

**IN THE HIGH COURT OF JUSTICE**

**CR-2021-001901**

**BUSINESS AND PROPERTY COURT OF ENGLAND AND WALES**

**COMPANIES COURT (ChD)**

**MR JUSTICE MICHAEL GREEN**

**ON THIS 13 DAY OF DECEMBER 2021**



CR-2021-001901

TUESDAY



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RM

14/12/2021

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COMPANIES HOUSE

**IN THE MATTER OF U AND I GROUP PLC**

**AND**

**IN THE MATTER OF THE COMPANIES ACT 2006**

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**ORDER**

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**UPON THE APPLICATION** by claim form dated 3 November 2021 of the above-named U and I Group PLC (the "**Company**") whose registered office is at 7a Howick Place, London, United Kingdom, SW1P 1DZ and whose registered number is 01528784;

**AND UPON HEARING** Andrew Thornton QC, Counsel for the Company, via Microsoft Teams

**AND UPON READING** the claim form and the evidence;

**AND UPON LS DEVELOPMENT HOLDINGS LIMITED** by Counsel for the Company, being its Counsel for this purpose, submitting to be bound by the Scheme of Arrangement hereinafter sanctioned and undertaking to be bound thereby and to execute and do, or procure to be executed and done, all documents, acts and things as may be necessary or desirable to be executed or done by it or on its

behalf for the purpose of giving effect to the Scheme of Arrangement;

**THE COURT HEREBY SANCTIONS** the Scheme of Arrangement as set out in the Schedule hereto;

**AND IT IS ORDERED THAT** a copy hereof be delivered to the Registrar of Companies.

**Service of this order**

A copy of this order has been provided to the serving party:

BRYAN CAVE LEIGHTON PAISNER LLP

Governor's House, 5 Laurence Pountney Hill, London EC4R 0BR

Solicitors to the Company

## PART 3

### SCHEME OF ARRANGEMENT

IN THE HIGH COURT OF JUSTICE  
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES  
COMPANIES COURT (ChD)

CR-2021-001901

IN THE MATTER OF U AND I GROUP PLC

and

IN THE MATTER OF THE COMPANIES ACT 2006

### SCHEME OF ARRANGEMENT

*(under Part 26 of the Companies Act 2006)*

between

U AND I GROUP 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 shall bear the following meanings:

**"Announcement"** means the announcement by Landsec Development of its firm intention to make an offer to acquire U+I in accordance with Rule 2.7 of the Takeover Code;

**"Business Day"** any day (excluding any Saturday or Sunday or any public holiday in England) on which banks in the City of London are generally open for business;

**"Cash Consideration"** means the cash consideration payable by Landsec Development to the Scheme Shareholders for the Scheme Shares under Clause 2 (*Consideration for the transfer of the Scheme Shares*) of this Scheme;

**"Certificated"** or "in certificated form" means, in relation to a share or other security, a share or other security which is not in uncertificated form (i.e. not in CREST);

**"Clause"** means a clause of this Scheme;

**"Companies Act"** means the Companies Act 2006, as amended from time to time;

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

**"Court Meeting"** means the meeting of the Scheme Shareholders to be convened by an order of the Court pursuant to section 896 of the Companies Act, to be held at the offices of Bryan Cave Leighton Paisner LLP, Governor's House, 5 Laurence Pountney Hill, London EC4R 0BR, United Kingdom on 7 December 2021 at 10.00 a.m., for the purpose of considering, and if thought fit, approving the Scheme (with or without amendment) and any adjournment thereof;

**"CREST"** the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations) in accordance with which securities may be held and transferred in uncertificated form;

**"CREST Regulations"** means the Uncertificated Securities Regulations 2001 (SI 2001/3755) (including as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018), as amended;

**"Effective Date"** means the date on which this Scheme becomes effective in accordance with Clause 6 (*Effective Time and Effective Date*) of this Scheme;

**"Effective Time"** means the time and date on which this Scheme becomes effective in accordance with Clause paragraph 6 (*Effective Time and Effective Date*) of this Scheme;

