

3 December 2018

Dear [customer]

Proposed transfer of business under Part VII of the Financial Services and Markets Act 2000

We are writing to explain some necessary changes in our set up as a bank, following the United Kingdom's (UK) withdrawal from the European Union (EU), commonly known as 'Brexit'. The proposed changes will ensure continuity of our services to our UK customers and allow us to continue operating within Triodos Bank Group, driving the growth of sustainable banking across Europe.

Background

Triodos Bank NV is headquartered in the Netherlands and has branch operations in the UK, Germany, Spain, Belgium and the Netherlands, as well as an agency in France. Since 1995, Triodos Bank has operated in the UK under a 'passporting' regime made possible by EU agreements. Under this passporting arrangement, our banking license has been issued and supervised by the Dutch Central Bank (**De Nederlandsche Bank**) and subject to limited regulation by the UK Financial Conduct Authority (FCA) and Prudential Regulation Authority (PRA).

As the UK prepares to leave the EU, this passporting arrangement will no longer cover our UK banking activities. We have therefore been working with regulators for over a year to ensure we have the necessary regulatory and legal frameworks in place to continue providing our services post Brexit.

What is happening?

To ensure we can continue to operate in the UK we have agreed with the regulators that we need to move to a different legal structure. This means creating a new subsidiary company wholly owned by Triodos Bank NV. We are confident this new structure will provide the right conditions for our operating model, governance, financial performance and growth opportunities.

In order to move to the subsidiary arrangement, we are required to make a legal transfer of the business of the UK branch of Triodos Bank NV to Triodos Bank UK Limited. The proposed transfer is being effected under UK law through the Part VII, an English court approved transfer mechanism under the Financial Services and Markets Act 2000. The Part VII will enable Triodos to transfer existing contractual relationships without the need for 'repapering' (re-issuing) every contract.

The terms of the proposed transfer are set out in full in a banking business transfer scheme document (the **Scheme**).

How will this affect you?

We will continue to operate within the Triodos Bank Group as part of its activities across Europe, and this new arrangement will enable us to carry

Proposal at a glance

It is proposed that Triodos Bank NV will create a new subsidiary company, Triodos Bank UK Ltd, wholly owned by Triodos Bank NV and expected to be operational from 1 March 2019.

This change will ensure we can continue to operate and provide our services in the UK following Britain's departure from the European Union (EU).

This letter and the details to be provided online are important, so please read them carefully.

No further action is required by you, unless you have questions or think the transfer will adversely affect you.

Our obligations to you as a customer will not change.

Our contact details remain the same

Telephone

0330 355 0355 – if calling from the UK (8:00am-6:00pm Monday to Friday)

Telephone

+44 (0)117 973 9339 – if calling from abroad

Email

contact@triodos.co.uk

Online

www.triodos.co.uk/legaltransfer

Address

Triodos Bank UK, Deanery Road, Bristol, BS1 5AS

on serving our customers and championing sustainable banking. We do not anticipate any material impact on how your account(s) operate. The majority of our terms and conditions will remain unchanged. As a UK authorised bank we will be regulated by the PRA and the FCA, and therefore subject to their requirements, including those in respect of capital and liquidity to be held in the UK by Triodos Bank UK Ltd.

If you are a Triodos Depository Receipt holder we will be writing to you separately to let you know of any changes as a result of our new subsidiary arrangement.

One specific aspect customers may have questions about is whether anything changes regarding the deposit protection in place under Triodos Bank UK Ltd. Personal customers and eligible organisations are currently protected by the Dutch Deposit Guarantee Scheme (DGS). The DGS guarantees deposits up to a maximum of EUR 100,000 per customer. Under the new subsidiary arrangement, we will move to cover from the UK's Financial Services Compensation Scheme (FSCS) instead. For detailed information on the differences between them, please see Section 7 of the Explanatory Statement mentioned below.

The FSCS (www.fscs.org.uk) is the UK's compensation fund of last resort providing most customers, including private individuals and small businesses, with assurance that up to £85,000 (per customer) of money deposited will be protected if the bank becomes unable to repay money deposited with it. You have the right to withdraw or transfer those eligible deposits exceeding the FSCS protection threshold without penalty. To do this you will need to contact us within three months of the date of this letter, referencing this notice so that we can make the necessary arrangements for you.

FSCS protection does not apply to investments directly distributed by Triodos Bank, including SICAV funds, depository receipts, direct impact investments and Crowdfunding holdings. Investors are also not covered by the Dutch Investor Compensation Scheme.

What happens next?

The Part VII court process involves two hearings before an English Court:

- A **Directions Hearings** will take place on 17 December 2018, in which Triodos Bank will submit the Scheme to the High Court of England & Wales, setting out the proposed transfers and proposals for public notifications.
- A **Sanctions Hearing** is currently scheduled for 11 February 2019, where Triodos will ask the court to approve the Scheme.

We currently expect the new structure to be effective immediately after midnight (UK time) on 1 March 2019.

Any person who believes that they will be adversely affected by the Scheme is entitled to be heard by the Court or make representations in writing at The Rolls Building, Fetter Lane, London, EC4A 1NL. Anyone who wishes to attend the Hearing, or wishes to instruct a barrister or solicitor advocate, at their own cost, to attend and make representations on their behalf or who wishes to make a written representation to the Court, is requested to give notice in writing of their intentions and their objections as soon as possible and preferably before 21 January 2019 to our usual contact details. The High Court will consider your objection when deciding whether to approve the transfer.

Further updates related to the Scheme, including any changes to the Court hearing date(s), will be posted on the Triodos website, so you may wish to check for updates.

We will be writing to all our customers to confirm the sanctioning of the transfer and with further details ahead of 1 March 2019.

Where can I find more information?

The Scheme Document in full and an Explanatory Statement setting out the terms of the proposed Scheme will be available from 17 December at: www.triodos.co.uk/legaltransfer. Please contact us if you would like to be alerted when they are available.

Thank you for your support,

Bevis Watts
Managing Director
Triodos Bank UK

P.S. It is important to keep up to date on how to protect your accounts and your money from fraudsters.

If you get contacted by someone claiming to be from Triodos or anywhere else, please take time to think through what you are being asked to do, especially if you are being pressured into doing something quickly. If you are in any doubt, hang up and call us on our published telephone number.

You can find more information about how to stay safe online on our website – which is regularly updated. There is also information available on websites such as financialfraudaction.org.uk and actionfraud.police.uk.

Triodos Bank NV (incorporated under the laws of the Netherlands with limited liability, registered in England and Wales BR3012). Authorised by the Dutch Central Bank and subject to limited regulation by the Financial Conduct Authority and Prudential Regulation Authority. Details about the extent of our regulation by the Financial Conduct Authority and Prudential Regulation Authority are available from us on request.