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Claim No: 4275 of 2016

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT

Before Mr Justice **ARNOLD**

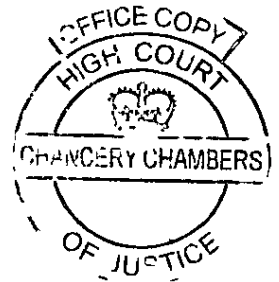
Dated **13** 2016

13 SEPTEMBER

IN THE MATTER OF SOURCE BIOSCIENCE PLC

AND

IN THE MATTER OF THE COMPANIES ACT 2006



ORDER

9 AUGUST

UPON THE ADJOURNED APPLICATION by Part 8 Claim Form dated **13** 2016 of the above named Source Bioscience Plc (the **Company**) whose registered office is 1 Orchard Place, Nottingham Business Park, Nottingham, Nottinghamshire, NG8 6PX

AND UPON HEARING Andrew Thornton, Counsel for the Company

AND UPON READING the Claim Form and the evidence

AND UPON Sherwood Holdings Limited appearing by Counsel for the Company (being its Counsel for this purpose) consenting to the scheme of arrangement (the **Scheme**) under Part 26 of the Companies Act 2006 dated 17 August 2016 hereinafter sanctioned and undertaking to execute and do and procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed and done by it for the purpose of giving effect to the Scheme

THIS COURT HEREBY sanctions the Scheme as set out in the Schedule to this Order

IT IS ORDERED THAT this Order be produced by the Company to the Registrar of Companies and that the Company deliver an office copy of the Order to him

DATED **13** 2016

13 SEPTEMBER

TUESDAY



SPE 13/09/2016 #129
COMPANIES HOUSE

THE SCHEDULE

THE SCHEME OF ARRANGEMENT

**IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION COMPANIES COURT**

No. 4275 of 2016

IN THE MATTER OF SOURCE BIOSCIENCE PLC

and

IN THE MATTER OF THE COMPANIES ACT 2006

SCHEME OF ARRANGEMENT

(under Part 26 of the Companies Act 2006).

between

SOURCE BIOSCIENCE PLC

AND

THE HOLDERS OF THE SCHEME SHARES

(as hereinafter defined)

PRELIMINARY

- (A) In this Scheme, unless inconsistent with the subject or context, the following expressions bear the following meanings

"Australia"	the Commonwealth of Australia, its states, territories and possessions and all areas subject to its jurisdiction or any political subdivision thereof
"Business Day"	a day, (other than a Saturday, Sunday, public or bank holiday) on which banks are generally open for business in London
"Canada"	Canada, its possessions and territories and all areas subject to its jurisdiction and any political sub-division thereof
"Cash Consideration"	the entitlement of the Scheme Shareholders to receive 18 pence in Cash Consideration for each Scheme Share
"certificated" or "in certificated form"	a share or other security which is not in uncertificated form (that is, not in CREST)
"Code"	The City Code on Takeovers and Mergers
"Companies Act"	the Companies Act 2006, as amended

“Continental”	Continental Investment Partners S A , a private company incorporated in Switzerland with limited liability on 4 July 2013, which is an affiliated Organismo di Autodisciplina dei Fiduciari del Canton Ticino, with registered number CHE 147 303 365
“Court Hearing”	the hearing at which the Court sanctions the Scheme
“Court Meeting”	the meeting of Voting Scheme Shareholders (and any adjournment thereof) convened pursuant to an order of the Court pursuant to section 896 of the Companies Act for the purpose of considering and, if thought fit, approving (with or without modification) this Scheme
“Court Order”	the order of the Court sanctioning this Scheme
“Court”	the High Court of Justice in England and Wales
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI2001 No 3755), including (i) any enactment or subordinate legislation which amends or supersedes those regulations and (ii) any applicable rules made under those regulations or any such enactment or subordinate legislation for the time being in force
“CREST Shareholder”	a Source BioScience Shareholder who holds his Source BioScience Shares in uncertificated form, that is CREST
“CREST”	the relevant system (as defined in the CREST Regulations) of which Euroclear is the authorised operator (as defined in the CREST Regulations) in accordance with which securities may be held and transferred in uncertificated form
“Effective”	the Scheme having become effective pursuant to and in accordance with its terms
“Effective Date”	the date on which the Scheme becomes effective in accordance with its terms and “Effective Time” means the time on such date at which the Scheme becomes effective
“Equiniti Limited”	Equiniti Limited, a company incorporated in England and Wales with registered number 6226088 whose registered office is at Aspect House, Spencer Road, Lancing West Sussex BN99 6DA
“Euroclear”	Euroclear UK & Ireland Limited