**"Euroclear"** means Euroclear UK & Ireland Limited incorporated in England and Wales with company number 02878738, the operator of CREST;

**"Excluded Shares"** means any U+I Shares (i) registered in the name of, or beneficially owned by Landsec Development, Landsec or any member of the Wider Landsec Group which is controlled by any member of the Wider Landsec Group or their respective nominees; (ii) registered in the name of, or beneficially owned by, funds managed by Landsec Development, Landsec or a member of the Wider Landsec Group which is controlled by a member of the Wider Landsec Group or any of their subsidiary undertakings or their respective nominees; or (iii) held by U+I in treasury;

**"Holder"** means, in respect of U+I Shares, a registered holder of such U+I Shares (and **"Holder"** includes any person entitled by transmission);

**"Landsec"** means Land Securities Group PLC, a public limited company incorporated in England and Wales with company number 04369054;

**"Landsec Development"** means LS Development Holdings Limited, a private limited company incorporated in England and Wales with company 13692104;

**"Latest Practicable Date"** means 12 November 2021, being the latest practicable date before the date of this Scheme;

**"Long Stop Date"** means 1 July 2022, or such later date as may be agreed in writing between Landsec Development and U+I (with the Panel's consent and as the Court may allow, if such consent and/or approval is/are required);

**"Panel"** means the UK Panel on Takeovers and Mergers;

**"Registrar of Companies"** means the Registrar of Companies of England and Wales;

**"Regulatory Information Service"** means any information service authorised from time to time by the Financial Conduct Authority for the purpose of disseminating regulatory announcements;

**"Scheme"** means this scheme of arrangement under Part 26 of the Companies Act between U+I and the Scheme Shareholders, with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by U+I and Landsec Development;

**"Scheme Court Hearing"** means the hearing of the Court of the application to sanction the Scheme under section 899 of the Companies Act including any adjournment thereof;

**"Scheme Court Order"** means the order of the Court sanctioning the Scheme under section 899 of the Companies Act;

**"Scheme Record Time"** means 6.00 p.m. (London time) on the date of the Scheme Court Hearing;

**"Scheme Shareholders"** means Holders of Scheme Shares at any relevant date or time;

**"Scheme Shares"** means the U+I Shares:

- (i) in issue at the date of this Scheme;
- (ii) (if any) issued after the date of this Scheme and before the Voting Record Time; and
- (iii) (if any) issued at or after the Voting Record Time but before the Scheme Record Time on terms that the holder thereof shall be bound by this Scheme or in respect of which the original or any subsequent holders thereof are, or have agreed in writing to be, bound by this Scheme,

but excluding any Excluded Shares;

**"Substantial Interest"** means a direct or indirect interest in 20 per cent. or more of the voting equity share capital of an undertaking;

**"Takeover Code"** means the UK's City Code on Takeovers and Acquisitions;

**"UK"** or **"United Kingdom"** means the United Kingdom of Great Britain and Northern Ireland;

**"Uncertificated"** or **"in uncertificated form"** means, in relation to a share or other security, a share or other security the title to which is recorded 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;

**"U+I"** means U and I Group PLC, a public limited company incorporated in England and Wales and registered with number 01528784 and whose registered office is at 7a Howick Place, London, United Kingdom SW1P 1DZ;

**"U+I Share Plans"** means the U+I Long-Term Incentive Plan 2014 and the U+I Save As You Earn Option Plan 2005;

**"U+I Shares"** means the ordinary shares of 50 pence each in the capital of U+I;

**"Voting Record Time"** means 6.00 p.m. on the day which is two Business Days prior to the date of the Court Meeting or, if the Court Meeting is adjourned, 6.00 p.m. on the day which is two Business Days before the date of such adjourned meeting;

**"Wider Landsec Group"** means Landsec, its subsidiary undertakings and its associated undertakings (including any joint venture, partnership, firm or company) in which Landsec and/or such undertakings (aggregating their interests) have a Substantial Interest;

**"£", "pence" or "sterling"** means the lawful currency of the United Kingdom from time to time; and all references to time are to London time.

