors) be authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect;
  - (b) the share premium account of the Company be cancelled;
  - (c) the share capital of the Company be reduced by cancelling and extinguishing all of the Scheme Shares (as defined in the Scheme);
  - (d) subject to and forthwith upon the reduction of share capital referred to in paragraph (c) above taking effect and notwithstanding anything to the contrary in the articles of association of the Company:
    - (i) the reserve arising in the books of account of the Company as a result of the reduction of share capital referred to in paragraph (c) above be capitalised and applied in paying up in full at par such number of new ordinary shares of £0.000001 each in the capital of the Company (the “**Intra-Group Shares**”) as shall be equal to the aggregate number of Scheme Shares cancelled pursuant to paragraph (c) above, and such Intra-Group Shares be allotted and issued, credited as fully paid, to Metro Bank Holdings PLC and/or its nominee(s); and
    - (ii) the directors of the Company be generally and unconditionally authorised pursuant to and in accordance with section 551 of the Companies Act 2006 to allot the new Intra-Group Shares referred to in paragraph (d)(i) above, provided that (1) the maximum aggregate nominal amount of the shares which may be allotted under this authority shall be the aggregate nominal amount of the said Intra-Group Shares created pursuant to paragraph (d)(i) above, (2) this authority shall expire on the fifth anniversary of the date of this resolution, and (3) this authority shall be in addition and without prejudice to any other authority under the said section 551 previously granted and in force on the date on which this resolution is passed;
- (2) with effect from the passing of this resolution, the articles of association of the Company be amended by the adoption and inclusion of the following new article 124:

**“124 Scheme of Arrangement**

**124.1** In this Article, the “**Scheme**” means the scheme of arrangement dated 22 March 2023 between the Company and its Scheme Shareholders (as defined in the Scheme) under Part 26 of the Companies Act 2006 in its original form or with or subject to any modification, addition or condition approved or imposed by the High Court of Justice in England and Wales and agreed by the Company and Metro Bank Holdings PLC (“**New MB**”) and (save as defined in this Article) expressions defined in the Scheme shall have the same meanings in this Article.

