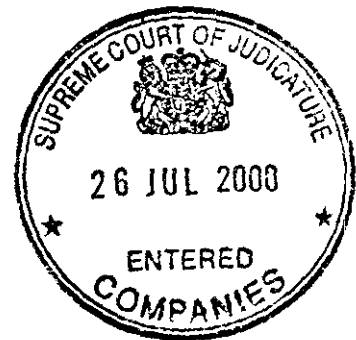
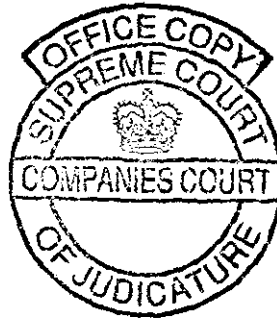


290076

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

**No. 3100 of 2000**

The Hon. Mr. Justice Jacob  
Monday 24<sup>th</sup> July 2000  
Wednesday 26<sup>th</sup> July 2000



**IN THE MATTER OF GRANADA GROUP PLC**

**-AND-**

**IN THE MATTER OF THE COMPANIES ACT 1985**

UPON THE PETITION of the above-named Granada Group PLC ("the Company") whose registered office is situate at Stornoway House, 13 Cleveland Row, London SW1A 1GG presented to the Court on 6<sup>th</sup> July 2000

AND UPON HEARING Counsel for the Company

AND UPON READING the Petition and the evidence

AND UPON Granada Compass plc undertaking by Counsel for the Company being its Counsel for the purpose to be bound by the Scheme of Arrangement hereinafter sanctioned and to execute all such documents and do and procure to be done all such acts and things as may be necessary or desirable to be executed or done for the purpose of giving effect thereto

**ON 24<sup>TH</sup> JULY 2000**

THE COURT SANCTIONS the Scheme of Arrangement as set forth in the First Schedule hereto



**AND ON 26TH JULY 2000**

THE COURT CONFIRMS in accordance with the provisions of the above-mentioned Act the reduction of capital of the Company resolved on and effected by a special resolution passed at an Extraordinary General Meeting of the Company held on 5<sup>th</sup> July 2000

AND THE COURT APPROVES the Minute set forth in the Second Schedule hereto

AND IT IS ORDERED THAT

- (1) this Order be produced by the Company to the Registrar of Companies and that it deliver an office copy to him together with a copy of the said Minute; and
- (2) pursuant to Section 139(2) of the said Act, the Registrar of Companies shall register the said Order notwithstanding that it has the effect of bringing the nominal value of the allotted share capital of the Company below the authorised minimum; and
- (3) notice of the registration by the Registrar of Companies of this Order (so far as it confirms the reduction of the capital of the Company) and of the said Minute be published once by the Company in the Financial Times newspaper within 21 days of such registration.



**THE FIRST SCHEDULE**

**IN THE HIGH COURT OF JUSTICE**

**CHANCERY DIVISION**

**COMPANIES COURT**

**IN THE MATTER OF GRANADA GROUP PLC**

**- AND -**

**IN THE MATTER OF THE COMPANIES ACT 1985**

**SCHEME OF ARRANGEMENT**  
(under Section 425 of the Companies Act 1985)

**BETWEEN**

**GRANADA GROUP PLC**

**- AND -**

**THE HOLDERS OF THE GRANADA SCHEME SHARES**

**- AND -**

**THE HOLDERS OF THE GRANADA PREFERENCE SCHEME SHARES**  
(EACH AS DEFINED BELOW)

**PRELIMINARY**

- (A) In this Scheme, where the context so admits, the singular shall include the plural and vice versa and, unless inconsistent with the subject or context, the following expressions shall bear the meanings respectively set opposite them below:

"Business Day" means a day (excluding Saturdays and Sundays) on which banks generally are open in London for the transaction of normal banking business;

"Company" or "Granada" means Granada Group PLC;

"Court" means the High Court of Justice in England and Wales;

"CREST" means a relevant system (as defined in the CREST Regulations) in respect of which CRESTCo Limited is the operator (as defined in the CREST Regulations);

