

SD 044358

IN THE HIGH COURT OF JUSTICE

BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES

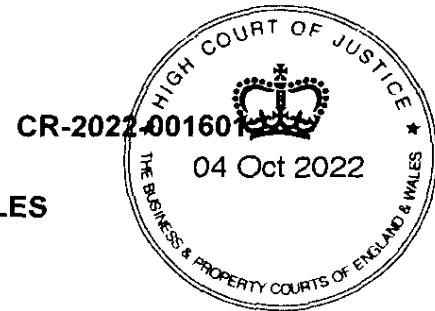
COMPANIES COURT (ChD)

Mr Justice Meade

Tuesday 4 October 2022

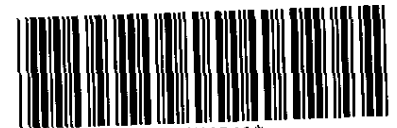
IN THE MATTER OF ATOM BANK PLC

AND IN THE MATTER OF THE COMPANIES ACT 2006



CR-2022-001601

THURSDAY



RM

13/10/2022

#17

COMPANIES HOUSE

ORDER

UPON THE APPLICATION by Part 8 Claim Form of the above-named Atom Bank plc (the "**Claimant**"), whose registered office is at The Rivergreen Centre, Aykley Heads, Durham, DH1 5TS

AND UPON HEARING Andrew Thornton KC, Counsel for the Claimant, via Microsoft Teams

AND UPON READING the claim form and the evidence

AND UPON Atom Holdco Limited by Counsel for the Claimant, also 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 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 thereto

THE COURT HEREBY SANCTIONS pursuant to Part 26 of the Companies Act 2006 ("the Act") the scheme of arrangement ("the Scheme") between the Company and the

holders of its Scheme Shares (as defined in the Scheme) as set out in the First Schedule to this Order

AND THE COURT HEREBY CONFIRMS:

- (1) the reduction of capital involving the cancellation of the Scheme Shares (as defined in the Scheme) as provided for by clause 2 of the Scheme; and
- (2) the reduction of the share premium account of the Company to £50,000 as provided for by clause 1 of the Scheme.

AND THE COURT HEREBY approves the statement of capital set out in the Second Schedule to this Order

AND IT IS ORDERED that this Order be produced to the Registrar of Companies and that a copy hereof be delivered to him together with a copy of the statement of capital;

AND IT IS ORDERED that notice of the registration by the Registrar of Companies of this Order and of the statement of capital be published once in "The Telegraph" newspaper within 21 days after such registration.

Service of this order

A copy of this order has been provided to the serving party: Womble Bond Dickinson (UK) LLP, St Ann's Wharf, Newcastle Upon Tyne, NE1 3DX, Solicitors to the Company.

FIRST SCHEDULE
SCHEME OF ARRANGEMENT

CR-2022-01601

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

IN THE MATTER OF ATOM BANK PLC
and
IN THE MATTER OF THE COMPANIES ACT 2006

SCHEME OF ARRANGEMENT

(under Part 26 of the Companies Act 2006)

PRELIMINARY

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

Act	the UK Companies Act 2006
Business Day	a day (other than a Saturday, Sunday or public holiday in England) on which banks are generally open for business in London other than solely for trading and settlement in Euro
Company or Atom	Atom Bank plc, a public limited company incorporated in England with registered number 08632552
Company Shares	the ordinary shares of £0.00001 each in the capital of the Company existing as at the date of publication of this document and any further such shares issued prior to the Scheme Effective Date
Court	the High Court of Justice of England and Wales
Court Meeting	the meeting of the Shareholders to be convened by order of the Court pursuant to section 899 of the Companies Act for the purpose of considering and, if thought fit, approving the Scheme (with or without amendment) and any adjournment, postponement or reconvention thereof
Court Order	the order of the Court sanctioning the Scheme under section 899 of the Companies Act and confirming the Company's reduction of share capital and reduction of share premium account under section 648 of the Companies Act

General Meeting	the general meeting of Shareholders to be convened for the purpose of considering and, if thought fit, passing certain resolutions in connection with the Scheme and any adjournment, postponement or reconvention thereof
Holdco	Atom Holdco Limited incorporated in England and Wales with registered number 14129045
Holdco Initial Shareholder	David James McCarthy
Holdco Shares	ordinary shares of £0.00001 pence each in the capital of Holdco
Holder	a registered holder, including any person entitled by transmission
Initial Holdco Share	a single Company Share to be issued following the General Meeting at £0.70 fully paid by the Company to Holdco
Intra-Group Shares	ordinary shares of £0.00001 each in the capital of the Company to be issued to Holdco pursuant to the Scheme
members	members of the Company on the register of members at any relevant date
Overseas Shareholder	a Shareholder who is a citizen, resident or national of any jurisdiction outside the United Kingdom
pence, sterling or £	the lawful currency of the United Kingdom
Reduction	the reduction of the Company's share premium account in accordance with paragraph 1 of the Scheme
Registrar of Companies	the Registrar of Companies in England and Wales
Scheme	this scheme of arrangement in its present form or with any modification thereof or addition thereto or condition approved or imposed by the Court and agreed by the Company and Holdco
Scheme Effective Date	the date at which this Scheme becomes effective in accordance with its terms
Scheme Effective Time	the time at which the Scheme becomes effective on the Scheme Effective Date
Scheme Record Time	6.00 p.m. on the Scheme Effective Date
Scheme Shareholders	holders of Scheme Shares
Scheme Shares	(a) all Company Shares in issue at the date of the Scheme and remaining in issue at the Scheme Record Time;

