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Claim No. 649 of 2014

IN THE HIGH COURT OF JUSTICE  
CHANCERY DIVISION  
COMPANIES COURT  
THE HONOURABLE JUSTICE NEWEY  
17 MARCH 2014



**IN THE MATTER OF  
FUSION IP PLC**

**Claimant**

**- and -**

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

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**ORDER**

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**UPON THE ADJOURNED HEARING** of the Claim Form dated 27 January 2014 of the above named Fusion IP plc (the "**Company**") whose registered office is situated at The Sheffield Biocubator, 40 Leavygreave Road, Sheffield, S3 7FD,

**AND UPON HEARING** Counsel for the Company and for IP Group plc,

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

**AND UPON** IP Group plc, by Counsel for the Company, being its Counsel for this purpose, consenting to and undertaking to be bound by the scheme of arrangement as hereinafter sanctioned 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 the scheme of arrangement hereinafter mentioned,

**THE COURT HEREBY** sanctions the scheme of arrangement dated 4 February 2014 (the "**Scheme**") as set forth in the Schedule hereto,

WEDNESDAY



SPE 19/03/2014 #49  
COMPANIES HOUSE



**THE COURT HEREBY ORDERS THAT** the hearing for confirmation of the reduction of capital associated with the Scheme ("**Capital Reduction**") be adjourned to 19 March 2014,

**AND IT IS ORDERED THAT** this order be produced to the Registrar of Companies and that an office copy be delivered to him

Dated this 17th day of March 2014

## **PART 3**

### **THE SCHEME OF ARRANGEMENT**

**IN THE HIGH COURT OF JUSTICE**

**CHANCERY DIVISION**

**COMPANIES COURT**

**No. 649 of 2014**

**IN THE MATTER OF FUSION IP**

**and**

**IN THE MATTER OF THE COMPANIES ACTS 2006**

**SCHEME OF ARRANGEMENT**

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

**between**

**FUSION IP**

**and**

**SCHEME SHAREHOLDERS**

**(as hereinafter defined)**

#### **PRELIMINARY**

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

<b>“Articles”</b>	the articles of association of the Company,
<b>“Business Day”</b>	a day (excluding a Saturday, a Sunday or a public holiday) on which banks are open for normal business in London,
<b>“Capital Reduction”</b>	the proposed reduction of the capital under section 641 of the Companies Act associated with the Scheme,
<b>“certificated” or “in certificated form”</b>	a share or other security which is not in uncertificated form (that is, not in CREST),
<b>“Companies Act”</b>	the Companies Act 2006, as amended, including any statutory modification or re-enactment thereof for the time being in force,
<b>“Court”</b>	the High Court of Justice in England and Wales,
<b>“Court Meeting”</b>	the meeting of Scheme Shareholders convened by order of the Court pursuant to Part 26 of the Companies Act for the purpose of considering and, if thought fit, approving the Scheme (with or without amendments), notice of which is set out in Appendix IX ( <i>Notice of Court Meeting</i> ) to this

	document of which this Scheme forms part, including any adjournment thereof,
<b>“Court Orders”</b>	the Scheme Court Order and the Reduction Court Order,
<b>“CREST”</b>	the relevant system (as defined in the Regulations) for paperless settlement of share transfers and the holding of shares in uncertified form (in respect of which Euroclear UK is the operator (as defined in the Regulations)),
<b>“Effective Date”</b>	the date on which the Scheme becomes fully effective in accordance with its terms,
<b>“Euroclear UK”</b>	Euroclear UK & Ireland Limited, a limited liability company incorporated in England and Wales with registered number 02878738,
<b>“Excluded Shares”</b>	any Fusion IP Shares legally or beneficially held by IP Group or any of member of the IPG Group,
<b>“Fusion IP” or the “Company”</b>	Fusion IP plc, incorporated and registered in England and Wales with registered number 05275732,
<b>“Fusion IP Shareholders”</b>	holders of Fusion IP Shares from time to time,
<b>“Fusion IP Shares”</b>	ordinary shares of 1 pence each in the capital of Fusion IP,
<b>“holder”</b>	a registered holder including any person entitled by transmission,
<b>“IP Group”</b>	IP Group plc, a company incorporated in England and Wales with registered number 04204490,
<b>“IPG Group”</b>	IP Group and its Subsidiaries from time to time,
<b>“IPG Shares”</b>	ordinary shares of 2 pence each in the capital of IP Group,
<b>“New Fusion IP Shares”</b>	such new Fusion IP Shares as are to be issued by Fusion IP (credited as fully paid) in accordance with the Scheme,
<b>“New IPG Shares”</b>	the new IPG Shares to be issued to Scheme Shareholders credited as fully paid in accordance with the Scheme,
<b>“Overseas Scheme Shareholders”</b>	Scheme Shareholders whose registered addresses as at the Reduction Record Time are outside the United Kingdom and/or who are resident in, ordinarily resident in, or citizens of jurisdictions outside the United Kingdom,
<b>“Panel”</b>	the Panel on Takeovers and Mergers,
<b>“pounds”, “Sterling”, “pence” or “£”</b>	the lawful currency of the United Kingdom,
<b>“Reduction Court Hearing”</b>	the hearing at which the Reduction Court Order will be sought,

