

**STANDARD CONDITIONS FOR
INDIVIDUAL VOLUNTARY ARRANGEMENTS**

Produced by the

IVA FORUM

**Version 1
April 2007**

**PART I
INTERPRETATION**

1. Miscellaneous definitions

In the Arrangement, except where the context otherwise demands:

- (a) **“the Act”** means the Insolvency Act 1986 as amended;
- (b) **“the Arrangement”** means the Proposal and the Conditions read together;
- (c) **“the Debtor”** means the person who makes the Proposal;
- (d) **“Dividend”** means a distribution to Creditors;
- (e) **“Excluded Assets”** are those items of equipment which are necessary for use in the Debtor’s business, together with the clothing, bedding, furniture, household equipment and provisions necessary for satisfying the domestic needs of the Debtor and his family which would be excluded in the event of the Debtor’s bankruptcy and those other assets identified in the Proposal as being excluded from the Arrangement;
- (f) **“the Effective Date”** is the date that the Arrangement is approved by Creditors at a creditors’ meeting convened for the purposes of considering the Arrangement;
- (g) **“the Proposal”** is the document annexed hereto together with modifications and documents incorporated thereto, being a Proposal under Part VIII of the Act;
- (h) **“the Rules”** means the Insolvency Rules 1986 (as amended);
- (i) **“Unsecured Creditor”** is any creditor other than secured creditors who are creditors of the Debtor in consequence of any matter having its origin, or occurring, on or prior to the time and date of approval of the Arrangement;
- (i) Any term importing gender includes any gender.

2. The Conditions

2.1 The Conditions are an integral part of the Arrangement. In the event of any ambiguity or conflict between the Conditions and the Proposal and any modifications to it, the Proposal as modified shall prevail.

PART II

COMMENCEMENT, EFFECT, AND DURATION OF ARRANGEMENT

3. Commencement of Arrangement

3.1 The Arrangement shall come into effect upon the approval thereof by the Creditors pursuant to the provisions of the Act and Rules and is the Effective Date.

4. Nature and effect of the Arrangement

4.1 The Arrangement is a Proposal under Part VIII of the Act for a scheme of arrangement of the Debtor's affairs or a composition in full and final satisfaction of the Debtor's Debts.

4.2 Unless the Proposal indicates to the contrary, nothing in the Arrangement shall be construed as effecting a composition or satisfaction of any Debt owed by a person other than the Debtor, whether that Debt is owed jointly by the Debtor or otherwise.

4.3 After the commencement of the Arrangement, no Creditor shall, in respect of any Debt which is subject to the Arrangement:

- (a) have any remedy against the property or person of the Debtor;
- (b) commence or continue any action or other legal proceeding against the Debtor.

4.4 Nothing in this Paragraph or elsewhere in the Conditions shall be construed as affecting the following rights:

- (a) the right of any Secured Creditor to enforce his Security, except with the Secured Creditor's consent;
- (b) the right of the Supervisor or any Creditor to present a bankruptcy petition under section 264(1)(c) of the Act for default in connection with the Arrangement;
- (c) the right of any Creditor to bring or continue legal proceedings against the Debtor and to obtain a judgment against the Debtor in the full amount of its Debt for the sole purpose of making a claim against an insurer of the Debtor by virtue of the Third Party (Rights Against Insurers) Act 1930.

5. Duration of Arrangement

5.1 Unless extended under the provisions of these Conditions, the Arrangement shall continue until the end of the period stated in the Proposal.

5.2 The Supervisor may, if he thinks fit for the purposes of finalising the implementation of the terms of the Arrangement, extend the duration of the Arrangement by sending a notice to this effect ("an Extension Notice") to the Debtor and all Creditors. This may be done on up to 2 occasions: for a period of up to 6 months in the first instance and for a period of up to 3 months in the second instance.

5.3 An Extension Notice shall be sent not less than 7 days prior to the date upon which the Arrangement is otherwise due to complete and must state the reason or reasons for the

STANDARD CONDITIONS FOR INDIVIDUAL VOLUNTARY ARRANGEMENTS

extension.