- (B) The issued share capital of U+I as at close of business on the Latest Practicable Date was divided into 125,431,713 U+I Shares, all of which are credited as fully paid and none of which were held in treasury.
- (C) As at close of business on the Latest Practicable Date, options and awards which could require the issue of up to 2,005,409 U+I Shares have been granted pursuant to the U+I Share Schemes.
- (D) Landsec Development was incorporated in England and Wales on 20 October 2021 with registered number 13692104.
- (E) The purpose of this Scheme is to provide for the transfer of the Scheme Shares to Landsec Development in consideration for payment of the Cash Consideration to the Scheme Shareholders.
- (F) As at close of business on the Latest Practicable Date, no member of the Wider Landsec Group is the Holder of or beneficially owns any U+I Shares.
- (G) Landsec Development has agreed, subject to satisfaction or (where applicable) waiver of the conditions set out in Part 4 of the document of which this Scheme forms part, to appear by counsel at the Scheme Court Hearing, to consent to the Scheme, to undertake to be bound thereby 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 or on its behalf for the purpose of giving effect to this Scheme.

## THE SCHEME

### 1. Transfer of Scheme Shares

- (a) Upon and with effect from the Effective Time, Landsec Development (and/or its nominee(s)) shall acquire all the Scheme Shares fully paid up with full title guarantee and free from all liens, equitable interests, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests whatsoever and together with all rights existing at the Effective Time or thereafter attaching thereto, including (without limitation) voting rights and the right to receive and retain, in full, all dividends and other distributions (if any) declared, made or paid or any other return of capital (whether by way of reduction of share capital or share premium account or otherwise) made on or after the Effective Date in respect of the Scheme Shares.
- (b) For the purposes of such acquisition, the Scheme Shares shall be transferred to Landsec Development (and/or its nominee(s)) and such transfer shall be effected by means of a form or forms of transfer or other instrument or instruction of transfer and, to give effect to such transfers, any person may be appointed by Landsec Development as attorney and/or agent and/or otherwise, and shall be authorised as such attorney and/or agent and/or otherwise on behalf of the relevant Holder of Scheme Shares to execute and deliver as transferor a form of transfer or other instrument or instruction of transfer, or procure the transfer by means of CREST, of such Scheme Shares and every form, instrument or instruction of transfer so executed shall be as effective as if it had been executed by the Holder or Holders of the Scheme Shares thereby transferred.
- (c) With effect from the Effective Time and pending the transfer of Scheme Shares pursuant to Clause 1(a) and 1(b) of this Scheme, and the updating of the register of members of U+I to reflect such transfer, each Scheme Shareholder irrevocably:
  - (i) appoints Landsec Development (and/or its nominee(s)) as attorney and/or agent to exercise on its behalf (in place of and to the exclusion of the relevant Scheme Shareholder) any voting rights attached to its Scheme Shares and any or all other rights and privileges (including the right to requisition the convening of a general meeting of U+I or of any class of its shareholders) attaching to its Scheme Shares;
  - (ii) appoints Landsec Development (and/or its nominee(s)) and/or any one or more of its directors or agents to sign on behalf of such Scheme Shareholder any such documents, and do such things, as may in the opinion of Landsec Development and/or any one or more of its directors or agents be necessary or desirable in connection with the exercise of any votes or other rights or privileges attaching to the relevant Scheme Shares (including, without limitation, an authority to sign any consent to short notice of any general or separate class meeting of U+I as attorney or agent for, and on behalf of, such Scheme Shareholder and/or to attend and/or to execute a form of proxy in respect of such Scheme Shares appointing any person nominated by Landsec Development and/or any one or more of its directors or agents to attend any general and separate class meetings of U+I (or any adjournment thereof) and to exercise or refrain from exercising the votes attaching to the Scheme Shares on such Scheme Shareholder's behalf); and
  - (iii) authorises U+I and/or its agents to send to Landsec Development (and/or its nominee(s)) at its registered office any notice, circular, warrant or other document or communication which may be required to be sent to such Scheme Shareholder as a member of U+I in respect of their Scheme Shares (including any share certificate(s) or other document(s) of title issued as a result of conversion of their Scheme Shares into certificated form),

such that from the Effective Date, no Scheme Shareholder shall be entitled to exercise any voting rights attached to the Scheme Shares or any other rights or privileges attaching to the Scheme Shares otherwise than in accordance with the directions of Landsec Development.