<b>“Reduction Court Order”</b>	the order of the Court confirming the Capital Reduction under section 648 of the Companies Act,
<b>“Registrar of Companies”</b>	the Registrar of Companies for England and Wales,
<b>“Reduction Record Time”</b>	6 00 p m on the last Business Day before the date of the Reduction Court Hearing,
<b>“Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001 No 3755) as amended,
<b>“Scheme” or “Scheme of Arrangement”</b>	this proposed scheme of arrangement under Part 26 of the Companies Act between Fusion IP and Scheme Shareholders with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by Fusion IP and IP Group,
<b>“Scheme Court Hearing”</b>	the hearing at which the Scheme Court Order will be sought,
<b>“Scheme Court Order”</b>	the order of the Court sanctioning the Scheme under section 899 of the Companies Act,
<b>“Scheme Document”</b>	the document dated 4 February 2014 sent by the Company to Fusion IP Shareholders of which this Scheme forms part,
<b>“Scheme Shareholder”</b>	holders of Scheme Shares,
<b>“Scheme Shares”</b>	<p>the Fusion IP Shares</p> <ul style="list-style-type: none"> <li>(i) in issue at the date of the Scheme Document,</li> <li>(ii) issued after the date of the Scheme Document but on or prior to the Voting Record Time, and</li> <li>(iii) issued after the Voting Record Time but on or before the Reduction Record Time either on terms that the original or any subsequent holder thereof shall be bound by the Scheme or in respect of which the holder thereof shall have agreed in writing to be bound by the Scheme,</li> </ul> <p>but excluding (A) in the case of references in this Scheme to “Scheme Shares” or “Scheme Shareholders” in relation to the Court Meeting any Excluded Shares in issue at the Voting Record Time and any Scheme Shares referred to in (iii) above and (B) in the case of other references in this Scheme to “Scheme Shares” and “Scheme Shareholders” any Excluded Shares in issue at the Reduction Record Time,</p>
<b>“Statement of Capital”</b>	the statement of capital approved by the Court and showing with respect to Fusion IP’s share capital, as altered by the Reduction Court Order, the information required by section 649 of the Companies Act,
<b>“Subsidiary”</b>	has the meaning given to such term in section 1159 of the Companies Act,

<b>“UK” or “United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland,
<b>“uncertificated” or “in uncertificated form”</b>	a share or other security, title to which is 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
<b>“Voting Record Time”</b>	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, 48 hours before the time set for any such adjourned meeting

- (B) References to Clauses are to clauses of this Scheme
- (C) As at 3 February (the latest practicable date prior to the publication of this document), the issued share capital of Fusion IP is £1,094,370 96 divided into 109,437,096 ordinary shares of 1 pence each. There are currently no Fusion IP Shares held in treasury.
- (D) As at 3 February 2014 (the latest practicable date prior to the publication of this document), IP Group legally and beneficially owned 21,995,741 Fusion IP Shares representing 20.1 per cent of the issued share capital of Fusion IP.
- (E) IP Group has confirmed that it will consent to the Scheme and undertake to the Court to be bound thereby and 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 or on its behalf for the purpose of giving effect to this Scheme.

## **THE SCHEME**

### **1. Cancellation of the Scheme Shares**

- 1.1 The issued share capital of the Company shall be reduced by cancelling and extinguishing all of the Scheme Shares.
- 1.2 Subject to and forthwith upon the Capital Reduction taking effect and notwithstanding anything to the contrary in the Articles, the reserve arising in the books of account of the Company as a result of the Capital Reduction shall be capitalised and applied by the Company in paying up in full at par such number of New Fusion IP Shares as have an aggregate nominal value equal to the aggregate nominal value of the Scheme Shares cancelled pursuant to Clause 1.1, which shall be allotted and issued (free from all liens, charges, encumbrances, rights of pre-emption and any third party rights of any nature whatsoever) credited as fully paid to IP Group and/or its nominee or nominees.