- 5.4 In the event of an Extension Notice being sent, the Arrangement shall continue for the period specified therein, or for the maximum allowable period for that extension (being 6 months for a first extension and 3 months for a second extension) commencing on the date immediately after that on which the Arrangement would otherwise have been completed, whichever is sooner.
- 5.5 In the event that a meeting of Creditors has been called by the Supervisor for a time after the Arrangement would otherwise have expired, the duration of the Arrangement shall be extended to the date of that meeting and of any adjournment thereof.
- 5.6 Any extension for a period longer than that provided for under Paragraph 5(2) shall require approval by way of a variation.

6. Completion of Arrangement

- 6.1 Upon the expiration of the Arrangement, the Supervisor shall, if the Debtor has complied with his obligations under the Arrangement, issue a certificate (“the Completion Certificate”) stating that the Proposal has been fully implemented.
- 6.2 Save to the extent provided in Paragraph 4(4), upon the issue by the Supervisor of a Completion Certificate, the Debtor shall be released from all Debts which are subject to the Arrangement.

7. Substantial Compliance

- 7.1 The Supervisor may, if he thinks fit, issue a Completion Certificate notwithstanding the fact that the Debtor has not complied with all of his obligations under the Arrangement provided that the Debtor has:
- (a) made all payments required of him under the terms of the Arrangement;
 - (b) provided a full explanation of any breach of the terms of the Arrangement required by the Supervisor;
 - (c) paid to the Supervisor such sum (if any) as the Supervisor shall reasonably have required to compensate the Creditors for any reduction in Dividend caused by the Debtor’s breach of the terms of the Arrangement.
- 7.2 Where the Supervisor proposes to issue a Completion Certificate under Sub-paragraph 1 he shall notify the Creditors accordingly and invite them to submit any comments within 21 days from the date of notification.
- 7.3 If the Supervisor issues a Completion Certificate under Sub-paragraph (1), the Arrangement shall be treated as fully implemented for the purposes of Rule 5.34.

PART III

SUPERVISOR'S FUNCTIONS, POWERS, ETC.

- 8.1 The Supervisor is to supervise the Debtor's performance of his obligations under the Arrangement and to administer the Arrangement.
- 8.2 The Supervisor shall lodge all funds held for the purpose of the Arrangement in a UK bank or building society account. Any funds held by the Supervisor, which in his opinion, are not required for the immediate purposes of the Arrangement, may be placed by him on deposit. The Supervisor will arrange for income tax to be deducted at source from any interest earned on the funds held by him.
- 8.3 Any funds held by the Supervisor representing unpaid dividend cheques six months after payment of the final dividend shall be paid to the Debtor by the Supervisor and the Debtor will thereafter be responsible for paying the dividends concerned if claimed by the relevant creditor(s).
- 8.4 The Supervisor shall have the power to do such things as are necessary or conducive to the implementation of this Proposal (without limitation of the powers available to him in law).
- 8.5 The Supervisor will not be personally liable for any liabilities incurred by the Debtor or otherwise.
- 8.6 Completion and/or termination of the Arrangement shall not affect the Supervisor's power to carry out such of his functions and to exercise such of his powers as are necessary for him to fully carry out his duties, obligations and responsibilities under the Arrangement, Act and Rules and to resolve such matters as may have arisen during the course of the Arrangement.
- 8.7 The Supervisor shall be under no obligation to perform any act or carry out any function save for those expressly provided for in the Arrangement, the Act or Rules.

9. Removal of Supervisor from office

- 9.1 On cause being shown, the Supervisor may be removed from office by the Court or by a resolution of a meeting of Creditors.
- 9.2 Any notice served by a Creditor upon the Supervisor under Paragraph 18.2 (notice requisitioning meeting) for the purpose of convening a meeting of Creditors to remove the Supervisor from office must set out the grounds upon which his removal is sought.
- 9.3 The notice sent out by the Supervisor to Creditors convening such a requisitioned meeting shall specify the grounds upon which his removal is sought and shall be accompanied by a report of the Supervisor's administration of the Arrangement including an up to date summary of his receipts and payments.

