If your bank or building society fails and cannot pay you back your money, the Financial Services In the UK all the financial institutions you deposit Compensation Scheme (FSCS) will In the UK your debit card will be money with are required to be authorised by the Your own UK automatically compensate you up to £85,000 issued by a financial institution. Prudential Regulation Authority and regulated by the account per eligible person, per bank or building society. For the majority of people their Financial Conduct Authority. E-money firms are both Debit Card Further details can be found on the FSCS against debit card is issued by a bank or authorised and regulated by the Financial Conduct website. which the building society. On occasion Authority (FCA). Protections debit card is though, we are seeing E-money E-money firms are currently outside the scope firms issue debit cards. issued If you are unsure how your issuing financial institution of the FSCS. E-money firms are in scope of the is authorised you can check on the FCA Register. rules described in the next section, which generally get referred to as 'safeguarding' There are a number of participants in any debit card transaction. Your card issuer, eq Lloyds Bank; Nationwide Building Society. The card will be serviced by a payments processing Worldpay operates under relevant Card Schemes Settlement network which should be marked on the card, eg Visa, Mastercard. When you send a debit rules - the rules between Worldpay as payment card payment to PrimaryBid Limited (PrimaryBid), we are considered the 'Merchant'. service provider and the payments processing network (Visa, Mastercard, Diners Club You make a In the middle of the payment chain you use to send funds to PrimaryBid is a payment service International, JCB International or UnionPay provider. Also known as an 'Acquirer". This is the firm that facilitates the settlement payment International). These Card Scheme rules are between the card issuer, the payments processing network and the merchant. In the case Worldpay instruction there to protect the cardholders. Meaning in the of PrimaryBid, the Acquirer is a firm called Worldpay UK Limited ("Worldpay"). On receipt of instance Worldpay have taken cardholder on your debit funds from the instructions, but Worldpay are unable to settle card When you make a debit card payment to PrimaryBid, whether through the app or the these funds into the PrimaryBid bank account , for website, you will be taken to Worldpay's platform to make any payment. You will see the example due to our insolvency, these funds are Worldpay name on the screen. When you enter your debit card details (which only returned by Worldpay directly to the originating Worldpay will have access to, not PrimaryBid) they will first seek confirmation that your funds with cardholder in full. payment has been authorised by your card issuer and subsequently that the funds will be PrimaryBid, settled through the relevant payments processing network. those funds are treated as Funds, treated with Payment While payment funds are being transmitted through Worldpay they are protected by safeguarding rules taken from the Payment Services Regulations 2017 Service (regulation 23). At a high level these rules place an obligation on in this case Worldpay to segregate the funds received for the execution of a payment (known as 'relevant funds') from Worldpay's own money and while they are in control of these relevant funds place them in a safeguarding account. Safeguarding provisions start as soon as Worldpay receive the funds. The general principle is that safeguarding obligation remains in place until the funds are no longer held by Worldpay. A safeguarding account is an account in Worldpay's name set up with an acknowledgement letter from the credit institution where the account is held (in Worldpay's case, NatWest Bank) that the account is designated to show that it is being used for safeguarding relevant funds or assets and may not be used for other purposes except as provided in the regulations. The regulations provide that, in the event of the Safeguarding to receive and insolvency, the segregated funds are treated as a separate asset pool and the claims of payment services users are to be paid from the asset pool in priority to all other creditors of the firm. PrimaryBid on a Safeguarded funds are out of scope of the FSCS. next day basis. For further information the FCA have guidance on the safeguarding requirements in Chapter 10 of their 'Payment Services and Electronic Money - Our Approach' Settlement When you make a valid debit card payment instruction through Worldpay, PrimaryBid as the Merchant receive a message from Worldpay that funds have been ring-fenced by the card issuer. These funds from your card issuer will then be settled to Worldpay and then on receipt of those funds, Worldpay will settle to the PrimaryBid Ltd client bank account which we hold at Barclays Bank UK Limited. This bank account, called a Client Bank Account (CBA), is set up under the rule requirements detailed in the FCA Handbook, Client Assets, known as CASS. The money we receive into a CBA is recognised to be in the legal ownership of PrimaryBid Limited, but the beneficial ownership of our clients. The bank, in this to PrimaryBid, Settlement case Barclays Bank UK plc, recognises this status with an 'acknowledgement letter' (a templated letter signed by authorised signatories of money is to PrimaryBid Barclays Bank UK plc). They acknowledge the CBA as holding money of our clients, which they do not have any recourse against. It should be considered Limited clear Barclays Bank UK plc have no responsibility for how the CBA is administered, reconciled or how PrimaryBid complies with the FCA CASS rules 'client money' - what is being acknowledged is that whatever funds are held in the CBA are held for the benefit of our clients. In the case of PrimaryBid's insolvency, the client money in the CBA is protected from PrimaryBid's creditors. The client money PrimaryBid hold under CASS is in scope of the accordance with protections of the FSCS. If there was a shortfall of client money in the CBA, then should that shortfall not be covered by other funds realised on FCA CASS rules. PrimaryBid's winding up, then within the limits of the FSCS, that shortfall should be covered. There is a range of circumstances in which a cardholder might contact their card issuer to dispute a card payment. For