“Existing Continental Investors”	the clients advised by or otherwise associated with Continental which currently hold Source BioScience Shares
“Existing Harwood Investors”	the funds managed and/or advised by or otherwise associated with Harwood Capital which currently hold Source BioScience Shares
“Form of Election”	the form of election to be sent to Scheme Shareholders (other than Restricted Overseas Shareholders) by or on behalf of the Company pursuant to which a Scheme Shareholder holding Scheme Shares in certificated form may make an election for the Unlisted Securities Alternative in respect of some or all of his Scheme Shares
“Harwood Capital”	Harwood Capital LLP, a UK limited liability partnership incorporated under the Limited Liability Partnerships Act 2000 with registered number OC304213
“holder”	a registered holder and includes any person(s) entitled by transmission
“Japan”	Japan, its cities, prefectures, territories and possessions and all areas subject to its jurisdiction or any political subdivision thereof
“New Zealand”	New Zealand, its respective territories and possessions
“Overseas Shareholders”	Source BioScience Shareholders (or nominees of, or custodians or trustees for, Source BioScience Shareholders) not resident in, or nationals or citizens of, the United Kingdom
“Panel”	The Panel on Takeovers and Mergers
“Registrar of Companies”	means the registrar of companies in England and Wales
“Restricted Jurisdiction”	United States, Japan, Canada, South Africa, New Zealand, Australia (or their respective territories) or any other jurisdiction where the relevant actions may constitute a violation of the relevant laws and regulations of such jurisdiction if information concerning the Proposals is sent or made available to Scheme Shareholders in that jurisdiction
“Restricted Shareholders”	Overseas a person holding Source BioScience Shares (including, without limitation, an individual, partnership, unincorporated syndicate, limited liability company, unincorporated organisation, trust, trustee, executor,

	<p>administrator or other legal representative) in, or resident in, or any person whom Source BioScience (following consultation with Sherwood) reasonably believes to be in a Restricted Jurisdiction and persons in any other jurisdiction whom Source BioScience (following consultation with Sherwood) is advised to treat as restricted overseas persons in order to observe the laws of such jurisdiction or to avoid the requirement to comply with any governmental or other consent or any registration, filing or other formality which Source BioScience (following consultation with Sherwood) regards as unduly onerous</p>
"Scheme Record Time"	6 00-p m on the Business Day immediately preceding the date of the Court Hearing
"Scheme Shareholders"	holders of Scheme Shares whose names appear in the register of members of Source BioScience at the Scheme Record Time
"Scheme Shares"	<p>means the Source BioScience Shares,</p> <ul style="list-style-type: none"> (i) in issue at the date of this document, (ii) (if any) issued after the date of this document and prior to the Voting Record Time, and (iii) (if any) issued at or after the Voting Record Time and prior to the Scheme Record Time in respect of which the original or any subsequent holder thereof shall be bound by this Scheme or shall by such time have agreed in writing to be bound by this Scheme, and remaining in issue at the Scheme Record Time but excluding any Source BioScience Shares held or beneficially owned by any member of the Sherwood Group (or their nominees)
"Scheme"	this scheme of arrangement in its present form or with or subject to any modification, addition or condition approved or imposed by the Court
"Sherwood"	Sherwood Holdings Limited, incorporated in England and Wales with registered number 10269474
"Sherwood Group"	means Sherwood and its direct and indirect holding companies
"Sherwood PIK Loan Note Instrument"	the instrument constituting the Sherwood PIK Loan Notes executed by Sherwood on 29 July 2016
"Sherwood PIK Loan Notes"	the 10 per cent fixed rate £0.17 nominal amount unsecured loan notes, to be issued on terms of the