10. Vacation of Office by Supervisor

- 10.1 If the Creditors resolve to accept the resignation of a Supervisor, or to remove a Supervisor from office, and there will be another person in the office of Supervisor for the time being, the Supervisor who is resigning or being removed shall vacate office immediately.
- 10.2 If the Creditors resolve to accept a Supervisor's resignation or to remove a Supervisor from office, and there is no other person in the office of Supervisor for the time being, that resignation and/or removal shall not take effect and the Supervisor shall not vacate office unless and until a meeting of Creditors or the Court appoints a replacement Supervisor.

STANDARD CONDITIONS FOR INDIVIDUAL VOLUNTARY ARRANGEMENTS

10.3 The Supervisor shall vacate office immediately if he ceases to be a person who is for the time being qualified to act as Supervisor.

10.4 A Supervisor who, for any reason, vacates office shall, as soon as practicable, deliver up to his successor Supervisor or Supervisors all books, records and papers relating to the Arrangement and his administration thereof together with all assets of which he is a trustee under the terms of the Arrangement.

10.5 Former Supervisors shall be obliged to give such assistance to the Supervisor of the Arrangement from time to time as he may reasonably require for ascertaining what transpired during the tenure of office by the former Supervisor.

11. Vacancy in the office of Supervisor

11.1 If, for any reason, there is a vacancy in the office of Supervisor, that vacancy may be filled by a meeting of Creditors or by the Court.

11.2 If no Supervisor is in office, such a meeting of Creditors may be convened by the Debtor, any Creditor, any person who was in partnership with the Supervisor immediately before the vacancy occurred, or by the former Supervisor's authorising body.

11.3 In the event that a meeting of Creditors is called when no Supervisor is in office, the person who convened the meeting shall act as chairman of that meeting.

PART IV

DEBTOR'S DUTIES & OBLIGATIONS

12. Debtor's duties in relation to Supervisor

12.1 The Debtor undertakes and agrees that during the subsistence of the Arrangement he will:

- (a) give to the Supervisor such information as to his assets, liabilities and other affairs;
- (b) attend on the Supervisor, his agents, representatives or nominees at such times;
- (c) keep the Supervisor informed of his current residential address and employment details; and

(d) do all such other things as the Supervisor shall reasonably require for the purpose of carrying out his functions and duties under the Arrangement.

12.2 The Debtor undertakes and agrees to furnish the Supervisor with accounts and/or details of his income and expenditure relating to his affairs of such nature, as at such date and for such period as the Supervisor may reasonably require.

12.3 Where at any time during the subsistence of the Arrangement After-Acquired Property of a description falling within Paragraph 13 is acquired by or devolves upon the Debtor, or there is an increase in the Debtor's income if the Debtor is under an obligation to make contributions out of income, the Debtor shall forthwith give the Supervisor notice of the property or, as the case may be, of the increase.

PART V

ARRANGEMENT ASSETS

13. After-acquired assets

13.1 Subject to the following sub-paragraphs, the Supervisor may claim as an asset of the Arrangement any Property acquired by the Debtor between the commencement date of the Arrangement and the date of its completion and/or termination which would have been capable of being an asset of the Arrangement if it belonged to or was vested in the Debtor at the date of commencement of the Arrangement (“After-Acquired Assets”). Any such asset shall be subject to the Arrangement and be an asset thereof.

13.2 After-Acquired Assets shall only be sold or realised to the extent necessary to repay the Creditors in full together with interest, if any, to which Creditors are entitled pursuant to the Arrangement.

14. Trust of Arrangement assets

14.1 Property constituting an asset of the Arrangement in the possession, custody or control of the Debtor shall be held by the Debtor upon trust for the purposes of the Arrangement until realisation thereof (if so provided) in accordance with the Arrangement.

14.2 Property constituting an asset of the Arrangement in the possession, custody or control of the Supervisor shall be held by the Supervisor upon trust for the purposes of the Arrangement.