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

- (a) In consideration for the transfer of the Scheme Shares to Landsec Development and/or its nominee(s) referred to in Clause 1 (*Transfer of Scheme Shares*) of this Scheme, Landsec Development shall, subject as hereinafter provided, pay or procure that there shall be paid to or

for the account of each Scheme Shareholder as appearing on the register of members of U+I at the Scheme Record Time, in accordance with the provisions of Clause 3 (*Settlement*):

**for each Scheme Share                      149 pence in cash**

- (b) If after the date of the Announcement and prior to the Effective Date, any dividend, distribution or other return of capital or value is announced, declared, made or paid by U+I or becomes payable by U+I in respect of U+I Shares, Landsec Development will have the right to reduce the consideration payable for each Scheme Share by an amount up to the amount of such dividend and/or distribution and/or other return of capital or value so announced, declared, made or paid per Scheme Share. U+I Shareholders will be entitled to receive and retain any such dividend and/or other distribution and/or return of capital or value.
- (c) If Landsec Development exercises the right referred to in Clause 2(b) of this Scheme to reduce the consideration payable by Landsec Development for each Scheme Share by all or part of the amount of dividend (or other distribution or return of value):
  - (i) Scheme Shareholders shall be entitled to receive and retain that dividend, distribution and/or return of value in respect of the Scheme Shares they hold;
  - (ii) any reference in this Scheme to the consideration payable under the Scheme shall be deemed to be a reference to the consideration as so reduced; and
  - (iii) the exercise of such right shall not be regarded as constituting any revision or variation of the terms of this Scheme.
- (d) To the extent that any such dividend, distribution or other return of capital or value is announced, declared, made or paid by U+I or becomes payable and it is (i) transferred pursuant to the Acquisition on a basis which entitles Landsec Development (and/or its nominee(s)) to receive the dividend and/or distribution and/or other return of capital or value and to retain it; or (ii) cancelled, the consideration payable under the terms of this Scheme will not be subject to change in accordance with Clause 2 (*Consideration for the transfer of the Scheme Shares*) of this Scheme.

### **3. Settlement**

- (a) As soon as practicable after the Effective Date, and in any event not more than 14 days after the Effective Date, Landsec Development shall deliver or procure delivery to all Scheme Shareholders of the Cash Consideration due to them as follows:
  - (i) in the case of Scheme Shares which at the Scheme Record Time are in certificated form, Landsec Development shall deliver or procure delivery to each of the relevant Holders of cheques for the sums payable to them in accordance with Clause 2 (*Consideration for the transfer of the Scheme Shares*);
  - (ii) in the case of Scheme Shares which at the Scheme Record Time are in uncertificated form, Landsec Development shall procure that Euroclear is instructed to create a CREST assured payment obligation in accordance with the CREST payment arrangements in respect of the Cash Consideration due to the relevant Holder, provided that Landsec Development may (if, for any reason, it wishes to do so) make payment of the said sums by cheque in accordance with Clause 3(a)(i) above; or
  - (iii) in the case of Scheme Shares issued or transferred pursuant to the U+I Share Plans after the making of the Scheme Court Order and prior to the Scheme Record Time, procure that the sums payable in respect of those Scheme Shares are settled by such method as shall be determined by U+I (including, but not limited to, procuring that payments are made through payroll as soon as possible subject to the deduction of the applicable exercise price, income taxes and social security contributions).
- (b) As from the Scheme Record Time, each holding of Scheme Shares credited to any stock account in CREST shall be disabled and all Scheme Shares will be removed from CREST in due course.
- (c) All cheques, notices or statements of entitlement required to be despatched by this Scheme shall be despatched by first-class post by Landsec Development in prepaid envelopes or by

international standard post if overseas (or by such method as may be approved by the Panel) addressed to the relevant Holders entitled thereto at their respective addresses as appearing in the register of members of U+I at the Scheme Record Time (or such other address as may be notified by the relevant Scheme Shareholders to U+I before such time), or, in the case of joint Holders, at the registered address of the joint Holder whose name stands first in such register (except, in their case, as otherwise directed in writing).