"CREST Regulations" means the Uncertificated Securities Regulations 1995 (SI 1995 No 3272);

"Effective Date" means the day on which this Scheme becomes effective in accordance with clause 6 of this Scheme;

"Granada Compass" means Granada Compass plc;

"Granada Compass Shares" means ordinary shares of 10p each in Granada Compass;

"Granada Shareholders Court Meeting" means the meeting of Members holding Granada Shares convened by Order of the Court for 5 July 2000;

"Granada Shares" means the ordinary shares of 12.5p each in the capital of the Company;

"Granada Preference Shares" means the redeemable convertible preference shares of 10p each in the capital of the Company;

"Granada Preference Shareholders Court Meeting" means the meeting of Members holding Granada Preference Shares convened by Order of the Court for 5 July 2000;

"Hearing Date" means the date of the hearing by the Court of the petition to sanction this Scheme;

"Holder" includes any person entitled by transmission;

"Members" means members of the Company on the register of members of the Company at any relevant date;

"New Granada Shares" means the ordinary shares of 12.5p each in the capital of the Company to be issued in accordance with clause 1(b)(ii) of this Scheme;

"New Granada Preference Shares" means the redeemable convertible preference shares of 10p each in the capital of the Company to be issued in accordance with clause 1(h)(ii) of this Scheme;

"Overseas Shareholders" means holders of Scheme Shares or Scheme Preference Shares who are citizens, residents or nationals of jurisdictions outside the United Kingdom;

"Record Time" means 6.00 pm on the Business Day immediately preceding the Reduction Hearing Date;

"Reduction Hearing Date" means the date of the hearing of the petition to sanction the reduction of capital at the Court;

"Scheme" means this Scheme in its present form or with any modification thereof or addition thereto or condition approved or imposed by the Court;

"Scheme Shareholder" means a holder of Scheme Shares;

"Scheme Shares" means the Granada Shares in issue at the date of this Scheme together with such additional Granada Shares (if any) issued after the date of this Scheme and prior to the Record Time on terms that the original or subsequent holder thereof shall be bound by this Scheme;

"Scheme Preference Shareholder" means a holder of Scheme Preference Shares;

"Scheme Preference Shares" means the Granada Preference Shares in issue at the date of this Scheme together with such additional Granada Preference Shares (if any) issued after the date of the Scheme and prior to the Record Time on terms that the original or subsequent holders thereof shall be bound by this Scheme; and

"uncertificated" or "in uncertificated form" means recorded on the relevant register as "in uncertificated form" being held in uncertificated form in CREST and title to which by virtue of the CREST Regulations may be transferred by CREST.

- (B) The authorised capital of the Company is £325,000,000 divided into (a) 2,504,098,700 Granada Shares of which 1,867,559,330 have been issued and are fully paid and the remainder are unissued; (b) 87,411,271 Granada Preference Shares all of which have been issued and are fully paid; and (c) 32,465,354 new convertible preference shares of 10p each of which none have been issued.
- (C) Granada Compass was incorporated as a private company limited by shares on 3 April 2000 and was re-registered to a public limited company on 26 May 2000. The authorised share capital of Granada Compass at the date of this Scheme is £300,050,998 divided into 3,000,010,000 ordinary shares of 10p each and 49,998 redeemable preference shares of £1 each. As part of Granada Compass' establishment as a private limited company, one ordinary share of £1 was issued to the subscriber to the Memorandum of Association, which

was Instant Companies Limited of 1 Mitchell Lane, Bristol BS1 6BZ. On 15 May 2000, this share was transferred to Loviting Limited of 21 Holborn Viaduct London EC1A 2DY. On 15 May 2000 a further ordinary share was issued to Serjeants' Inn Nominees Limited of 21 Holborn Viaduct EC1A 2DY. On 25 May 2000 one ordinary share of £1 was transferred to Graham Parrott (now represented by 10 Granada Compass Shares) and the other to Andrew Lynch (now represented by 10 Granada Compass Shares). As part of Granada Compass' conversion to a public limited company under the Companies Act 1985, 24,999 redeemable preference shares of £1 each were issued to each of Ogier Nominees Limited (as trustee for Keeper Limited a wholly-owned subsidiary of Lazard Brothers & Co. Limited) and Salomon Brothers International Limited. These shares will be redeemed by Granada Compass for a consideration of £1 each following the Effective Date so as to produce no profit or loss on their redemption.