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

- 2.1 In consideration of the cancellation of the Scheme Shares and the allotment and issue of New Fusion IP Shares to IP Group and/or its nominee(s), as provided in Clause 1.2, IP Group shall, contingently upon the Capital Reduction taking effect (and subject as hereinafter provided), issue to or for the account of each holder of Scheme Shares (as appearing in the register of members of the Company at the Reduction Record Time)

**for every Scheme Share:            0.446 of a New IPG Share**

and so in proportion for any other number of Scheme Shares held at the Reduction Record Time. Fractional entitlements will be rounded down to the nearest whole number of New IPG Shares. All fractions of New IPG Shares to which Scheme Shareholders would otherwise be entitled but for this sub-clause shall be aggregated and sold in the market as soon as reasonably practicable after the Effective Date and the net proceeds of such sale (after deduction of brokerage fees and other sale costs)

and expenses) shall be paid in cash to relevant Scheme Shareholders pro rata to their entitlements (subject to a de minimis of £5)

- 2 2 The New IPG Shares issued pursuant to Clause 2 1 shall be issued credited as fully paid, with full title guarantee, free from all liens, equitable interests, charges, encumbrances and, subject to the articles of association of IP Group, rights of pre-emption and any other third party rights of any nature whatsoever and shall rank *pari passu* with all other IPG Shares in issue on the Effective Date and shall have the right to receive all dividends, distributions and other entitlements made, paid or declared thereon on or after the Effective Date

### 3. Overseas Scheme Shareholders

- 3 1 The provisions of Clauses 2 and 4 shall be subject to any prohibition or condition imposed by law Without prejudice to the generality of the foregoing, if in the case of any Scheme Shareholder with a registered address in a jurisdiction outside the United Kingdom or whom IP Group believes to be a citizen, resident or national of a jurisdiction outside the United Kingdom and to whom IP Group is advised that the allotment and/or issue of New IPG Shares pursuant to Clause 2 would or may infringe the laws of such jurisdiction or would or may require IP Group to comply with any governmental or other consent or any registration, filing or other formality with which IP Group is unable to comply or compliance with which IP Group regards as unduly onerous, IP Group may, in its sole discretion, either

3 1 1 determine that such New IPG Shares shall be sold, in which event, the New IPG Shares shall be issued to such holder and IP Group shall appoint a person to act pursuant to this Clause 3 1 1 and such person shall be authorised on behalf of such holder to procure that any New IPG Shares in respect of which IP Group has made such determination shall, as soon as practicable following the Effective Date, be sold, or

3 1 2 determine that such New IPG Shares shall not be allotted and/or issued to such holder but shall instead be allotted and/or issued to a nominee for such holder appointed by IP Group on terms that the nominee shall, as soon as practicable following the Effective Date, sell the New IPG Shares so allotted and/or issued and, shall account to such holder for the net proceeds of such sale

- 3 2 Any sale under Clause 3 1 shall be carried out as soon as reasonably practicable following the Effective Date (and in any event so as to enable the payment referred to below to be made within 14 days) at the best price which can reasonably be obtained at the time of sale and the net proceeds of such sale (after deduction of all expenses and commissions incurred in connection with such sale, including any value added tax payable on the proceeds of sale) shall be paid to such holder by sending a cheque or creating an assured payment obligation in accordance with the provisions of Clause 4

- 3 3 To give effect to any sale under Clause 3 1, the person appointed by IP Group in accordance with Clause 3 1 1 shall be authorised as attorney on behalf of the holder concerned, and the nominee appointed by IP Group in accordance with Clause 3 1 2 shall be authorised, to execute and deliver as transferor a form of transfer or other instrument or instruction of transfer and to give such instructions and to do all other things which he may consider necessary or expedient in connection with such sale In the absence of bad faith or wilful default, none of the Company, IP Group or the person or nominee so appointed shall have any liability for any loss or damage arising as a result of the timing or terms of such sale

### 4. Settlement

- 4 1 Where at the Reduction Record Time, Scheme Shareholders hold Scheme Shares in certificated form, IP Group shall, as soon as practicable after the Effective Date and, in any event, no later than 14 days from the Effective Date, despatch, or procure the despatch of, definitive share certificates for the New IPG Shares to which such Scheme Shareholders are entitled (and, where appropriate, cheques in respect of any cash consideration due under Clause 2 1, Clause 3 1 1 or Clause 3 1 2) by first class

post (or by such other method as may be approved by the Panel) to Scheme Shareholders who hold Scheme Shares in certificated form at the Reduction Record Time. Such certificates (and, where applicable, cheques) will be sent at the risk of the person entitled to them. Fractional entitlements to cash, where applicable, will be rounded down to the nearest whole penny.