Sherwood PIK Loan Note Instrument

“Sherwood Share Units”	units comprising one Sherwood Share and one Sherwood PIK Loan Note
“Sherwood Share”	means an ordinary share of 1 pence in the share capital of Sherwood
“Source Bioscience Share Option Schemes”	the share option schemes, operated by Source BioScience
“Source BioScience Shareholders”	holders of Source BioScience Shares
“Source BioScience Shares”	ordinary shares of 2 pence each in the capital of Source BioScience
“Source BioScience” or the “Company”	Source BioScience plc, a company incorporated in England and Wales with registered number 00079136 whose registered office is at 1 Orchard Place, Nottingham Business Park, Nottingham, Nottinghamshire, NG8 6PX
“South Africa”	the Republic of South Africa and its respective territories or possessions
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“uncertificated” or “in uncertificated form”	a share or other security recorded on the relevant register as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
“United States”	the United States of America, its territories and provinces, any state in the United States of America and the District of Columbia
“Unlisted Securities Alternative”	the facility provided for in the Scheme whereby a Scheme Shareholder (other than Restricted Overseas Shareholders) may elect, in respect of all or some of their Scheme Shares, to receive Sherwood Share Units <i>in lieu</i> of the Cash Consideration to which they are entitled under the terms of the Offer
“Voting Record Time”	6 00 p m on the day which is two days prior to the date of the Court Meeting or, if the Court Meeting is adjourned, 6 30 p m on the day which is two days before the day of such adjourned meeting, in each case excluding any day falling on a weekend or a public

holiday in the UK

“Voting Scheme Shareholders” the holders of Scheme Shares (other than the Existing Continental Investors and Existing Harwood Investors who will each confirm their approval of, and agreement to be bound by, the Scheme in letters of confirmation)

- (B) As at 16 August 2016 (the latest practicable date prior to the date of this Scheme) 349,292,449 Source BioScience Shares have been issued and are credited as fully paid. There are subsisting options to subscribe for up to 28,160,225 Source BioScience Shares pursuant to the Source BioScience Share Option Schemes.
- (C) Sherwood was incorporated on 8 July 2016 under the Companies Act as a private company incorporated by shares with company number 10269474. The issued share capital of Sherwood at the date of this document is £0.02 divided into two ordinary shares of 1 penny each, all of which are issued and paid up.
- (D) As at 16 August 2016 (the latest practicable date prior to the date of this document), the Existing Continental Investors and the Existing Harwood Investors held, in aggregate, 107,957,490 Source BioScience Shares.
- (E) The purpose of the Scheme is to provide for the transfer of the Scheme Shares to Sherwood in consideration for the payment of the Cash Consideration to the holders of the Scheme Shares or, if holders of Scheme Shares elect, in consideration of the receipt of Sherwood Share Units.
- (F) Sherwood, the Existing Harwood Investors and the Existing Continental Investors have agreed to either (a) appear by counsel at the hearing to sanction the Scheme, or (b) to consent to the Scheme in writing, and to undertake to the Court to be bound by, the terms of the Scheme and to execute and do, or procure to be executed and done, all such documents, acts and things as may be necessary or desirable to be executed or done by them for the purposes of giving effect to the Scheme.

The Scheme

1. Transfer of the Scheme Shares

- 1.1 Upon and with effect from the Effective Time, Sherwood (or its nominee(s)) shall acquire all of the Scheme Shares fully paid, with full title guarantee, free from all encumbrances and together with all rights at the Effective Date or thereafter attached thereto, including the right to receive and retain all dividends and other distributions declared, paid or made thereon (if any).
- 1.2 For such purposes, the Scheme Shares shall be transferred to Sherwood (or its nominee(s)) and to give effect to such transfers any person may be appointed by Sherwood as attorney or agent and shall be authorised as such attorney or agent on behalf of the holders of Scheme Shares to execute and deliver as transferor any form of transfer, or other instrument of transfer, in respect of, or to give any instruction to transfer, any Scheme Shares and every form, instrument or instruction of transfer so executed shall be as effective as if it had been executed or given by the holder or holders of the Scheme Shares thereby transferred.

- 1 3 Pending the transfer of the Scheme Shares pursuant to clause 1 2, the holders of the Scheme Shares irrevocably appoint Sherwood (or its nominee(s)) as their attorney to exercise any voting rights attached to the Scheme Shares and any or all rights and privileges attaching to the Scheme Shares, to sign any consent to short notice of a general, or separate class meeting and on their behalf to execute a form of proxy in respect of such shares appointing any person nominated by Sherwood to attend general and separate class meetings of the Company and authorises the Company to send to Sherwood any notice, circular, warrant or other document or communication which may be required to be sent to them as a member of the Company