- (D) Granada Compass has agreed to appear by Counsel on the hearing of the petition to sanction this Scheme and to undertake to the Court to be bound thereby and to execute all such documents and do or procure to be done all such acts and things as may be necessary or desirable to be executed or done by or for the purpose of giving effect to this Scheme.

#### THE SCHEME

1. (a) Notwithstanding the provisions of the Articles of Association of the Company, the capital of the Company shall be reduced by cancelling and extinguishing the Scheme Shares and the Scheme Preference Shares.  
  
(b) Forthwith and contingently upon the said reduction of capital taking effect:
  - (i) the capital of the Company shall be increased to its former amount by the creation of such number of New Granada Shares and New Granada Preference Shares as shall be required to restore the capital of the Company to its former amount; and
  - (ii) the Company shall apply the credit arising in its books of account as a result of such reduction of capital upon the cancellation of the Scheme Shares and the Scheme Preference Shares in paying up in full New Granada Shares and in paying up in full New Granada Preference Shares, which shall be allotted and issued, credited as fully paid, to Granada Compass and/or its nominee(s).
2. (a) In consideration of the cancellation of the Scheme Shares and the issue by the Company to Granada Compass and/or its nominees of the New Granada Shares,

Granada Compass shall allot and issue to Scheme Shareholders Granada Compass Shares, credited as fully paid, to such Scheme Shareholders on the following basis:

for each Scheme Share held	0.7547 Granada Compass
at the Record Time	Shares

and so in proportion for any other number of Scheme Shares so held.

- (b) In consideration of the cancellation of the Scheme Preference Shares and the issue by Granada to Granada Compass and/or to its nominees of New Granada Preference Shares, Granada Compass shall allot and issue to Scheme Preference Shareholders Granada Compass Shares, credited as fully paid, to such Scheme Preference Shareholders on the following basis:

for each Scheme Preference	0.515 Granada Compass
Share held at the Record Time	Shares

and so in proportion for any other number of Scheme Preference Shares so held.

- (c) Granada Compass Shares to be issued pursuant to clause 2(a) and (b) above shall rank in full for all dividends and other distributions made, paid or declared on or after the Effective Date on the ordinary share capital of Granada Compass.
- (d) Graham Parrott, who holds 10 of the Granada Compass Shares in issue at the date hereof, shall be treated as having received such shares as part of his entitlement under this Scheme and his entitlement shall be reduced accordingly.
- (e) Fractions of Granada Compass Shares will not be allotted or issued to Scheme Shareholders or Scheme Preference Shareholders, but will be aggregated and sold in the market and the net cash proceeds of sale will be distributed to persons in accordance with their fractional entitlements save that individual amounts of less than £3 will be retained by Granada Compass for its own benefit.
- (f) The provisions of this clause shall be subject to any prohibition or condition imposed by law. Without prejudice to the generality of the foregoing, the allotment and issue of Granada Compass Shares pursuant to the Scheme to Scheme Shareholders or Scheme Preference Shareholders who are Overseas Shareholders may only be carried out in full compliance with all applicable laws, rules and regulations of such jurisdictions. If, in respect of any Overseas Shareholder, the Company or Granada Compass is advised that the allotment and issue of Granada Compass Shares pursuant to this clause 2 would infringe the laws of any jurisdiction outside the United

Kingdom or would require Granada Compass to observe any governmental or other consent or any registration, filing or other formality (which in the sole opinion of Granada Compass is unduly onerous) then Granada Compass may determine that no Granada Compass Shares shall be allotted or issued to such holder pursuant to this clause 2 but shall instead be allotted to a nominee appointed by Granada Compass as trustee for such holder on terms that the nominee shall, as soon as practicable following the Effective Date, sell Granada Compass Shares so allotted at the best price which can reasonably be obtained and shall account for the net proceeds of such sale (after deduction of all expenses and commissions, including Value Added Tax payable thereon) by sending a cheque or warrant to such holder in accordance with the provisions of clause 4 of the Scheme.