- 124.2** Notwithstanding any other provision of these Articles, if the Company issues or transfers out of treasury any shares (other than to New MB or its nominee(s)) after the adoption of this Article and before the Scheme Record Time, such shares shall be issued or transferred subject to the terms of the Scheme (and shall be Scheme Shares for the purposes of the Scheme) and the holders of such shares shall be bound by the Scheme accordingly.
- 124.3** Notwithstanding any other provision of these Articles and subject to the Scheme becoming effective, if any shares are issued or transferred out of treasury to any person (a “**New Member**”) (other than under the Scheme or to New MB or its nominee(s)) at or after the Scheme Record Time (the “**Post-Scheme Shares**”), they shall be immediately transferred to New MB (or as it may direct) in consideration of (subject as hereinafter provided) the allotment and issue or transfer to the New Member of such number of ordinary shares in the capital of New MB (the “**Consideration Shares**”) for each Post-Scheme Share equal to the consideration per Scheme Share due pursuant to the Scheme, provided that if, in respect of any New Member with a registered address in a jurisdiction outside the United Kingdom or whom the Company reasonably believes to be a citizen, resident or national of a jurisdiction outside the United Kingdom, the Company is advised that the allotment and/or issue or transfer of Consideration Shares pursuant to this Article would or may infringe the laws of such jurisdiction or would or may require the Company or New MB to comply with any governmental or other consent or any registration, filing or other formality with which the Company or New MB is unable to comply or compliance with which the Company or New MB regards as unduly onerous, the Company may, in its sole discretion, determine that such Consideration Shares shall be sold or a cash amount equal to the value of the Consideration Shares shall be paid to the New Member. In the event that the Consideration Shares are to be sold, the Company shall appoint a person to act as attorney or agent for the New Member pursuant to this Article and such person shall be authorised on behalf of such New Member to procure that any shares in respect of which the Company has made such determination shall, as soon as practicable following the allotment, issue or transfer of such shares, be sold, including being authorised to execute and deliver as transferor a form of transfer or other instrument or instruction of transfer on behalf of the New Member (whether as a deed or otherwise). The net proceeds of such sale (after the deduction of all expenses and commissions incurred in connection with such sale, including any value added tax payable on the proceeds of sale), or the cash amount equal to the value of the Consideration Shares, shall be paid to the persons entitled thereto in due proportions as soon as practicable, save that any fractional cash entitlements shall be rounded down to the nearest whole penny.
- 124.4** On any reorganisation of, or material alteration to, the share capital of the Company or New MB (including, without limitation, any subdivision and/or consolidation) effected after the Scheme Effective Time, the Consideration Shares allotted and issued or transferred to a New Member pursuant to paragraph 124.3 of this Article shall be credited as fully paid and shall rank equally in all respects with all other fully paid ordinary shares in the capital of New MB in issue at that time (other than as regards any dividend or other distribution payable by reference to a record date preceding the date of allotment or transfer).
- 124.5** To give effect to any transfer of Post-Scheme Shares, the Company may appoint any person as attorney and/or agent for the New Member to transfer the Post-Scheme Shares to New MB and/or its nominee(s) and do all such other things and execute and deliver all such documents (whether as a deed or otherwise) as may in the opinion of the attorney and/or agent be necessary or desirable to vest the Post-Scheme Shares in New MB or its nominee(s) and pending such vesting to exercise all such rights attaching to the Post-Scheme Shares as New MB may direct. If an attorney and/or agent is so appointed, the New Member shall not thereafter (except to the extent that the attorney and/or agent fails to act in accordance with the directions of New MB) be entitled to exercise any rights attaching to the Post-Scheme Shares unless so agreed by New MB. The attorney and/or agent shall be empowered to execute and deliver as transferor a form or forms of transfer or other instrument(s) or instruction(s) of transfer (whether as a deed or otherwise) on behalf of the New Member in favour of New MB and/or its nominee(s) and the Company may give a good receipt for the consideration for the Post-Scheme Shares and may register New MB and/or its nominee(s) as holder of the Post-Scheme Shares and issue to it certificates for them. The Company shall not be obliged to issue a certificate to the New Member for the Post-Scheme Shares. New MB shall, subject to paragraph 124.3 of this Article, allot and issue or transfer the Consideration Shares to the New Members within 14 days of the issue or transfer of the Post-Scheme Shares to the New Member.

**124.6** Notwithstanding any other provision of these Articles, neither the Company nor the directors shall register the transfer of any Scheme Shares between the Scheme Record Time and the Scheme Effective Time.”; and

(3) with effect from the passing of this resolution:

(a) the Articles of Association of the Company be altered to include the rights attaching to a Special Share of £1.00 by the adoption and inclusion of the following new Article 125:

**“125 Special Share**

The Special Share of £1.00 shall have the following rights:

**125.1** the holder of the Special Share shall be entitled out of the profits available for distribution and resolved to be distributed, in priority to any payment of any dividend to the holders of the ordinary shares but subordinate to the payment of any dividend to the holders of any other class of shares, to the amount of £0.000001 per Special Share per annum for each full calendar year for which such Special Share is in issue;

**125.2** the holder of the Special Share shall have no right to attend or vote at any general meeting of the Company;

**125.3** on a return of capital on winding-up of the Company (but not on any other return of capital), the holder of the Special Share shall be entitled, in priority to the holders of the ordinary shares but subordinate to the holders of any other class of shares, to repayment of the amount paid up or credited as paid up on the Special Share; and

**125.4** the Company may repurchase the Special Share for its nominal value at any time.”;

(b) the Directors be generally and unconditionally authorised pursuant to and in accordance with section 551 of the Companies Act 2006 to allot the said Special Share, provided that (1) this authority shall expire on the fifth anniversary of the date of this resolution and (2) this authority shall be in addition and without prejudice to any authority under the said section 551 previously granted and in force on the date on which this resolution is passed; and

(c) pursuant to and during the period of the said authority, the Directors be empowered to allot the said Special Share wholly for cash as if section 561(1) of the said Act did not apply to any such allotment; and

(4) subject to and conditional upon the Scheme becoming effective, the Old MB Shares be de-listed from the Official List.