2. Consideration for the transfer of the Scheme Shares

- 2 1 In consideration of the transfer of the Scheme Shares as provided in clause 1 1 and clause 1 2 of the Scheme, Sherwood (or its nominee(s)) shall, subject as hereinafter provided, pay or procure that there shall be paid to or for the account of each holder of Scheme Shares whose name appears in the register of members of Source BioScience at the Scheme Record Time

for each Scheme Share held by that person 18 pence in cash

- 2 2 If any dividend or other distribution or return of value is proposed, declared, made, paid or becomes payable by Source BioScience in respect of a Scheme Share on or after the date of this Scheme and prior to the Scheme becoming Effective, Sherwood shall be entitled to reduce the value of the consideration payable for each Scheme Share by up to the amount per Source BioScience Share of such dividend, distribution or return of value except where the Scheme Share is or will be acquired pursuant to the Scheme on a basis which entitles Sherwood to receive the dividend, distribution or return of value and to retain it Any exercise by Sherwood of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Scheme

3. Unlisted Securities Alternative

- 3 1 In consideration of the transfer of the Scheme Shares as provided in clause 1 1 and clause 1 2 of the Scheme, Sherwood (or its nominee(s)) shall, subject as hereinafter provided, allot and issue to the holders of the Source BioScience Shares (as appearing in the register of members of the Company at the Scheme Record Time) Sherwood Share Units on the following basis

for each Scheme Share held by that person 1 Sherwood Share Unit

- 3 2 Sherwood Shares issued pursuant to clauses 2 1 and 3 1 of this Scheme shall be issued credited as fully paid
- 3 3 Each election for the Unlisted Securities Alternative shall be made by completion of a Form of Election in respect of certificated shares which shall be executed by the Scheme Shareholder or his duly authorised agent The instructions, terms, authorities, warranties and provisions contained in or deemed to be incorporated in the Form of Election and in paragraph 18 of Part II of the document of which this Scheme forms a part constitute part of the terms of this Scheme To be effective the Form of Election must be completed and returned in accordance with the instructions thereon so as to arrive by not later than 6 00

p m on 14 September 2016 at Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA

Forms of Election so completed and lodged shall, unless otherwise agreed by the Company and Sherwood, be irrevocable as at the Scheme Record Date and time CREST Shareholders must make any election for the Unlisted Securities Alternative electronically through the CREST system in accordance with the relevant instructions set out in paragraph 18.2 of Part II of the document of which this Scheme forms a part

- 3.4 Elections made by Scheme Shareholders for the Unlisted Securities Alternative will not affect the entitlements of Scheme Shareholders who do not make any such election
- 3.5 The provisions of this clause 3 of this Scheme shall be subject to any prohibition or condition imposed by law and, in the case of Overseas Shareholders, to the provisions of clause 6 of this Scheme
- 3.6 If a Form of Election is received after 6.00 p m on 14 September 2016 or is received before such time but is not, or is deemed not to be valid or complete in all respects at such time, then such election shall, unless the Company and Sherwood, in their absolute discretion, elect to treat as valid in whole or in part any such election, be void for all purposes and the Scheme Shareholder purporting to make such election shall be treated as not having made the election (but the validity of any other election made by him will not be impugned thereby)

4. Share certificates and cancellations in CREST

- 4.1 With effect from and on the Effective Date, each existing certificate representing a holding of Scheme Shares shall cease to have effect as documents of title to the Scheme Shares comprised therein and each holder of Scheme Shares shall be bound at the request of Source BioScience to deliver up the share certificate to Source BioScience or, as it may direct, to destroy the same
- 4.2 With effect from and including the Effective Date, entitlements to all Scheme Shares in CREST will be cancelled
- 4.3 With effect from the Effective Date, following the cancellation of the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form, Equiniti Limited shall be authorised to rematerialise entitlements to such Scheme Shares

5 Settlement

As soon as practicable after the Effective Date, and in any event not more than 14 days after the Effective Date, Sherwood shall, except with the consent of the Panel, settle the consideration to which any Source BioScience Shareholder is entitled under the Scheme in the manner set out below

5.1 *Scheme Shares held in uncertificated form*

Where at the Scheme Record Time, a Scheme Shareholder holds Scheme Shares in uncertificated form

- (a) the Sherwood Share Units to which the Scheme Shareholder is entitled will be issued in certificated form, and

- (b) settlement of the Cash Consideration will be paid through CREST as soon as practicable after the Effective Date and in any event within 14 days after the Effective Date, in accordance with CREST payment arrangements

As from the Scheme Record Time, each holding of Scheme Shares credited to any stock account in CREST will be disabled and on the Effective Date, Euroclear will be instructed to rematerialise such Scheme Shares

