

29 October 2021

Sbs Mining Ltd Retirement SchemeOffice 12 - Venture Gates Building
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Merthyr Tydfil
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Client ID: 9523

Dear Sbs Mining Ltd Retirement Scheme

Reyker Securities PLC (In Special Administration) ("the Company"/"Reyker")
In the High Court of Justice, Business and Property Courts of England and Wales, Insolvency
and Companies List, Court Case Number: CR-2019-006671

IMPORTANT INFORMATION - This letter provides an update to Clients with regard to their Client Money and confirms the JSAs' intention to pay a second interim distribution of 13.25p in the £ (less a provision for a Client's share of the costs where a Client is not (or may not be) an FSCS Protected Claimant). This will take the total amount of Client Money to be distributed up to 98.25% for the majority of Clients.

No further action is required from you unless you need to modify your previously submitted Client Money Instruction Form. Should you wish to modify your Client Money instructions, please read this letter carefully and submit your revised instructions to clientservices@reyker.com by no later than 12 November 2021.

As you are aware, Mark Ford, Adam Stephens and Henry Shinnars, were each appointed as the Joint Special Administrators ("the JSAs") of the Company on 8 October 2019. This letter contains important information regarding your Client Money.

1. Update on closing the Client Money Pool

As per our last report, the JSAs have been paying all Clients who correctly submitted a claim to Client Money a first interim distribution of 85 pence in the pound (or 80 pence in the pound where the Client is not (or may not be) an FSCS protected claimant). The JSAs also intended, to pay a final distribution once the Client Money Pool (CMP) had been closed to Client claims.

The JSAs need to formally close the CMP to Client claims prior to returning the full balance of Client Money in order to protect Clients that receive Client Money, the Company and the JSAs.

The JSAs, and their legal advisors, consider the most appropriate way to do this is by way of an application to Court to set a hard bar date, being a final date by which any claims to Client Money must be made by any party ("Closure Date"). After the Closure Date, the CMP would be closed to new or increased claims and the JSAs can distribute 100% of Client Money claimed by Clients.

Until the CMP is closed, a balance of funds will be retained as a provision against unforeseen increased or new claims (and the share of costs for Clients ineligible for FSCS compensation).

Prior to an application to Court, the JSAs need to have taken steps to contact Clients in order to demonstrate to the Court that there is no reasonable prospect of any further claims to Client Money being received.

Despite undertaking and completing an extensive client tracing exercise (in liaison with the FCA and over and above that set out in Client Money legislation referred to as CASS rules), there presently remains more than 900 Clients yet to submit a claim to Client Money and new claims continue to be received each week.

Accordingly, based on explicit legal advice and counsel opinion, it is too early to apply to Court for a Hard Bar Date with a view to paying a final (100%) distribution of Client Money this calendar year.

2. Second interim distribution of Client Money (13.25 pence in the pound)

Given the JSAs will not be able to close the CMP and pay a final distribution this calendar year, the JSAs have retained a suitable provision (of less than 2% of the CMP) for unknown claims and consider it in Clients' best interests to pay a second distribution of 13.25 pence in the pound (less a provision for a Client's share of the costs where a Client is not (or may not be) an FSCS Protected Claimant).

This will take the total amount of Client Money to be distributed up to 98.25% for the majority of Clients.

The JSAs will commence the second distribution following 12 November 2021 (in order to give Clients an opportunity to update Client Money instructions as necessary). As before, given the volume of Clients and variety of Client Money instructions received, the distribution process will take several weeks to complete.

The JSAs will endeavour to pay all second distributions by the end of the calendar year, subject to all requisite information being provided by Clients and/or their respective new brokers (where applicable).

Clients that have recently submitted their claim to Client Money and have not therefore participated in the first distribution will receive a payment of 98.25% of their Client Money (less a provision for their share of costs where necessary).

3. What do I need to do?

You do not need to take any further action at this time.

The JSAs have received your claim to Client Assets and your Client Money Instruction Form and, accordingly, will distribute your second interim distribution in accordance with the latest instructions held on record.

If you wish to update your Client Money Instruction Form, e.g. due to a change of bank account details or broker details since your instructions were last submitted, please provide details of your new instructions in writing to client services by no later than **12 November 2021**. Revised instructions can be sent:

By post: Reyker Securities plc (in special administration), c/o Smith & Williamson Limited, 25 Moorgate, London, EC2R 6AY; or

By email: clientservices@reyker.com

4. Terms and conditions of the Client Money Distribution

Full details regarding the terms and conditions of the Client Money distribution can be found at the Website (<https://smithandwilliamson.com/reyster-securities-plc/>) and through the Portal (www.reysterportal.com).

Please note, instructions provided by you in respect of the first interim distribution will apply to subsequent distributions except where alternative instructions are provided in writing.

Alternative instructions need to be provided in good time. Reversals of distributions which have been set in motion or completed as per your original instructions will not be possible.

5. FSCS compensation

The costs of pursuing Objective 1 of the Special Administration (i.e. the return of Client Assets) are paid from Client Assets and, therefore, Clients not eligible for or choosing not to claim FSCS compensation will receive a shortfall in the Client Assets to which they lay claim following the deduction of their share of these costs.

The FSCS can pay up to £85,000 per eligible Client for claims in respect of Reyker Securities plc (in special administration), including those in respect of their share of the Objective 1 costs. Further information on eligibility criteria may be found at <https://www.fscs.org.uk/how-we-work/eligibility-rules/>.

Through the JSAs and FSCS working together, over 99% of Reyker's Clients have been qualified as being eligible for FSCS compensation and, therefore, in the vast majority of cases, no costs will be deducted from their Client Assets.

The Portal provides details of your present FSCS status.

6. Independent advice

Neither the Company nor the JSAs can give Clients any advice whatsoever in respect of their investments and / or the distribution of Client Money and nothing within this document, the Portal, or any other associated literature issued by the JSAs should be treated as such. If you are uncertain as to the best option(s) for you and your investments and the financial consequences, please seek independent professional advice.

It may be necessary to seek specialist tax advice in respect of any cash balances held within ISA, JISA, IF ISA or Child Trust Fund products before providing instructions to the JSAs to deal with the distribution of that element of your Client Money balance.

7. Progress report

The JSAs' progress report covering the six-month period from 8 April 2021 to 7 October 2021 (which refers to all matters regarding the special administration) will be available to view on the Smith & Williamson Limited dedicated Reyker webpage (<https://smithandwilliamson.com/reyster-securities-plc/>) with effect from **5 November 2021**.

The report has been prepared in accordance with Rule 122 of the Investment Bank Special Administration (England & Wales) Rules 2011.

The progress report will also be available to view and download from <https://www.ips-docs.com/> with effect from the same date. To access the progress report on this website: