

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

Before: THE HONOURABLE MR JUSTICE MILES

Dated: 28 MARCH 2023



CR-2023-000387

IN THE MATTER OF 7DIGITAL GROUP PLC

AND

IN THE MATTER OF PART 26 OF THE COMPANIES ACT 2006

ORDER

UPON THE APPLICATION by Part 8 Claim Form dated 20 February 2023 by the above-named 7digital Group plc (the "**Company**") whose registered office is at Labs Lower Lock, Water Lane, London, England, NW1 8JZ and whose registered number is 03958483.

AND UPON HEARING Chantelle Staynings, Counsel for the Company.

AND UPON READING the Claim Form and the evidence.

AND UPON Songtradr, Inc. appearing by Counsel for the Company, being its Counsel for this purpose, undertaking:

- (1) to be bound by the scheme of arrangement dated 1 March 2023 hereinafter sanctioned (the "**Scheme**") and undertaking to execute and do and procure to be executed and done all such documents, acts or things which may be necessary or desirable to be executed or done by or on its behalf for the purpose of giving effect to the said Scheme; and
- (2) to procure payment of the total consideration payable under the Scheme to the Receiving Agent (as defined in the Scheme) prior to the date falling 14 days after the expected effective date of the Scheme and to irrevocably instruct the Receiving Agent to hold those monies in a designated UK bank account solely for the purposes of satisfying Songtradr's payment obligations under the Scheme and not to seek recovery of any sums held by the Receiving Agent for 12 years except with the permission of the Court.

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

AND IT IS ORDERED that a copy of this Order be delivered to the Registrar of Companies.



Service of this order

A copy of this order has been provided to the serving party: Charles Russell Speechlys LLP, 5 Fleet Place, London, EC4M 7RD, Solicitors to the Company

PART IV
THE SCHEME OF ARRANGEMENT

IN THE HIGH COURT OF JUSTICE

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BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES

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IN THE MATTER OF 7DIGITAL GROUP PLC

– AND –

IN THE MATTER OF THE COMPANIES ACT 2006

SCHEME OF ARRANGEMENT

(under Part 26 of the Companies Act 2006) between

7DIGITAL 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 bear the following meanings:

"7digital"	7digital Group Plc, incorporated in England and Wales with registered number 03958483 and registered office at Labs Lower Lock, Water Lane, London NW1 8JZ;
"7digital's Receiving Agent" or "Receiving Agent"	Neville Registrars, Neville House, Steelpark Road, Halesowen B62 8HD;
"7digital Share Plan"	means the 7digital 2014 Employee Share Plan;
"7digital Shareholder(s)"	the holder(s) of 7digital Shares from time to time;
"7digital Share(s)"	the existing unconditionally allotted or issued and fully paid ordinary shares with a nominal value of 0.01 pence each in the capital of 7digital and any further such ordinary shares which are unconditionally allotted or issued before the Scheme becomes Effective, but excluding in both cases any such shares held or which become held in treasury;
"Business Day"	a day, not being a Saturday or Sunday or public holiday in England and Wales on which clearing banks in London are open for the transaction of general commercial business;

"Cash Consideration"	the consideration due under the Offer of 0.695 pence in cash for each 7digital Share;
"certificated form" or "in certificated form"	the description of a share or other security which is recorded in the relevant register of the share or other security concerned as being held in certificated form (that is, not in CREST);
"Companies Act"	the Companies Act 2006 (as amended from time to time);
"Conditions"	the conditions to the Offer and the Scheme set out in Part III of the Scheme Document, and "Condition" shall mean any of them;
"Court"	the High Court of Justice in England and Wales;
"Court Meeting"	the meeting of 7digital Shareholders to be convened at the direction of the Court pursuant to Part 26 of the Companies Act at which a resolution will be proposed to approve the Scheme, including any adjournment thereof;
"CREST"	the computerised settlement system (as defined in the Regulations) operated by Euroclear which facilitates the transfer of title to shares in uncertificated form;
"CREST Manual"	the CREST manual published by Euroclear, as amended from time to time;
"Effective"	in the context of the Offer, this Scheme having become effective pursuant to its terms;
"Effective Date"	the date on which the Scheme becomes Effective;
"Euroclear"	Euroclear UK & International Limited;
"Excluded Shares"	any 7digital Shares (if any) that are: <ul style="list-style-type: none"> (i) registered in the name of or beneficially owned by Songtradr and/or any member of the Songtradr Group, or any nominee thereof; or (ii) held in treasury, in each case, immediately prior to the Scheme Record Time;
"holder"	a registered holder and includes any person entitled by transmission;
"Latest Practicable Date"	close of business on 28 February 2023 (being the last practicable date prior to publication of the Scheme Document);
"Long Stop Date"	means 31 July 2023 or such later date as may be agreed between Songtradr and 7digital and, if required, the Panel and the Court may allow;
"Offer"	the recommended cash offer by Songtradr to acquire the entire issued and to be issued ordinary share capital of 7digital (other than the Excluded Shares), to be effected by means of the Scheme, or should Songtradr elect and subject to the consent of the Panel, by means of a Takeover Offer and, where the context admits, any subsequent revision, variation, extension or renewal thereof;
"Panel"	the Panel on Takeovers and Mergers in the UK;