3. Each mandate or other instruction in force at the Record Time relating to the payment of dividends on any Scheme Shares or the Scheme Preference Shares, unless and until revoked, shall be deemed to be a valid and subsisting mandate for Granada Compass in relation to dividends and other distributions in respect of the corresponding shares in Granada Compass.
4. Not more than 14 days after the Effective Date Granada Compass shall deliver, or procure to be delivered, to each Scheme Shareholder and Scheme Preference Shareholder the certificates for the Granada Compass Shares (other than to Scheme Shareholders or Scheme Preference Shareholders who hold their Scheme Shares in uncertificated form who shall have the appropriate entries made in the appropriate CREST member account) due to him by duly posting the same in a pre-paid envelope, addressed to him at his address appearing in the register of members of the Company at the Record Time and neither the Company nor Granada Compass shall be responsible for any loss or delay in transmission. In the case of joint holders the certificate shall be issued in the names of all joint holders but shall be posted to the registered address of the holder whose name appears first in the register of members of the Company in respect of the joint holding.
5. As from and including the Effective Date, all certificates representing holdings of the Scheme Shares and Scheme Preference Shares shall cease to be valid for any purpose and each holder of the Scheme Shares and Scheme Preference Shares shall be bound on request to deliver up to the Company the certificate (if any) for his holding thereof.
6. (a) This Scheme shall become effective as soon as an office copy of the orders of the Court sanctioning this Scheme under section 425 of the Companies Act 1985 and confirming under section 137 of such Act the reduction of the capital of the Company provided for by clause 1(a) of this Scheme shall have been delivered to the Registrar of Companies in England and Wales for registration and registered by him.



(b) Unless this Scheme shall become effective on or before 15 September 2000 or such later date, if any, as the Company and Granada Compass may agree and the Court may allow, this Scheme shall never become effective.

7. The Company and Granada Compass may consent on behalf of all persons concerned to any modification of or addition to this Scheme or to any condition which the Court may think fit to approve or impose.
8. The Company is hereby authorised and permitted to pay all the costs and expenses relating to the negotiation, preparation and implementation of this Scheme.

Dated 12 June 2000

## THE SECOND SCHEDULE

(Minute approved by the Court)

"The capital of Granada Group PLC was by virtue of a special resolution of the Company and with sanction of an Order of the High Court of Justice dated 26<sup>th</sup> July 2000 reduced from £325,000,000 divided into 2,504,098,700 Ordinary Shares of 12.5p each, 87,411,271 Convertible Preference Shares of 10p each and 32,465,554 New Convertible Preference Shares of 10p each, to £82,782,480.40 divided into 636,287,560 Ordinary Shares of 12.5p each, and 32,465,354 New Convertible Preference Shares of 10p each.

By virtue of a Scheme of Arrangement sanctioned by an Order of the High Court of Justice dated 24<sup>th</sup> July 2000 and the said Special Resolution the capital of the Company was increased to its former amount by the creation of 1,867,811,140 Ordinary Shares of 12.5p each and 87,411,271 Convertible Preference Shares of 10p each. Accordingly at the date of the registration of this Minute the capital of the Company is £325,000,000 divided into 2,504,098,700 Ordinary Shares of 12.5p each, 87,411,271 Convertible Preference Shares of 10p each and 32,465,354 New Convertible Preference Shares of 10p each, none of which has been issued."

**IN THE HIGH COURT OF JUSTICE**

**CHANCERY DIVISION**

**COMPANIES COURT**

**THE HON. MR. JUSTICE JACOB**

**MONDAY 24<sup>TH</sup> JULY 2000**

**WEDNESDAY 26<sup>TH</sup> JULY 2000**

**BETWEEN**

**IN THE MATTER OF GRANADA GROUP PLC**

**- and -**

**IN THE MATTER OF THE COMPANIES ACT 1985**



**ORDER**

Lovells  
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London EC1A 2DY

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020 7296 2000

**Solicitors for the Company**