

### What happens if the scheme is approved

If the scheme is approved we will write to you again to ask whether you want to be considered for compensation. We will include a compensation claim form that you will have to complete and return to us before a deadline. The deadline will be clearly stated on the compensation claim form.

If you submit a compensation claim form (which will be posted to you after the scheme of arrangement is approved) before the deadline, you will automatically cancel your card security product (if you still have one). You (and anyone else covered by the product) would then lose the benefits the product provides, which are described above.

You will not have to use and pay a company to claim compensation on your behalf.

If you are entitled to compensation we will return the amount you have paid for your product since 14 January 2005 (the date the Financial Services Authority – now the FCA - started to regulate insurance products like these), less any sums paid out in respect of the product, plus interest on the amount owed.

### Further information

You can find out more about the proposed scheme and see answers to some frequently asked questions at Appendix C to this letter, or go to [www.aischeme.co.uk](http://www.aischeme.co.uk).

If you wish to check that this is a genuine communication, you may also visit the FCA's web site [www.fca.org.uk/affinion-scheme](http://www.fca.org.uk/affinion-scheme).

If your name, address or contact details on this letter are incorrect, please call our Freephone number 0800 678 1930 (outside the UK dial +44 208 475 3103). We are available between 8am and 8pm Monday to Friday, and 8am to 6pm on Saturdays.

Alternatively, you can write to us at AI Scheme Services, PO Box 260, Wymondham NR18 8DU.

Yours sincerely,



Mark Andrews

Director, AI Scheme Limited

## Appendix A: The proposed 'scheme of arrangement'

### What is a scheme of arrangement?

A scheme of arrangement is an arrangement between a company and its creditors (in this case you). It is governed by Section 895 of the Companies Act 2006. This Appendix refers to "scheme creditors" (which includes you).

### Who is promoting the scheme?

The proposed scheme is being promoted by AI Scheme Limited, a company incorporated in England and Wales which has been specifically set up for the purpose of promoting the scheme. If the scheme is finalised you will receive exactly the same compensation as you would have done had AI promoted the scheme (assuming you submit a valid claim when you are invited to do so later this year).

### How is the scheme approved?

In order for the scheme to be approved, a number of steps have to take place:

- (a) it must be approved by a majority in number representing at least 75% in value of those scheme creditors who vote. Where there is more than one class of scheme creditor (see below), each class must approve the scheme in separate meetings;
- (b) it must be approved by the High Court of England and Wales; and
- (c) a copy of the High Court's approval must be registered at the Registrar of Companies.

### Classes of scheme creditor

Creditors may have rights which are so different it is impossible for them to consult together. If so, the law requires creditors to be split into separate classes and each class will have a separate meeting (and a separate vote). In order for the scheme to be implemented, it must be approved by each class of scheme creditor.

The rights of those creditors who may be entitled to compensation have been considered to determine how many classes of scheme creditors there should be and how many meetings need to be held.

It is proposed that a single meeting of all scheme creditors will be called. This is appropriate because the rights of the scheme creditors are similar enough to consult together, regardless of whether:

- (a) that scheme creditor bought the product from AI (whether directly or following an introduction from a card issuer or a bank) or directly from a card issuer or a bank; and
- (b) the compensation under the scheme is to be funded by AI or your card issuer or bank.

### Next steps

We will make an application to the High Court on 1 April 2015 for an order to convene the scheme creditors' meeting referred to above. Scheme creditors are not required to attend this Court hearing. However, a scheme creditor may attend this Court hearing to raise any objection to the proposed classes of scheme creditors.

If the High Court grants the order to convene the scheme creditors' meeting referred to above and the scheme is approved at that meeting, we will make a further application to the High Court to sanction the scheme. It is expected that the hearing will take place on 9 July 2015. Scheme creditors are not required to attend this Court hearing. However, a scheme creditor may attend this Court hearing to raise an objection to the scheme.

The High Court address is the Royal Courts of Justice, Strand, London WC2A 2LL.

### Further information

You can find out more about the scheme and see answers to some frequently asked questions at [www.aischeme.co.uk](http://www.aischeme.co.uk) and Appendix C to this letter.