

IN THE HIGH COURT OF JUSTICE  
CHANCERY DIVISION  
COMPANIES COURT



No. 1029 of 2012

The Honourable Mrs Justice Proudman

IN THE MATTER OF ARENA LEISURE PLC

and



IN THE MATTER OF THE COMPANIES ACT 2006

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ORDER

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**UPON THE APPLICATION** by Part 8 Claim Form dated 2 February 2012 of Arena Leisure Plc (hereinafter called the "**Company**") whose registered office is situate at 408 Strand, London WC2R 0NE (the "**Claim Form**")

**AND UPON HEARING** Counsel for the Company

**AND UPON READING** the Claim Form and the evidence

**AND UPON** Aldersgate Investments Limited undertaking to be bound by the scheme of arrangement (the "**Scheme**") 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 or done by it for the purpose of giving effect to the Scheme

**THE COURT SANCTIONS** the Scheme as set forth in the Schedule hereto

**AND THE COURT ORDERS** that an office copy of this Order be delivered to the Registrar of Companies

**AND THE COURT HEREBY ADJOURNS** the Claim Form to 29 March 2012 for further hearing

Dated 27 March 2012



IN THE MATTER OF ARENA LEISURE PLC

– and –

IN THE MATTER OF THE COMPANIES ACT 2006

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SCHEME OF ARRANGEMENT  
(under Part 26 of the Companies Act 2006)

BETWEEN

ARENA LEISURE PLC

AND

THE HOLDERS OF ITS SCHEME SHARES  
(as hereinafter defined)

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**PRELIMINARY**

In this Scheme, unless inconsistent with the subject or context, the following expressions bear the following meanings

<b>“£”, “Sterling” and “pence”</b>	the lawful currency of the United Kingdom,
<b>“Act”</b>	the Companies Act 2006, as amended from time to time,
<b>“Aldersgate”</b>	Aldersgate Investments Limited, a private limited company registered in the British Virgin Islands with registered number 1465466,
<b>“Aldersgate Group”</b>	Aldersgate, its subsidiaries and its subsidiary undertakings from time to time and, where the context permits, each of them,
<b>“Arena Options and Awards”</b>	options and awards granted or made under or pursuant to the Arena Share Schemes,
<b>“Arena Shares”</b>	ordinary shares of 5 pence each in the capital of Arena,
<b>“Arena Share Schemes”</b>	the <ul style="list-style-type: none"><li>(i) Arena Leisure Long Term Incentive Plan 2007,</li><li>(ii) Arena Leisure 1997 Discretionary Share Option Scheme, and</li><li>(iii) Arena Leisure 1997 Company Share Option Plan,</li></ul>
<b>“business day”</b>	a day (other than Saturdays, Sundays, public holidays or bank holidays) on which banks are generally open for normal business in the City of London,
<b>“Cash Consideration”</b>	the cash consideration payable to holders of Scheme Shares by Aldersgate under Clause 2,
<b>“certificated” or “in certificated form”</b>	a share which is not in uncertificated form (that is, not held in CREST),