- (d) All cheques required to be delivered under this Scheme shall be payable to Scheme Shareholders except that, in the case of joint Holders of Scheme Shares, Landsec Development reserves the right to make such cheques payable to the joint Holder whose name stands first in the register of members of U+I at the Scheme Record Time. All such cash payments shall be made in pounds sterling by cheque drawn on a branch of a clearing bank in the United Kingdom. The cashing of any such cheques or the creation of any such assured payment obligation as is referred to in Clause 3(a)(ii) shall be a complete discharge of Landsec Development's obligations under this Scheme to pay the money represented thereby.
- (e) If any Scheme Shareholders have not cashed the cheques within six months of the Effective Date, Landsec Development and U+I shall procure that the cash consideration due to such Scheme Shareholders under this Scheme shall be held on trust for such Scheme Shareholders for a period of 12 years from the Effective Date, and such Scheme Shareholders may claim the consideration due to them (plus any interest accrued thereon, but net of any expenses and taxes) by written notice to U+I in a form which U+I determines evidences their entitlement to such consideration at any time during the period of 12 years from the Effective Date, and Landsec Development undertakes that neither it nor its nominee(s) will seek, require or accept repayment of the monies so held on trust for the purposes detailed above prior to the first Business Day after the twelfth anniversary of the Effective Date or otherwise with the permission of the Court.
- (f) None of Landsec Development, U+I or their agents or nominees shall be responsible for any loss or delay in the transmission or delivery of cheques and/or share certificates sent in accordance with this Scheme which shall be sent at the risk of the addressee.
- (g) The preceding provisions of this Clause 3 (*Settlement*) shall take effect subject to any prohibition or condition imposed by law.

#### **4. Certificates representing Scheme Shares and cancellation of CREST entitlements**

- (a) With effect from and including the Effective Date:
  - (i) all certificates representing Scheme Shares shall cease to have effect as documents of title to the shares represented thereby and each Scheme Shareholder shall be bound at the request of U+I to deliver up the same to U+I or to any person nominated by U+I for cancellation, or to destroy the same;
  - (ii) in respect of Scheme Shareholders holding their shares in uncertificated form, U+I shall procure that Euroclear is instructed to cancel or transfer such Holders' entitlements to such Scheme Shares;
  - (iii) following the cancellation of the entitlements to Scheme Shares of Scheme Shareholders in uncertificated form and prior to the transfer of the Scheme Shares to Landsec Development and/or its nominee(s) pursuant to Clause 1(b), U+I shall procure (if necessary) that its registrar rematerialises entitlements to such Scheme Shares; and
  - (iv) subject to the delivery of any such form of transfer or other instrument or instruction of transfer as may be required by Clause 1(b), and the payment of any stamp duty thereon, U+I shall procure that appropriate entries are made in the register of members of U+I to reflect the transfer of the Scheme Shares to Landsec Development and/or its nominee(s) pursuant to Clause 1(b) (as applicable).



## **5. Mandates**

Save as required in relation to the settlement of consideration pursuant to the terms of the Scheme, all mandates and other instructions given to U+I by Scheme Shareholders in force at the Scheme Record Time relating to Scheme Shares shall, as from the Effective Date, cease to be valid.

## **6. Effective Time and Effective Date**

- (a) This Scheme shall become effective as soon as a copy of the Scheme Court Order has been delivered to the Registrar of Companies.
- (b) Unless this Scheme has become effective on or before close of business (London time) on the Long Stop Date or such later date, if any, as U+I and Landsec Development may agree with the consent of the Panel and the Court may allow, it shall lapse and no part of this Scheme shall ever become effective.

## **7. Modification**

U+I and Landsec Development may jointly 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. Any such modification or addition may require the consent of the Panel.

## **8. Governing law**

This Scheme is governed by the laws of England and Wales and is subject to the exclusive jurisdiction of the courts of England and Wales. The rules of the Takeover Code apply to this Scheme.

Dated: 15 November 2021