- 4.2 Where, at the Reduction Record Time, Scheme Shareholders hold Scheme Shares in uncertificated form, the New IPG Shares to which such shareholder is entitled will be issued to such person in uncertificated form through CREST. IP Group shall procure that Euroclear UK is instructed to credit the appropriate stock account in CREST of such shareholder with such shareholder's entitlements to New IPG Shares. As from the Reduction 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 thereafter. As soon as practicable after the Effective Date, and in any event no later than 14 days from the Effective Date, IP Group will, in respect of Scheme Shares held within CREST at the Reduction Record Time, procure the creation of a CREST payment in favour of the appropriate CREST account through which the relevant Scheme Shareholder holds his/her uncertificated Scheme Shares in respect of any cash consideration due to him/her under Clause 2.1, Clause 3.1.1 or Clause 3.1.2. IP Group reserves the right to settle all or any part of the entitlements to New IPG Shares due to any holders of uncertificated Scheme Shares (or to pay all or any part of any cash consideration due to any such holders of uncertificated Scheme Shares under Clause 2.1, Clause 3.1.1 or Clause 3.1.2) in the manner referred to in Clause 4.1 if, for any reasons outside its reasonable control, it wishes to do so. Fractional entitlements to cash, where applicable, will be rounded down to the nearest whole penny.

- 4.3 All deliveries of share certificates (and, where applicable, cheques) required to be made pursuant to this Scheme shall be effected by sending the same by first class post in prepaid envelopes (or by such other method as may be approved by the Panel) addressed to the person entitled thereto at their respective registered addresses as appearing in the register of members of the Company at the Reduction Record Time (or, in the case of joint holders, at the registered address of the joint holder whose name stands first in the said register in respect of such joint holding on such date) or in accordance with any special instructions regarding communications, and neither IP Group nor the Company nor their respective agents shall be responsible for any loss or delay in the transmission of any certificates or cheques sent in accordance with this Clause 4.3, which shall be sent at the risk of the persons entitled thereto.

- 4.4 The provisions of this Clause 4 shall be subject to any prohibition or condition imposed by law.

## **5. Certificates representing Scheme Shares and cancellations**

- 5.1 Appropriate entries will be made in the Company's register of members to reflect the cancellation of the Scheme Shares and the issue of the New Fusion IP Shares.

- 5.2 With effect from and including the Effective Date:

5.2.1 all certificates representing Scheme Shares shall cease to have effect as documents of title to the shares represented thereby and every holder of Scheme Shares shall be bound at the request of the Company to deliver up the same for cancellation to the Company or as it may direct, and

5.2.2 Euroclear UK shall be instructed to cancel the entitlements to Scheme Shares of Scheme Shareholders who hold their Scheme Shares in uncertificated form.

## **6. Effective Date**

- 6.1 This Scheme shall become effective in accordance with its terms as soon as office copies of the Court Orders (together with the Statement of Capital) have been delivered by or on behalf of the Company to the Registrar of Companies.



6.2 Unless this Scheme has become fully effective in accordance with its terms on or before 1 May 2014, or such later date, if any, as the Company and IP Group may, with the consent of the Panel, agree and (if required) the Court may allow, this Scheme shall never become effective

**7. Mandates**

All mandates relating to the payment of dividends on any Scheme Shares and other instructions given to Fusion IP by Scheme Shareholders in force at the Reduction Record Time relating to holdings of Fusion IP Shares will, unless amended or revoked, be deemed as from the Effective Date to be an effective mandate or instruction to IP Group in respect of the corresponding New IPG Shares to be issued pursuant to this Scheme

**8. Modification**

The Company and IP Group 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

**9. Governing Law**

This Scheme is governed by English law and is subject to the jurisdiction of the English courts

Dated 4 February 2014

**Claim No. 649 of 2014**

**IN THE HIGH COURT OF JUSTICE**  
**CHANCERY DIVISION**  
**COMPANIES COURT**  
**THE HONOURABLE JUSTICE NEWEY**  
**17 MARCH 2014**

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

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**ORDER**

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Ref SAW/CDUCKE/BIO10 00025/33991342

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