**By order of the Board**

22 March 2023

*Director*

Robert Sharpe

*Registered Office*

One Southampton Row

London WC1B 5HA

United Kingdom

## NOTES TO THE NOTICE OF MEETING

### 1 RIGHT TO ATTEND AND VOTE

Entitlement to attend and vote at the MB General Meeting, and the number of votes which may be cast at the MB General Meeting, will be determined by reference to the Company's register of members at 6.30 p.m. (London time) on 24 April 2023 or, if the meeting is adjourned, 48 hours before the time fixed for the adjourned meeting, excluding any part of such 48 hour period falling on a day that is not a Business Day (as the case may be). In each case, changes to the register of members after such time will be disregarded.

### 2 PROXY APPOINTMENTS

- 2.1** A member is entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend and to speak and vote at the MB General Meeting. A proxy need not be a shareholder of the Company. A shareholder may appoint more than one proxy in relation to the MB General Meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder.
- 2.2** A Yellow Form of Proxy is enclosed. If you do not have a Yellow Form of Proxy and believe that you should have one, or if you require additional Forms of Proxy, please contact the Company's Registrar, Equiniti, between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (except public holidays in England and Wales) on +44 (0)371-384-2050. Calls outside the United Kingdom will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones. Please note that calls may be monitored or recorded and Equiniti cannot provide legal, tax or financial advice or advice on the merits of the Scheme. The appointment of a proxy will not prevent a member from subsequently attending and voting at the meeting in person.
- 2.3** To appoint a proxy, the Yellow Form of Proxy and any power of attorney or other authority under which it is executed (or a duly certified copy of any such power or authority) must be (a) returned to the Company's Registrar, Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom, or (b) the proxy appointment must be lodged using the CREST Proxy Voting Service, in each case by no later than 10.45 a.m. (London time) on 24 April 2023 (or not less than 48 hours before the time appointed for any adjourned meeting, excluding any part of such 48 hour period falling on a day that is not a Business Day). Shareholders who would prefer to register the appointment of their proxy electronically via the internet can do so through the Sharevote website, [www.sharevote.co.uk](http://www.sharevote.co.uk), using their personal Authentication Reference Number (this is the series of numbers printed under the headings Voting ID, Task ID and Shareholder Reference Number on the Yellow Form of Proxy). Alternatively, shareholders who have already registered with the Registrar's online portfolio service, Shareview, can appoint their proxy electronically by logging on to their portfolio at [www.shareview.co.uk](http://www.shareview.co.uk) by using their usual user ID and password. Once logged in, simply click "view" on the "My Investments" page, click on the link to vote and then follow the on-screen instructions. Full details and instructions on these electronic proxy facilities are given on the respective websites.
- 2.4** To change your proxy instructions, you may return a new proxy appointment using the methods set out above. Where you have appointed a proxy using the hard copy Yellow Form of Proxy and would like to change the instructions using another hard copy Yellow Form of Proxy, please contact the Registrar. The deadline for receipt of proxy appointments also applies in relation to amended instructions. Any attempt to terminate or amend a proxy appointment received after the relevant deadline will be disregarded. Where two or more valid separate appointments of proxy are received in respect of the same share in respect of the same meeting, the one which is last sent shall be treated as replacing and revoking the other or others. If the Company is unable to determine which is last sent, the one which is last received shall be so treated. If the Company is unable to determine either which is last sent or which is last received, none of them shall be treated as valid in respect of the relevant share(s).
- 2.5** In the case of joint holders, the vote of the senior holder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.

### 3 NOMINATED PERSONS

The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with section 146 of the Companies Act 2006 (“**Nominated Persons**”). Nominated Persons may have a right under an agreement with the member who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if Nominated Persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.

### 4 CREST MEMBERS

- 4.1 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting (and any adjournment of the meeting) by following the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members (and those CREST members who have appointed a voting service provider) should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf.
- 4.2 In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear’s specifications and must contain the information required for such instructions, as described in the CREST Manual (available via [www.euroclear.com](http://www.euroclear.com)). The message (regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by Equiniti (ID RA19) by the latest time for receipt of proxy appointments specified in Note 2 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to a proxy appointed through CREST should be communicated to him by other means.
- 4.3 CREST members (and, where applicable, their CREST sponsors or voting service providers) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his/her CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this respect, CREST members (and, where applicable, their CREST sponsors or voting service providers) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- 4.4 The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

### 5 CORPORATE REPRESENTATIVES

Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all its powers as a member, provided that they do not do so in relation to the same shares.