<b>“Company”</b>	Arena Leisure Plc, a public limited company incorporated in England and Wales registered with registered number 00857819,
<b>“Court”</b>	the High Court of Justice in England and Wales,
<b>“Court Meeting”</b>	the meeting of the holders of Scheme Shares (and any adjournment thereof) to be convened by order of the Court pursuant to section 896 of the Act for the purposes of considering and, if thought fit, approving this Scheme, to be held at the offices of K&L Gates LLP, One New Change, London EC4M 9AF at 10 00 a m on 7 March 2012,
<b>“CREST”</b>	a relevant system (as defined in the Regulations) in respect of which Euroclear is the operator (as defined in the Regulations),
<b>“Effective Date”</b>	the date on which this Scheme becomes effective in accordance with Clause 5,
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited, the operator of CREST,
<b>“Excluded Shares”</b>	any Arena Shares of which any member of the Aldersgate Group or Reuben Brothers Limited is the holder or in which any member of the Aldersgate Group or Reuben Brothers Limited is beneficially interested,
<b>“holder”</b>	a registered holder and includes a person entitled by transmission,
<b>“members”</b>	members of the Company on the register of members at any relevant date,
<b>“New Arena Shares”</b>	the new Arena Shares to be allotted and issued pursuant to Clause 1 2,
<b>“Scheme”</b>	this scheme of arrangement in its present form or with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by the Company and Aldersgate,
<b>“Scheme Record Time”</b>	6 00 p m on the business day immediately preceding the date on which the Court confirms the reduction of capital provided for in Clause 1,
<b>“Scheme Shares”</b>	<p>the Arena Shares</p> <ol style="list-style-type: none"> <li>(i) in issue at the date of this Scheme,</li> <li>(ii) (if any) issued after the date of this Scheme and prior to the Voting Record Time, and</li> <li>(iii) (if any) issued at or after the Voting Record Time and at or before the Scheme Record Time either on terms that the original or any subsequent holders thereof shall be bound by this Scheme and/or in respect of which the original or any subsequent holders thereof are, or shall have agreed in writing to be, bound by this Scheme,</li> </ol> <p>including in each case any Arena Shares issued pursuant to or in connection with the exercise of options or vesting of awards granted under the Arena Share Schemes, but in each case, excluding any Excluded Shares,</p>
<b>“Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001 No 3755), as amended from time to time,
<b>“uncertificated” or “in uncertificated form”</b>	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 Regulations, may be transferred by means of CREST, and

**“Voting Record Time”** 6 00 p m on the day which is two days before the date of the Court Meeting or, if the Court Meeting is adjourned, 6 00 p m on the day which is two days before the date of such adjourned meeting

References to Clauses are to clauses of this Scheme, and references to time are to London time

- (A) The share capital of the Company as at the close of business on 9 February 2012 was £18,210,100 35 divided into 364,202,007 Arena Shares, all of which were credited as fully paid
- (B) Arena Options and Awards to acquire up to 12,313,933 Arena Shares have been awarded pursuant to the Arena Share Schemes and are outstanding at the date of this document
- (C) Aldersgate was incorporated on 20 February 2008 under the BVI Business Companies Act 2004 as a private limited company The issued share capital of Aldersgate as at the date of this Scheme is £1,250,000,000 and US\$2 divided into 1,250,000 ordinary shares of £1,000 each and 2 ordinary shares of US\$1 each
- (D) At the date of this Scheme 108,639,495 Arena Shares are registered in the name of Reuben Brothers Limited, which is under common control, and acting in concert, with Aldersgate Aldersgate has agreed to acquire, prior to the Scheme Record Time and to hold until after the Effective Date, one fully paid Arena Share
- (E) Aldersgate has agreed to appear by Counsel on the hearing to sanction this Scheme and to submit to be bound by and to undertake to the Court to be bound by this 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 it for the purpose of giving effect to this Scheme (including without limitation settling the consideration payable to Scheme Shareholders pursuant to the Scheme)
- (F) Aldersgate has agreed to procure that any holder of Arena Shares beneficially owned by Aldersgate or any other member of the Aldersgate Group will appear by Counsel on the hearing to sanction this Scheme, and to submit to be bound by and to undertake to the Court to be bound by this Scheme

## THE SCHEME

### 1. Cancellation of the Scheme Shares

- 1 1 The share capital of the Company shall be reduced by cancelling and extinguishing the Scheme Shares
- 1 2 Subject to and forthwith upon the reduction of capital referred to in Clause 1 1 taking effect and notwithstanding anything to the contrary in the Company's articles of association
- (a) the reserve arising in the books of account of the Company as a result of the said reduction of capital be capitalised and applied in paying up in full at par the New Arena Shares so created, such New Arena Shares to be allotted and issued credited as fully paid to Aldersgate and/or its nominee(s) in accordance with the terms of the Scheme, and
  - (b) the directors of the Company be generally and unconditionally authorised pursuant to and in accordance with section 551 of the Act to allot the New Arena Shares referred to in paragraph 1 2(a) above, provided that (1) the maximum aggregate nominal amount of the shares which may be allotted under this authority shall be the aggregate nominal amount of the New Arena Shares created pursuant to paragraph 1 2(a) above, (2) this authority shall expire on the fifth anniversary of the date of this resolution and (3) this authority shall be in addition and without prejudice to any other authority under the said section 551 previously granted and in force on the date on which this resolution is passed