"Registrar of Companies"	the Registrar of Companies in England and Wales;
"Regulations"	the Uncertificated Securities Regulations 2001 (SI2001/3755);
"Scheme"	the scheme of arrangement under Part 26 of the Companies Act in its present form or with or subject to any modification, addition or condition approved or imposed by the Court and agreed by Songtradr and 7digital;
"Scheme Court Hearing"	the hearing by the Court of the application to sanction the Scheme under Part 26 of the Companies Act;
"Scheme Document"	the document to 7digital Shareholders published by 7digital on 1 March 2023 in connection with this Scheme;
"Scheme Record Time"	6.00 p.m. on the Business Day immediately after the date of the Scheme Court Hearing;
"Scheme Shareholders"	the holders of the Scheme Shares at any relevant date or time;
"Scheme Shares"	<p>the 7digital Shares:</p> <ul style="list-style-type: none"> (a) in issue at the date of the Scheme Document and which remain in issue at the Scheme Record Time; (b) if any, issued after the date of the Scheme Document but before the Voting Record Time and which remain in issue at the Scheme Record Time; and (c) if any, issued at or after the Voting Record Time but at or before the Scheme Record Time on terms that the original or any subsequent holders thereof are, or shall have agreed in writing, to be bound by the Scheme and, in each case, which remain in issue at the Scheme Record Time, <p>in each case, other than the Excluded Shares;</p>
"Songtradr"	Songtradr, Inc., a corporation incorporated in Delaware whose registered office is at 720 Wilshire Blvd, Suite 300, Santa Monica, CA 90401, United States with registered number 5503683;
"Songtradr Group"	Songtradr and its holding companies, its subsidiaries and subsidiary undertakings and direct and indirect parent undertakings and "member of the Songtradr Group" shall be construed accordingly;
"Takeover Code"	the City Code on Takeovers and Mergers in the UK;
"uncertificated form" 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 Regulations, may be transferred by means of CREST;
"Voting Record Time"	means 6.00 p.m. on 21 March 2023, being the day which is two Business 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 Business Days before the date of such adjourned meeting; and
"Warrants"	means warrants over 7digital Shares granted pursuant to warrant instruments executed by 7digital.

References to clauses and sub-clauses are to clauses and sub-clauses of this Scheme.

- (B) The issued share capital of 7digital as at the Latest Practicable Date was:
- 2,722,085,961 ordinary shares of 0.01 pence each, none of which were held in treasury;
 - 115,751,517 deferred shares of 0.9 pence each; and
 - 419,622,489 deferred A shares of 0.99 pence each.
- (C) As at the Latest Practicable Date, assuming that the Scheme becomes Effective on the expected Effective Date of 30 March 2023, 68,250,649 7digital Shares may be issued on or after the date of the Scheme Document in order to satisfy the exercise of options pursuant to the 7digital Share Plan and under the Warrants.
- (D) As at the Latest Practicable Date, Songtradr, together with persons “acting in concert” (for the purposes of the Takeover Code) was interested in, directly and indirectly, 287,278,405 ordinary shares in 7digital.
- (E) Songtradr was incorporated on 24 March 2014 under the laws of Delaware as a private company limited by shares with registered number 5503603.
- (F) Songtradr has agreed, subject to the satisfaction or (where applicable) waiver of the Conditions (other than Condition 2.1.3 and 2.1.4) set out in the Scheme Document, to undertake to the Court to be bound by the provisions of 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 or on its behalf for the purpose of giving effect to this Scheme.
- (G) References to times are to London time.
- (H) References to £ and pence are to the lawful currency of the United Kingdom.
- (I) References to clauses are to clauses of this Scheme.