### 6 VOTING BY POLL

The resolution to be put to the meeting will be voted on by poll and not by show of hands. A poll reflects the number of voting rights exercisable by each member and so the board of directors of the Company considers it a more democratic method of voting. Members and proxies will be asked to complete a poll card to indicate how they wish to cast their votes. These cards will be collected at the end of the meeting. The results of the poll will be published on the Company’s website and via a Regulatory Information Service once the votes have been counted and verified.

## **7 TOTAL VOTING RIGHTS**

As at 17 March 2023 (being the latest practicable date prior to the printing of this Notice), the issued listed share capital of the Company with voting rights comprised 172,565,309 ordinary shares of £0.000001 each carrying one vote. The total voting rights in the Company as at 17 March 2023 were, therefore, 172,565,309.

## **8 QUESTIONS**

Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or good order of the meeting that the question be answered.

## **9 WEBSITE INFORMATION**

Information regarding the MB General Meeting, including the information required by section 311A of the Companies 2006 Act, can be found at [www.metrobankonline.co.uk/investor-relations](http://www.metrobankonline.co.uk/investor-relations).

## **10 COMMUNICATIONS**

Members may not use any electronic address provided in either this Notice or any related documents (including the enclosed Yellow Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.



## PART VIII

### SHAREHOLDER Q&A

It is proposed that the Company will be replaced as the holding company of the Metro Bank Group by a new non-operating bank holding company by way of a scheme of arrangement. The new non-operating bank holding company is Metro Bank Holdings PLC (“**New MB**”). You will receive one (1) New MB Share in exchange for each Old MB Share that you hold at the record time for the Scheme.

New share certificates, for shareholders who hold their shares in certificated form, will be issued for the New MB Shares which are issued pursuant to the Scheme and existing certificates in respect of Old MB Shares will become invalid. However, the number of shares you hold and the way in which you receive payments will be unchanged. Subject to normal market fluctuations, the value of your shareholding should be unaffected.

Here is what you need to do:

1. Read this Shareholder Q&A.
2. Read the Chair’s letter set out at Part I (*Letter from the Chair*) of this document. This explains what is happening and why the MB Board recommends that you should vote in favour of the Scheme Resolution and the related proposals.
3. Read the remainder of this document.

MB Shareholders should read the whole of this document and not rely solely on this Shareholder Q&A. This Shareholder Q&A should not be regarded as a substitute for reading the whole document.

If you are in any doubt about the Scheme and the related proposals or the contents of this document or what action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the FSMA if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser in the relevant jurisdiction.

#### **1 What is being proposed?**

It is proposed that a new non-trading listed holding company, New MB, be put in place for the Metro Bank Group, which is incorporated in England and Wales. There will be no change to the trading activities and businesses of the Metro Bank Group and the Company will become an intermediate holding company of the Metro Bank Group.

New MB will own all of the ordinary shares in the Company and you will be issued with shares in New MB, represented by a new share certificate (if you hold your shares in certificated form). The New MB Shares will be admitted to listing on the premium listing segment of the Official List and to trading on the main market of the London Stock Exchange.

#### **2 Why does the Metro Bank Group need a new holding company?**

The Bank of England develops a resolution plan for each UK bank, building society and certain investment firms, which sets out the actions the Bank of England would take if the firm in question was failing or likely to fail and needed to be resolved taking into account public policy considerations. A single point of entry “bail-in” is the Bank of England’s preferred resolution strategy for the largest banks that provide vital services to the UK economy (as stated in the Bank of England’s “Resolvability assessment of major UK banks”, published on 10 June 2022).

In relation to the Company, on 31 December 2018, the Bank of England confirmed that the preferred resolution strategy for the Metro Bank Group is bail-in with a single point of entry at the parent company level, which is currently the Company. Consistent with its statement of policy, on 18 February 2022, the Bank of England confirmed that it expects the Company to establish a new non-operating bank holding company (clean holding company) as resolution entity (single point of entry) and UK parent financial holding company of the Metro Bank Group by no later than 26 June 2023.