14.3 The trusts referred to in Sub-paragraphs (1) and (2) shall not come to an end upon termination of the Arrangement. Instead those assets shall be got in and realised by the Supervisor, and any proceeds applied and distributed in accordance with the terms of the Arrangement.

15. Restriction on dispositions

15.1 The Debtor shall not sell, charge or otherwise dispose of any interest he may have in any asset subject to the Arrangement without the Supervisor’s written consent.

PART VI

DIVIDENDS AND CLAIMS

- 16.1 The Supervisor will admit for dividend purposes all claims submitted by creditors as at the effective date and should any creditor not submit any claim within 3 months after the effective date in writing then that creditor will be excluded from participating in any dividend payment, subject to Paragraph 16.2 below.
- 16.2 Any creditor who submits a late claim will be excluded from any past dividends distributed but at the Supervisor's discretion will be included in any future dividend distributions.
- 16.3 The Supervisor shall be entitled to ask for any further details or documentation he thinks necessary for the purpose of establishing the amount due to any person claiming to be a creditor.
- 16.4 The claims of Secured Creditors, Foreign Currency Debts, Debts payable at a future time, Interest on Debts will be dealt with in accordance with the Bankruptcy Rules.

PART VII

CREDITORS WHO DO NOT HAVE NOTICE

- 17.1 Any creditor whose claim has been omitted from this voluntary arrangement, but who would have been entitled to vote if he had been notified of the creditors meeting called to approve it, will be bound by its terms.
- 17.2 The Supervisor will, upon discovering the claim of such a creditor send notice to him requiring him to submit particulars of his debt as at the Effective Date.
- 17.3 The Supervisor's discretion to exclude such a creditor from dividend on the basis that the creditor has not submitted his claim in writing shall arise three months after the Supervisor's discovery of the claim.

PART VIII

MEETINGS OF CREDITORS

18. Power to call/requisition meetings of Creditors

- 18.1 The Supervisor may, if he thinks it desirable, summon and conduct meetings of Creditors for any purpose connected with the Arrangement in accordance with the Act and the Rules.
- 18.2 If requested in writing by the Debtor, or by Creditors with not less than one-quarter in value of the total amount of Debts subject to the Arrangement, the Supervisor shall, unless relieved by the Court from so doing, convene a meeting of Creditors within 21 days from the receipt of such request.
- 18.3 Variations to the Proposal after it has been approved may be proposed by the Debtor and/or the Supervisor and may be considered at a meeting of creditors convened by the Supervisor for this purpose in accordance with Paragraph 18.5 below.
- 18.4 The Supervisor is entitled to make a charge in connection with any submitted variation.
- 18.5 The Supervisor shall give not less than 28 days notice of the meeting to the creditors. Rule 5.23 of the Rules shall apply to the meeting of creditors for the purpose of determining whether the requisite majority has been obtained. If the requisite majority is obtained at the meeting then the variation(s) or modification(s) shall bind every person who is bound by the arrangement. Rule 12.4A of Rules shall apply (quorum at meetings). In addition Rules 5.18 to 5.22 and 5.24 shall apply (conduct of meeting, voting rights and adjournment).

PART IX

PROVISIONS FOLLOWING THE DEBTORS NON-COMPLIANCE

19. Non-Compliance by the Debtor of the terms of the Arrangement

- 19.1 If the Debtor does not comply with his obligations having been given written notice by the Supervisor which shall specify the period in which the Debtor has the opportunity to remedy the non-compliance the Supervisor shall have the power to terminate the Arrangement at his discretion. He shall report to the creditors when issuing his annual report under Rule 5.31 of the Rules or earlier if he thinks appropriate, if any of the following occurs:
- i he becomes aware that a bankruptcy petition has been served against the Debtor during the duration of the Arrangement;
 - ii the Debtor falls more than three months into arrears with contributions from income, or fails to pay the additional sums due in respect of overtime, etc;
 - iii the Debtor is in breach any obligation regarding the realisation of assets or after-acquired property;
 - iv the Debtor fails to comply with any other of his obligations set out in the Proposal.