THE SCHEME

1. Transfer of Scheme Shares

- (a) Upon and with effect from the Effective Date, Songtradr (and/or its nominee(s)) shall acquire all the Scheme Shares fully paid up with full title guarantee and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature whatsoever (except arising by operation of law) and together with all rights attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) and any return of capital (whether by reduction of share capital or share premium account or otherwise) announced, authorised, declared, paid or made on or after the Effective Date.
- (b) For the purposes of such acquisition, the Scheme Shares shall be transferred to Songtradr (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, or by means of CREST and to give effect to such transfer any person may be appointed by Songtradr as attorney and/or agent and is hereby authorised as such attorney and/or agent or otherwise on behalf of the relevant holder of Scheme Shares to execute and deliver as transferor such form (or forms) of transfer or other instrument (whether as a deed or otherwise) or instruction of transfer or procure the transfer by means of CREST of such Scheme Shares and every form, instrument of transfer (whether as a deed or otherwise) or instruction of transfer so executed or given shall be effective as if it had been executed or instructed by the holder or holders of the Scheme Shares thereby transferred.
- (c) Pending the transfer of the Scheme Shares on the Effective Date and the registration of Songtradr (and/or its nominee(s)) as the holder of the Scheme Shares pursuant to clauses 1(a) and 1(b) of this Scheme, each Scheme Shareholder irrevocably:
- (i) appoints Songtradr (and/or its nominee(s)) as its 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 rights and privileges (including the right to requisition the convening of a general meeting of 7digital or of any class of its shareholders) attaching to its Scheme Shares;
 - (ii) appoints Songtradr (or its nominee(s)) as its attorney to sign any consent to short notice of any general meeting of 7digital and on their behalf to execute a form of proxy in respect of such Scheme Shares appointing any person nominated by Songtradr to attend general meetings of 7digital;
 - (iii) appoints Songtradr (and/or its nominee(s)) and 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 Songtradr and/or any one or more of its directors or agents be necessary or desirable in connection with the exercise of any votes or any other rights or privileges attaching to its Scheme Shares (including, without limitation, an authority to sign any consent to short notice of any general or separate class meeting of 7digital 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 its Scheme Shares appointing any person nominated by Songtradr and/or any one or more of its directors or agents to attend any general and separate class meetings of 7digital (or any adjournment thereof) and to exercise or refrain from exercising the votes attaching to the Scheme Shares on such Scheme Shareholder's behalf), provided that the foregoing shall not apply to any resolution pursuant to section 102 of the Companies Act to re-register 7digital as an unlimited company;
 - (iv) authorises 7digital and/or its agents to send to Songtradr (and/or its nominee(s)) any notice, circular, warrant or other document or communication which may be required to be sent to them as a member of 7digital in respect of such 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; and
 - (v) undertakes (i) not to exercise any votes or any other rights attaching to the relevant Scheme Shares without the consent of Songtradr and (ii) not to appoint a proxy or representative for and to attend any general meeting or separate class meeting of 7digital.

2. Consideration for the transfer of the Scheme Shares

- (a) In consideration for the transfer of the Scheme Shares to Songtradr (and/or its nominee(s)) as contemplated in clause 1 of this Scheme, Songtradr shall, subject as hereinafter provided, pay or procure that there will be paid to or for the account of each Scheme Shareholder as appearing on the register of members of 7digital at the Scheme Record Time:

for each Scheme Share held by such person 0.695 pence in cash

- (b) If, prior to the Effective Date, any dividend, distribution or other return of capital or value is announced, declared, paid or made or payable by 7digital on the 7digital Shares, Songtradr reserves the right to reduce the Cash Consideration by an amount up to the amount of such dividend and/or distribution and/or return of capital, in which case any reference in this Scheme to the Cash Consideration payable under the terms of the Offer will be deemed to be a reference to the consideration as so reduced. Any exercise by Songtradr of its rights referred to in this clause 2(b), shall not be regarded as constituting any revision or variation of the terms of the Offer. In such circumstances, Scheme Shareholders would be entitled to retain any such dividend, distribution or other return of capital declared, made or paid or which becomes payable.
- (c) To the extent that such a dividend, distribution or other return of capital is or has been declared, paid, made or is payable and will be: (i) transferred pursuant to the Offer on a basis which entitles Songtradr to receive the dividend or distribution and to retain it; or (ii) cancelled, the Cash Consideration will not be subject to any such change.