example, this might happen where goods and Chargeback services are not delivered. If the issuer considers the cardholder has the right to dispute a card transaction under scheme rules, it will raise a chargeback. A chargeback is initiated by the issuer where the card holder has the right to dispute a transaction. The chargeback process gives rise to a credit risk for Acquirers because an Acquirer protections may not be able to recover the amount it must pay the issuer if a chargeback is upheld (for example if PrimaryBid Limited is insolvent) Refund Your debit card payment will support your relevant subscription. The general mechanics of a subscription through PrimaryBid are the same regardless of whether the financial instrument subscribed for is equity or debt. If we assume a new share issue, once the offer is closed the Allocation issuer will inform PrimaryBid of your allocation. This generically is the formula to be run against all the subscriptions received. For each individual, PrimaryBid will then inform you how many shares you have been allocated and in turn, any refund due to you. From the perspective of how your funds are subsequently protected, we need to consider i) the refund and ii) the payment and eventual delivery of the new shares. PrimaryBid request Worldpay to effect a refund against the original incoming payment. The refund amount can be anywhere between the full amount paid in to support the original subscription, down to a single penny. The amount refunded is equal to the subscription amount less the allocation cost. Any PrimaryBid request to Worldpay is a refund instruction against the original incoming payment, it is not a fresh payment instruction. A refund goes to make a refund. back to the same account the debit card is drawn on. As a refund instruction, PrimaryBid still does not require knowledge of the debit card number and security details. The flow of a debit card refund is that PrimaryBid makes the request to Worldpay, Worldpay effect that instruction, then subsequently Refund Worldpay will request the funds from PrimaryBid. This means we discharge our fiduciary duty to you when we settle your refund amount from the CBA to to be protected Worldpay. If we assume a refund of £100, this flow means Worldpay have already effected the refund instruction of £100 back to you, before PrimaryBid by FCA CASS settles the £100 with Worldpay. Whether you have received the £100 refund into the account against which the debit card is issued, will depend on the rules at the point debit card issuer. If it is a mainstream UK bank, Worldpay effect the refund through faster payments so the refund should normally show in a matter of PrimaryBid minutes on the account linked to your debit card. E-money cards can take days. As an individual client of PrimaryBid we discharge our fiduciary duty and settles with in turn you no longer benefit from the protections of CASS when we settle any refund amount back to Worldpay. Delivery PrimaryBid receives the financial instrument through CREST. CREST is the central UK securities depository. If we assume a new share issue, the issuer will arrange, through their registrar, to send the full allocation of shares to PrimaryBid through CREST. As the issuer is not a client of PrimaryBid, but rather a Corporate Finance Contact, the issuer is not protected by CASS rules. PrimaryBid is however under a contractual obligation to settle and arrange payment to the issuer. PrimaryBid takes the necessary funds out of the CBA to pay the issuer. At this moment, the asset that is protected by CASS has switched from the client money to the shares. The shares being delivered by the issuer, the settlement funds being moved out of the CBA and then the shares being held under CASS is, for the purposes of this description, instantaneous. As a client of PrimaryBid this is the point where, rather than having your subscription funds protected by PrimaryBid in compliance with CASS, it is the shares that are protected under CASS. provided by Financial CASS switches Our CREST account is held through a custody and settlement arrangement. In the case of PrimaryBid, we hold all financial instruments in a custody instrument account with ABN AMRO Clearing Bank NV (ABN). The account is set up under the provisions of CASS, with an acknowledgement letter recognising while the account is legally in PrimaryBid's name, all assets are held for the benefit of our clients. With respect to the custody account, ABN are not delivery responsible for the application by PrimaryBid of its compliance with CASS rules and associated obligations. ABN are acknowledging that they have no funds to the recourse to assets in this account and that the assets in the account are held for the benefit of PrimaryBid clients. financial From the moment you are recorded as the beneficial owner of the financial instrument held in our custody account through to the moment the financial instruments are transferred out of the custody account, they are held in accordance with CASS. Then, in the case of PrimaryBid's winding up, should there be a shortfall in financial instruments, then should that shortfall not be covered by other funds realised on PrimaryBid's winding up, then that shortfall should be covered within the limits of the FSCS. This is not a protection in respect of investment performance. If the value of any financial

Transfer to broker

PrimaryBid transfers the allocated financial instrument through CREST to your broker in accordance with the settlement instructions you have provided. CREST is instantaneous in how it effects a transfer. Assuming shares, once the shares leave our CREST custody account they will arrive in the receiving CREST account. From the moment the shares leave our CREST custody account they cease to be protected by PrimaryBid. The obligation to protect the shares passes to the receiving broker.

instrument goes down, noting PrimaryBid provides an execution only service, this is not protected by CASS or the FSCS.

In the majority of cases your receiving broker will be obliged to follow the same CASS rules as PrimaryBid and provide exactly the same protections over your assets as we are required to provide. If you are unsure how your receiving broker is authorised and their FSCS protections you can check on the FCA Register.

PrimaryBid no longer protects the financial instrument after it has being transferred through CREST to

your broker.

Transfer