PART X

CONDITIONS WHERE TAX AUTHORITIES ARE CREDITORS

20. Inland Revenue claims

- 20.1 The Inland Revenue provisional claim in the Arrangement will include (i) any tax credit overpayment and (ii) Self-Assessment payments on account due for the tax year which the Arrangement is approved, PAYE/SC/NIC deductions due to the date of approval, plus any other earlier unpaid liabilities.
- 20.2 The Inland Revenue final claim in the Arrangement will additionally include the Self-Assessment balancing adjustment for the tax year in which the Arrangement is approved due with the Self-Assessment Return on the 31 January of the following year.

21. Income commencing after approval

- 21.1 The debtor shall be responsible for payment of Self-Assessment/NIC on any source of income that commences after the date of approval of the Arrangement.

22. Post approval statutory returns and payments

- 22.1 All statutory returns and payments due to the Inland Revenue and Customs & Excise post approval shall be provided on or before the date they fall due.

23. Overdue accounts and returns

- 23.1 All statutory accounts and returns overdue at the date of the creditors' meeting must be provided to the Inland Revenue and/or Customs and Excise within 3 months of the approval date together with any other information or explanations required.

24. Funds to be paid to Supervisor

- 24.1 The debtor's monthly provision for income tax/NIC as it appears in the income and expenditure statement shall, from the date of approval of the Arrangement to the 5 April ending the tax year in which the Arrangement is approved, be paid to the Supervisor for the benefit of the arrangement.

25. Restriction on payment of dividend

- 25.1 No non preferential Dividend will be made until (i) the Inland Revenue Self-Assessment return for the tax year in which the Arrangement is approved (ii) a VAT or other levy or duty return due to Customs & Excise to the date of the meeting, has been filed or (iii) an Inland Revenue Determination and/or a Customs assessment has been made and the Supervisor has admitted their final claims.

26. Set-off of repayments

- 26.1 During the currency of the Arrangement, any tax/excise/VAT or other repayments that become due to the Debtor by Inland Revenue or Customs and Excise for periods for which claims may arise under the Arrangement, shall be offset against either department's claims

STANDARD CONDITIONS FOR INDIVIDUAL VOLUNTARY ARRANGEMENTS

in the Arrangement. Any remaining surplus shall be similarly applied to the claims of other government departments before being offered to the Supervisor for the benefit of the Arrangement.

- 26.2 Any repayments for any later periods shall be offset against any post approval debts due to Inland Revenue or Customs and Excise. Any remaining surplus will then be treated as a windfall and offered to the Supervisor for the benefit of the Arrangement.

PART XI

MISCELLANEOUS PROVISIONS

27. Tax liabilities arising on realisations

- 27.1 Taxation liabilities of the Debtor arising on the sale or other realisation of any asset subject to the Arrangement shall, in so far as those proceeds are sufficient, be discharged out of the sale proceeds of the asset in question.

28. Invalidity and/or illegality

- 28.1 If any provision or part of the Arrangement is found to be contrary to the Act or Rules, illegal, invalid or contrary to public policy, that will not affect the validity of the remainder of the Arrangement and the provision or part of the Arrangement in question shall be construed accordingly.

29. Joint Liabilities

- 29.1 The rights of any creditor who has a joint and several claim against a third party will not be affected by this Proposal.

30 Surplus funds

- 30.1 It is intended that all amounts paid into the Arrangement shall be utilised in the payment of dividends to unsecured creditors (after payment of the costs of the Arrangement). However, if at the conclusion of the Arrangement there remains money in the scheme fund not exceeding £200 the Supervisor may at his discretion return this to the Debtor as surplus.

ANNEX A

DRAFT HOME EQUITY RELEASE CLAUSE

A1 VALUATION

A1.1 After month 54 of the arrangement the Supervisor, with my co-operation, will obtain a professional valuation of the property referred to at paragraph [...]. My co-operation will include (as well as my overall requirement to co-operate) using my best endeavours to complete a remortgage at the earliest opportunity. The valuation obtained for remortgage purposes detailed below will in the absence of an obvious error be accepted as adequate by the Supervisor. I will provide the Supervisor with an up to date redemption statement from the mortgagee(s).