### **3 Why is the Company using a Scheme?**

The Company has concluded that the Scheme will provide the most efficient, timely and cost-effective manner of meeting the Bank of England's requirements to establish the new non-operating bank holding company, whilst preserving its shareholders' current proportionate shareholdings in the Company.

The Scheme is a formal procedure under the Companies Act which is commonly used to carry out corporate reorganisations. The Scheme requires the approval of the shareholders of the Company and the Court. In addition, customary regulatory approvals are required before the Scheme can be made effective. If approved, all MB Shareholders will be bound by the Scheme regardless of if and/or how they voted.

### **4 What will I end up with after the Scheme comes into effect?**

If the Scheme becomes effective, you will receive one New MB Share in place of each Old MB Share held at the Scheme Record Time (the Scheme Record Time is expected to be 6.30 p.m. on 19 May 2023). The register of members of New MB will be updated to reflect your shareholding on the Scheme becoming effective. If you hold your Old MB Shares in a CREST account, the New MB Shares will be credited to your CREST account and, if you hold your Old MB Shares in certificated form, share certificates for the New MB Shares will be sent to you in due course.

### **5 Do I have to pay anything under the Scheme?**

No. All New MB Shares being issued to MB Shareholders pursuant to the Scheme are being exchanged for their existing Old MB Shares. No additional payment is required.

### **6 Do I need to vote?**

It is important that as many MB Shareholders as possible cast their votes. This applies to both shareholders' meetings, being the MB Court Meeting and the MB General Meeting. **In particular, it is important that as many votes as possible are cast at the MB Court Meeting so as to demonstrate to the Court that there is a fair representation of the opinion of MB Shareholders.**

In order for the Scheme and the related proposals to be implemented, the Scheme needs to be approved by a majority in number of MB Shareholders present and voting (either in person or by proxy) at the MB Court Meeting and who represent not less than seventy-five per cent. (75%) of the nominal value of the Old MB Shares voted (either in person or by proxy) by such MB Shareholders. In addition, the special resolution to approve certain matters to give effect to the Scheme needs to be duly passed at the MB General Meeting by a majority of not less than seventy-five per cent. (75%) of the votes cast (either in person or by proxy).

### **7 How can I vote?**

You can vote either by attending the MB Court Meeting and the MB General Meeting and voting in person, or by appointing someone (known as a "proxy") to act on your behalf and vote at the MB Court Meeting and the MB General Meeting. Details of how to appoint a proxy are set out under Question 8 below.

### **8 How do I appoint a proxy?**

You may appoint your proxy by completing the Blue Form of Proxy (in relation to the MB Court Meeting) and the Yellow Form of Proxy (in relation to the MB General Meeting) and returning them in accordance with the instructions set out in Section 2 of Part II (*Explanation of the Scheme and its Effects*) of this document and on the relevant Form of Proxy.

Alternatively, you can appoint your proxy electronically on the website of Equiniti (the Company's Registrar), [www.sharevote.co.uk](http://www.sharevote.co.uk) or, if you are registered with [www.shareview.co.uk](http://www.shareview.co.uk), you can log on and appoint a proxy through Equiniti's service. If you hold your Old MB Shares in uncertificated form through CREST, you may appoint a proxy using the CREST electronic proxy appointment service in accordance with the procedures set out in the CREST manual.

You are strongly encouraged to complete, sign and return both your Blue Form of Proxy and Yellow Form of Proxy as soon as possible.

**9 Will my New MB Shares be subject to any transfer restrictions?**

If your Old MB Shares are subject to restrictions on transfer as a result of their being 'restricted securities' within the meaning for Rule 144 of the U.S. Securities Act, your New MB Shares will continue to be restricted securities for so long as such restrictions on transfer would have applied to your Old MB Shares.

**10 When will I receive my New MB Share Certificate?**

If you currently hold your Old MB Shares in certificated form, it is expected that share certificates for New MB Shares which are issued pursuant to the Scheme will be despatched to you within 14 days after the Scheme Effective Date. These are important documents and should be retained in a safe place. If you have not received your new share certificate by 2 June 2023, please contact Equiniti.