3. Share certificates and cancellation of CREST entitlements

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 7digital, to deliver up the same to 7digital, or, as it may direct, to destroy the same;
- (b) Euroclear shall be instructed to cancel the entitlements to Scheme Shares of Scheme Shareholders in uncertificated form;
- (c) following the cancellation of the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form, 7digital's Receiving Agent shall be authorised to materialise entitlements to such Scheme Shares; and
- (d) subject to the completion of such forms of transfer or other instruments or instructions of transfer as may be required in accordance with clause 1 of this Scheme, appropriate entries shall be made in the register of members of 7digital on the Effective Date to reflect the transfer pursuant to clause 1 of this Scheme.

4. Settlement

- (a) No later than 14 days after the Effective Date (or such other period as may be approved by the Panel), Songtradr shall:
- (i) in the case of the Scheme Shares which at the Scheme Record Time are in certificated form, despatch, or procure the despatch of, cheques for the sums payable, to the persons entitled thereto in accordance with clause 2 of this Scheme, provided that Songtradr reserves the right, where a person is entitled to consideration of at least GBP 250,000, to agree with such person to facilitate electronic payment of such consideration in lieu of a cheque. Songtradr further reserves the right to make payment of said consideration by any other method approved by the Panel;
- (ii) in the case of the Scheme Shares which at the Scheme Record Time are in uncertificated form, procure that 7digital's Receiving Agent is instructed to create, through Euroclear, an assured payment obligation in respect of the sums payable in accordance with the CREST assured payment arrangements provided that Songtradr reserves the right to make payment of the consideration by cheque as described in sub-clause 4(a)(i) if, for any reason, it wishes to do so; and

- (iii) in the case of Scheme Shares issued pursuant to the 7digital Share Plan after the making of the order by the Court 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 7digital (including, but not limited to, procuring the payments are made through payroll as soon as possible subject to the deduction of the applicable exercise price, income taxes and social security contributions),

provided that, in each case, each Scheme Shareholder's aggregate entitlement to Cash Consideration will be rounded down to the nearest whole penny.

The instruction of Euroclear shall be a complete discharge of Songtradr's obligation under this Scheme with reference to the payments made through CREST.

- (b) All deliveries of notices, certificates and/or cheques required to be made under this Scheme shall be made by sending the same by first class post or by international standard post if overseas (or by such other method as may be approved by the Panel) addressed to the person entitled thereto, to the address appearing at the Scheme Record Time in the register of members of 7digital or, in the case of joint holders, to the address of the holder whose name stands first in such register in respect of the joint holding concerned at such time.
- (c) All cheques shall be in Sterling and made payable to the person or persons to whom, in accordance with the foregoing provisions of this clause 4, the envelope containing the same is addressed and the encashment of any such cheque shall be a complete discharge of Songtradr's obligation under this Scheme to pay the monies represented thereby.
- (d) None of 7digital, Songtradr or their respective agents or nominees shall be responsible for any loss or delay in the transmission of any notices, cheques or statements of entitlement sent in accordance with this clause 4, which shall be sent at the risk of the person or persons entitled thereto.
- (e) The preceding paragraphs of this clause 4 shall take effect subject to any prohibition or condition imposed by law.

5. Mandates

All mandates and other instructions given to 7digital by Scheme Shareholders in force at the Scheme Record Time shall, as from the Effective Date, cease to be valid.

6. Effective Time

- (a) This Scheme shall become effective as soon as a copy of the order of the Court under Part 26 of the Companies Act sanctioning the Scheme shall have been delivered to the Registrar of Companies for registration.
- (b) Unless this Scheme has become Effective on or before the Long Stop Date (or such later date, if any, as may be agreed in writing between Songtradr and 7digital (with the Panel's consent and as the Court may approve (if such consent and/or approval are required))), this Scheme shall never become Effective.

7. Modification

7digital and Songtradr 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 approve or impose. Any such modification or addition may require the consent of the Panel.

8. Governing law

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