A2 RELEASE OF EQUITY

A2.1 I will also obtain two mortgage quotations from reputable brokers and/or mortgage lenders. If my Supervisor is satisfied that one of these quotations demonstrates that I am seeking to remortgage for the maximum achievable, I will accept and proceed with a remortgage in line with the higher of those quotations. An acceptable quotation is one which provides for a remortgage at a maximum of 85% loan to value of the property less the existing secured borrowings "LTV less secured sums" but subject to affordability criteria as detailed below. The sums raised may be lower than the LTV less secured sums if I can demonstrate that the mortgage will result in funds being introduced into the arrangement which equate with either 100% of my share of equity or payment in full to creditors. The amount to be introduced will not exceed 100% of my share of equity.

A3 AFFORDABILITY

A3.1 The mortgage offer must take into account my ability to afford the mortgage payments. For the avoidance of doubt, the amount by which my monthly mortgage/secured loan payments increase as a result of the refinancing to release equity, should not exceed more than 60% of the amount of my monthly contribution that I am paying into my arrangement at the time the mortgage offer is obtained.

A4 RECEIPT OF SUMS IN LIEU OF EQUITY

A4.1 I will complete the remortgage by the end of the IVA term. The whole of the net proceeds after settling existing secured liabilities must be immediately paid into the arrangement. If I am unable to procure any new mortgage facilities, this will not be viewed as a failure to comply with the terms of the Arrangement and my Supervisor will have the discretion to consider accepting alternative proposals including:

- third party sum equivalent to the value of my share of equity, or
- a maximum of twelve monthly contributions beyond the 60 month term at the same level as paid in the fifth year of the arrangement.

A5 DE MINIMIS

A5.1 In the event that the valuation undertaken after month 52 demonstrates that my share of equity is less than £5,000 (gross), the property is excluded from the arrangement. This does not affect any other terms of the arrangement and the arrangement will continue to 60 months with contributions being paid as prescribed.

A6 PROTECTING CREDITORS INTERESTS

A6.1 To protect the interests of creditors my Supervisor will register a restriction against the property at HM Land Registry. To facilitate this, I will provide the Supervisor with signed form RX1 within 3 months of the approval of the Arrangement. Failure to do so following one month's written notice to me from the Supervisor requiring me to remedy the default will constitute a default which cannot be remedied. My partner has provided my Nominee with a letter to this effect.

A6.2 I will provide a broker or prospective lender with my full written consent authorising them to keep my Supervisor fully informed of progress throughout the remortgage process.

A7 JOINTLY OWNED PROPERTIES (INTERLOCKING IVA'S)

A7.1 My partner and I are proposing interlocking arrangements. She/He will jointly sign an RX1 as detailed in paragraph [...] and the sum raised in lieu of equity as detailed in paragraph [...] will be paid into our interlocking arrangements for the benefit of all our creditors.

A8 JOINTLY OWNED PROPERTIES (SINGLE IVA)

A8.1 My partner is a joint owner of the property referred to in paragraph ... She/He has been advised of the effect of clauses ... to ... and has consented to the restriction and that a sum in lieu of my share of equity is to be raised by remortgaging the property and paid into the arrangement.

A9 CESSATION OF MONTHLY CONTRIBUTIONS

A9.1 Remaining monthly contributions will be reduced by a sum equating to any increase in the revised level of mortgage payments if agreed by the Supervisor. If the increased mortgage payments result in a reduction in my disposable income such that my monthly contributions will fall below £50 per month my requirement to pay continued contributions will cease and my Supervisor will then take steps to bring the arrangement to a conclusion.

A10 SALE OF PROPERTY EXCLUDED

A10.1 For the avoidance of doubt at no time do I intend to sell my property and the Arrangement does not include any requirement whatsoever to place this property on the market for sale. Furthermore, I shall not attempt to raise funds secured on the property other than for the purpose(s) set out in my proposal.

