

## **Recovery hjs - GENERAL CONDITIONS Version 1.0 (January 2007)**

### **1 Guarantees**

- 1.1 No guarantees have been given in respect of any of my liabilities.

No guarantees are to be offered by any other person and no security is to be given or sought.

### **2 Duration**

- 2.1 It is proposed that the arrangement should last 60 months from the date of the creditors' meeting.

The duration of the arrangement may be extended at the supervisor's discretion in order to complete any final administration or to allow extra contributions to be made to meet any minimum dividend modifications put forward by creditors. For the avoidance of doubt, the arrangement shall not last longer than 72 months.

### **3 Funds**

- 3.1 All funds shall be held by the supervisor who shall open such accounts as he may consider necessary with a United Kingdom bank in his name as supervisor of the arrangement. The supervisor will pay into such account all funds received or realised by him under the terms of the arrangement. 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 with any recognised bank in the United Kingdom or invested in short dated United Kingdom government securities.

- 3.2 If any dividend remains unpaid for more than 6 months, this sum is to be retained by the supervisor and included in the next dividend distribution to the remaining creditors. Should this be the final dividend, the sum may be returned to me, only if creditors have been paid in full, or the cost of making a further distribution exceeds the value of the unclaimed sum. In the event that funds are returned to me, a full list of persons to whom the funds are due will be supplied. The obligation to keep the supervisor informed of changes in contact details shall rest with the individual creditors.

### **4 Business**

- 4.1 Any business that I may subsequently decide to undertake during the course of the arrangement (although I have no intention of doing so and make this statement solely for the purpose of my legal requirements in connection with this proposed arrangement) will be carried on by me outside the scope of this arrangement and the supervisor shall not be involved in the same nor shall he be required to monitor the same.

- 4.2 Neither the supervisor nor any person acting on his behalf shall become liable for any liabilities incurred in connection with the continued trading of any business or otherwise in any circumstances, for the avoidance of doubt this includes, but is not limited to, any liability to any employee. The supervisor will not exercise any degree of control over any such business.

## **5 Further credit facilities**

- 5.1 With the exception of utilities, motor or domestic insurance or any other credit whereby payment is already detailed within this proposal, no personal credit is to be obtained during the period of the arrangement without first seeking the written permission of the supervisor. Should credit be obtained without such consent, this will be deemed a breach of the arrangement and on becoming aware of the default the supervisor shall immediately issue a certificate of non-compliance.

## **6 Functions to be undertaken by the supervisor**

- 6.1 In his supervisory capacity, the supervisor will oversee my realisation of assets and will have complete control of those realisations. He will directly agree all claims and make payment of dividends assuming all claims are agreed. I will co-operate as fully as possible with him in order that an optimised return to my creditors may be achieved.

## **7 Quantification of assets and liabilities**

- 7.1 If any asset is realised for a sum less than that proposed in this proposal and the appendices thereto, or if any liability detailed in this proposal and the appendices thereto shall exceed the estimated figure then that shall not constitute a default within the meaning of Section 276 of the Act and shall not entitle any creditor to seek relief from the court, either by way of bankruptcy proceedings or otherwise.

## **8 Windfall Provision**

- 8.1 If during the term of the voluntary arrangement, I should inherit or receive or become entitled to any assets not anticipated at the time of the arrangement and valued in excess of £500, I shall within 28 days inform my supervisor and such assets are to be made available for the benefit of creditors up to the value of the total debts plus statutory interest. This will not relieve me of any other obligations I have under the terms of this proposal.

## **9 Financial Review**

- 9.1 My supervisor will review my income and expenditure at annual intervals in order to ascertain whether it is possible for me to increase the level of voluntary contributions or make a lump sum payment to ensure that the maximum level of contributions are being made. The review will include a copy of my business Income & Expenditure or a copy of my latest P60 together with the pay slips for the three months immediately prior to the review, whichever is appropriate. Any increase must commence with effect from the month following the review. Details of the income and expenditure review are to be included within each annual report submitted to the creditors by the supervisor.

## **10 Interest**

- 10.1 Creditor's claims are to be calculated to the date on which I enter into a voluntary arrangement with my creditors. Thereafter, and for as long as my voluntary arrangement remains in force no additional interest or charges may be added to any unsecured liability which forms part of that arrangement.

## **11 Legal or Recovery Action**

- 11.1 So long as my voluntary arrangement remains in force, no creditor bound by that arrangement may instigate or proceed with any legal or recovery action against me, without leave of the court.

## **12 Variation**

- 12.1 If for any reason the supervisor is required to convene a further meeting of creditors to consider a variation of the proposal, creditors shall receive not less than 28 days notice. Proxies will be valid if lodged up to the time of the meeting. If there are three creditors that account for more than 50% of the creditors by value (the majority creditors), then the supervisor will be at liberty to dispense with the necessity to convene a general meeting of creditors and may obtain the consent of those creditors in writing to the proposed variation.

## **13 Substantial Compliance**

- 13.1 A certificate of substantial compliance can only be issued with the consent of 75% of voting creditors. Consent may be obtained by postal vote, allowing 21 days for creditors to vote.

## **14 Death of debtor during term of arrangement**

- 14.1 Should I die before the supervisor has issued a certificate of due completion or a certificate of non compliance, the supervisor must call a meeting of creditors to agree an appropriate course of action regarding the debtors estate or alternatively consult the majority creditors.

## **15 Change of address of debtor**

- 15.1 I shall immediately advise the Supervisor of any change of address. If I fail to do this and the supervisor is unable to locate me, a certificate of non compliance should be issued and any funds available within the arrangement distributed to creditors.

## **16 Write Off**

- 16.1 Subject to the successful completion of the arrangement, and upon the issue of a certificate of full implementation, any creditor bound by the arrangement shall write off any outstanding sum of money still owed to them.

## **17 Breach**

- 17.1 Any reference within the proposal incorporating these general conditions, incorporated conditions or agreed modifications to the default of the arrangement, non-compliance or failure shall mean breach of the arrangement and shall be interpreted accordingly
- 17.2 Should I fall three months into arrears with contributions to the arrangement, not necessarily consecutive, then this will constitute breach. I have been made aware that this could result in the supervisor being instructed to petition for my bankruptcy.
- 17.3 The supervisor need not retain sufficient funds to petition for my bankruptcy should I breach the terms of the arrangement.
- 17.4 Upon breach of the terms of the arrangement or failure by me to adhere to the terms of these my proposals, or any modifications to them, should the creditors decide to present a petition for my bankruptcy ("the Petition") the Supervisor shall be entitled, at his sole discretion, to employ Solicitors to present the Petition and shall be authorised to pay these agents as an expense of the arrangement. However the Supervisor shall also, at his sole discretion, be authorised to present the Petition himself and shall be entitled to draw his fees for doing so.

These petition fees drawn by the Supervisor if he chooses not to employ solicitors to present the Petition shall be set at £600 and disbursements (inclusive if VAT where appropriate) and shall be in addition to any fees that he may have drawn or be entitled to draw in respect to his office as nominee and supervisor.

**18 Conditions**

- 18.1 It is not anticipated that a committee of my creditors shall be appointed, but if such a committee is appointed the rules governing its appointment and functions are set out in the R3 standard conditions version 2.