### 2. Consideration for the cancellation of the Scheme Shares

In consideration for the cancellation of the Scheme Shares and the allotment and issue of the New Arena Shares as provided in Clause 1, Aldersgate shall pay to or for the account of the holders of Scheme Shares (as appearing in the register of members of the Company at the Scheme Record Time), rounded down, if applicable, to the nearest whole penny

<b>For every Scheme Share held</b>	<b>44.25 pence in cash</b>
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### 3. Settlement of Cash Consideration

- 3 1 No later than 14 days after the Effective Date, Aldersgate shall
- (a) in the case of Scheme Shares which at the Scheme Record Time are in certificated form, procure the despatch to the persons entitled thereto in accordance with the provisions of Clause 3 3 of cheques for the sums payable to them respectively in accordance with Clause 2, and
  - (b) in the case of Scheme Shares which at the Scheme Record Time are in uncertificated form, arrange for the creation of an assured payment obligation in favour of the payment bank of the persons entitled thereto in accordance with the CREST assured payment arrangements for the sums payable to them respectively in accordance with Clause 2, provided that Aldersgate reserves the right to make payment of the said sums by cheque as set out in Clause 3 1(a) if, for any reason, it wishes to do so
- 3 2 Notwithstanding Clause 3 1, Aldersgate shall, in the case of Scheme Shares to be acquired by employees or directors of the Company and its subsidiaries pursuant to the Arena Share Schemes, procure the payment of the sums payable to them respectively in accordance with Clause 2 in accordance with the terms of the letters and enclosures to be sent to holders of Arena Options and Awards in connection with the Scheme
- 3 3 All deliveries of cheques pursuant to this Scheme shall be effected by sending the same by first class post in prepaid envelopes addressed to the persons entitled thereto at their respective addresses as appearing in the register of members of the Company at the Scheme Record Time, and none of Aldersgate, the Company or their respective agents shall be responsible for any loss or delay in the

transmission or delivery of any cheques sent in accordance with this Clause 3 3 which shall be sent at the risk of the persons entitled thereto

3 4 All cheques shall be in Sterling drawn on a UK clearing bank and shall be made payable to the persons respectively entitled to the moneys represented thereby and the encashment of any such cheque or the creation of any such assured payment obligation as is referred to in Clause 3 1(b) shall be a complete discharge to Aldersgate for the moneys represented thereby

3 5 The provisions of this Clause 3 shall be subject to any condition or prohibition imposed by law

#### **4. Share certificates and cancellation of entitlements**

4 1 With effect from, and including, the Effective Date

(a) all certificates representing Scheme Shares shall cease to have effect as documents of title to the Scheme Shares comprised therein and every holder of Scheme Shares shall be bound at the request of the Company to deliver up their share certificate(s) to the Company or to destroy the same, and

(b) Euroclear shall be instructed to cancel the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form and appropriate entries shall be made in the register of members of the Company with effect from the Effective Date to reflect their cancellation

#### **5. Effective Date**

5 1 This Scheme shall become effective as soon as copies of the orders of the Court sanctioning this Scheme under section 899 of the Act and confirming under section 648 of the Act the reduction of capital provided for by this Scheme and the related statement of capital approved by the Court shall have been delivered to the Registrar of Companies in England and Wales ("Registrar") and, if so ordered, the said order of the Court confirming the reduction of capital and the related statement of capital have been registered by the Registrar

5 2 Unless this Scheme shall have become effective on or before 13 July 2012, or such later date, if any, as the Company and Aldersgate may agree and the Court may allow, this Scheme shall never become effective

#### **6. Modification**

The Company and Aldersgate may jointly consent on behalf of all concerned to any modification of, or addition to, this Scheme or to any condition which the Court may approve or impose

#### **7. Governing law**

This Scheme is governed by the laws of England and Wales and is subject to the jurisdiction of the English courts

Dated 10 February 2012

No. 1029 of 2012

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COMPANIES COURT**

**The Honourable Mrs Justice Proudman**

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**ORDER**

Sealed by D. Butcher  
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