EQUITY RELEASE – Information to be given to debtor about equity release in year 4 and also effect on Joint Owners

- Any brochures about the process should include FAQ's which highlight the need to remortgage the property in year and introduce a sum of money in lieu of equity;
- The advisory process must cover this specific subject, the effect on any joint owner and the need to obtain independent advice (SIP 3);
- Debtor signs and returns document (either copy of consultancy notes or engagement letter) confirming (s)he has received advice about property and effect on joint owner;
- First draft of proposal draws attention to specific clauses in proposal;
- Spouse is sent letter to sign agreeing to the property clause and attaching RX1 for signing. This letter must also reiterate need for spouse to seek independent advice;
- Proposal details effect on property as per draft clause.

ANNEXE B

B1 BREACH BY THE DEBTOR OF THE TERMS OF THE ARRANGEMENT

B1.1 I shall be regarded as in breach of the Arrangement if:

- a I have at any time arrears of contributions in a sum equivalent to three months or more of the contributions proposed in my Proposal. If I breach this requirement but subsequently repay all or some of the arrears, I will be in breach again if arrears at the level mentioned earlier arise again;
- b my debts and liabilities exceed by 10% or more the estimated figure put on such debts and liabilities by me for the purposes of the Proposal (and in the event of such breach the Supervisor will - without prejudice to any other alternative available to the Supervisor - seek to ascertain the Creditors' wishes in the context of the Arrangement overall);
- c information which was false or misleading in any material particular or contains any material omissions:
 - (i) was contained in any statement of affairs or other document supplied by me under Part VIII of the Act to any person, or
 - (ii) was otherwise made available by me to my Creditors at or in connection with any meeting of Creditors held, or any postal resolution taken, in connection with the Arrangement;
- d I fail to do all such things as may for the purposes of the Arrangement have been reasonably required of me by the Supervisor, or
- e I fail to comply with any other of my obligations under the Arrangement.

B2 PROCEDURE FOLLOWING BREACH

B2.1 Notice of Breach

B2.1.1 If, at any time, it appears to the Supervisor that I am in breach of the Arrangement, then, unless such breach is remedied forthwith, he will as soon as practicable issue to me a notice ("Notice of Breach") identifying the breach and requiring me within [not less than one month and not more than three months (at the Supervisor's discretion)] of sending the notice:

- (a) to remedy the breach if it is capable of being remedied, and, if he thinks fit;
- (b) to give a full explanation of the breach.

B2.2 Remedy of breach

B2.1.1 If, within the period of between one month and three months referred to in Sub-paragraph [...], I:

- (a) remedy my breach of the Arrangement; and
- (b) if so required in the Notice of Breach, provide a full explanation for the breach.

no further action will be taken against me, except that the Supervisor will report the breach to the Creditors when he next sends his comments to Creditors on the progress and efficacy of the Arrangement under Rule [...] (Supervisor's accounts and reports), or on the next convenient occasion, if earlier.

B2.3 Failure to remedy breach

B2.3.1 If I have not done those things specified in Sub-paragraph [...] by the time specified or allowed, the Supervisor shall as soon as practicable report to Creditors and obtain their agreement (voting to be as set out in the standard terms and conditions) to do one of the following:

- (a) vary the terms of the arrangement under Paragraph [...]; or
- (b) issue a certificate ("Certificate of Termination") terminating the Arrangement by reason of my breach; and/or
- (c) provided that the Supervisor is holding sufficient funds which after payment of the Nominees fees and Supervisors remuneration and expenses shall be sufficient for such purpose present a petition for my bankruptcy.

B2.4 Proposed final clause

B2.4.1 I understand that if I have committed or do commit a criminal act the Nominee and/or Supervisor may be obliged to report such act to the appropriate authority. Without limiting what I have said earlier, I know that, for example, this could involve a report under the [Proceeds of Crime Act]. If the Nominee and/or Supervisor discover that I have committed any other criminal act which he/they do not have any obligation to report, they may nonetheless report it to the appropriate authority if they see fit.