Sherwood reserves the right to pay all or any part of the Cash Consideration referred to above to all or any Scheme Shareholder(s) who holds Scheme Shares in uncertificated form at the Scheme Record Time in the manner referred to in paragraph 1.2 of this Part IV if for any reason outside its control, it is not able to effect settlement in accordance with this paragraph

5.2 *Scheme Shares held in certificated form*

Where at the Scheme Record Time, a Scheme Shareholder holds Scheme Shares in certificated form

- (a) the Sherwood Share Units to which the Scheme Shareholder is entitled will be issued in certificated form, and
- (b) settlement of the Cash Consideration, will be made in pounds sterling by cheque drawn on a branch of a clearing bank in the United Kingdom

Settlement of any Cash Consideration due under the Scheme in respect of Source BioScience Shares held in certificated form will be sent

- (a) by first class post, by cheque drawn on a branch of a UK clearing bank, or
- (b) by such other method as may be approved by the Panel

All such cash payments (whether in respect of Source BioScience Shares in uncertificated or certificated form) shall be made in pounds sterling. Payments made by cheque shall be payable to the holders of the Source BioScience Shares concerned. Cheques shall be despatched as soon as practicable after the Effective Date and in any event within 14 days of the Effective Date. All deliveries of cheques required to be made pursuant to the Scheme shall be effected the same day by first class post in pre-paid envelopes addressed to the persons entitled to them at their respective addresses as appearing in the register of members of Source BioScience at the Scheme Record Time or, in the case of joint holders, at the address of the joint holders whose name stands first in such register in respect of such joint holding at such time or in accordance with any special instructions regarding communications, and neither Sherwood nor Source BioScience shall be responsible for any loss or delay in the transmission of cheques sent in this way and such cheques shall be sent at the risk of the person entitled to them.

Definitive Sherwood Share certificates and Sherwood PIK Loan Notes for Sherwood Share Units will be despatched to the relevant Scheme Shareholders no later than 14 days after the Effective Date. Definitive Sherwood Share certificates and Sherwood PIK Loan Notes will be despatched to such Scheme Shareholders by first-class post (or by such other method as may be approved by the Panel) to the address appearing in the register of members of Source BioScience at the Scheme Record Time (or in the case of joint holders, to the holder whose name stands first in such register in respect of the holdings concerned).

On the Effective Date, each certificate representing a holding of Source BioScience Shares subject to the Scheme will be cancelled. Share certificates in respect of such shares will cease to be valid and

every Source BioScience Shareholder will be bound at the request of Source BioScience to deliver up to Source BioScience, or to any person appointed by Source BioScience, the share certificate(s) for cancellation, or to destroy them

6. Overseas Shareholders

- 6.1 The provisions of Clauses 3 and 5 of this Scheme shall be subject to any prohibition or condition imposed by law. If in the case of any Scheme Shareholder Sherwood believes that the law of a country or territory outside the United Kingdom precludes the delivery to them of the Sherwood Share Units or precludes the same except after compliance by the Company or Sherwood (as the case may be) with any governmental or other consent or any registration, filing or other formality with which the Company or Sherwood (as the case may be) is unable to comply or which the Company or Sherwood (as the case may be) regards as unduly onerous, then Sherwood may in its sole discretion determine that such Scheme Shareholder shall in the case of a Scheme Shareholder who has made an election for the Unlisted Securities Alternative be deemed not to have made such election and accordingly that no Sherwood Share Units shall be issued to such holder under Clause 3 of this Scheme and the Scheme Shareholder shall instead be paid 18 pence in cash for each Scheme Share of which he is the holder at the Scheme Record Time, such payment to be made in accordance with Clause 6 of this Scheme
- 6.2 All Scheme Shareholders who are Restricted Overseas Shareholders shall receive Cash Consideration and there shall be no issuance of Sherwood Share Units to such Scheme Shareholders

7. The Effective Time

- 7.1 The Scheme shall become effective as soon as a copy of the Court order sanctioning the Scheme shall have been delivered to the Registrar of Companies
- 7.2 Unless the Scheme shall have become effective on or before the close of business on 15 September 2016 (London time), or such later date (if any) as Source BioScience and Sherwood may agree and the Court may approve, the Scheme shall not become effective

8 Modification

Source BioScience and Sherwood may jointly consent on behalf of all persons concerned to any modification of or addition to the Scheme or to any condition which the Court may think fit to approve or impose

9. Governing Law

This Scheme is governed by English law and is subject to the jurisdiction of the English courts. The rules of the Code apply to this Scheme

Dated 17 August 2016