- (b) any additional Company Shares in issue at the Scheme Voting Record Time and remaining in issue at the Scheme Record Time; and
- (c) any Company Shares in issue at, or after, the Scheme Voting Record Time in respect of which the original or any subsequent holders are bound by the Scheme, or shall have agreed in writing to be so bound and remaining in issue at the Scheme Record Time,

in each case excluding any Company Shares held in treasury or legally or beneficially by Holdco

Scheme Voting Record Time 5:30p.m. on the Business Day falling two Business Days before the Court Meeting or any adjournment thereof (as the case may be)

Shareholders the Holders of Company Shares from time to time

United Kingdom or UK the United Kingdom of Great Britain and Northern Ireland

and where the context so admits or requires, the plural includes the singular and *vice versa*. References to **clauses** are to clauses of this Scheme.

- (B) The issued share capital of the Company at the date of this Scheme is 612,940,520 ordinary shares of £0.00001 each in the capital of the Company. The Company did not hold any Company Shares in treasury as at the close of business on Tuesday 16 August 2022 (being the latest practicable date prior to publication of this document).
- (C) Holdco was incorporated and registered in England and Wales as a private limited company on 24 May 2022 with registered number 14129045. Holdco does not hold any shares in Atom but will be issued with the Initial Holdco Share immediately following the General Meeting.
- (D) The issued share capital of Holdco as at the date of this document is one hundred thousand (100,000) ordinary shares of £0.00001, which is fully paid up.
- (E) Holdco has agreed to appear by Counsel at the hearing to sanction this Scheme and to 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 for the purpose of giving effect to this Scheme.

THE SCHEME

1. CANCELLATION OF THE COMPANY'S SHARE PREMIUM

At the Scheme Effective Time, the Company's share premium account shall be reduced to £50,000 and the credit arising as a result of the reduction shall be credited to the Company's distributable reserves.

2. CANCELLATION OF THE SCHEME SHARES

- 2.1 Subject to and forthwith upon the Reduction (as defined in paragraph A of the Scheme) taking effect, the issued share capital of the Company shall be reduced by cancelling and extinguishing all of the Scheme Shares.
- 2.2 Subject to and forthwith upon the reduction of capital (being the reduction of capital as described in Clause 2.1 of the Scheme) taking effect, the credit arising in the books of

account of the Company shall be capitalised and applied in paying up, in full at par, such number of Intra-Group Shares as shall be equal to the number (and aggregate nominal value) of the Scheme Shares cancelled in accordance with Clause 2.1 above which shall be allotted and issued, credited as fully paid, to Holdco.

3. HOLDCO SHARES

- 3.1 In consideration of the cancellation of the Scheme Shares and the allotment and issue of the Intra-Group Shares to Holdco pursuant to Clause 2.2 above, Holdco shall (subject to, and in accordance with, the remaining provisions in this Scheme), allot and issue (credited as fully paid) Holdco Shares to the Shareholders (as appearing in the register of members of the Company at the Scheme Record Time) on the following basis:

for every one Scheme Share held at the Scheme Record Time, one Holdco Share

save that the Holdco Initial Shareholder shall receive 100,000 less Holdco Shares on account of the shares already held by him in the capital of Holdco.

- 3.2 The Holdco Shares shall be issued and credited as fully paid, shall rank equally in all respects with the existing Holdco Share and shall be entitled to all dividends and other distributions declared, paid or made by Holdco by reference to a record date on or after the Scheme Effective Date.

- 3.3 The provisions of Clause 3.1 shall be subject to any prohibition or condition imposed by law. Without prejudice to the generality of the foregoing, if, in respect of any Overseas Shareholder, Holdco is advised that the allotment and issue of Holdco Shares pursuant to this Clause would or might infringe the laws of any jurisdiction outside the United Kingdom or would or might require Holdco to observe any governmental or other consent or effect any registration, filing or other formality with which, in the opinion of Holdco, it would be unable to comply or which it regards as unduly onerous, then Holdco may in its sole discretion either:

- 3.3.1 determine that such Holdco Shares shall be sold, in which event the Holdco Shares shall be issued to such Overseas Shareholder and Holdco shall appoint a person to act pursuant to this Clause 3.3.1 and such person shall be authorised on behalf of such Overseas Shareholder to procure that any shares in respect of which Holdco has made such a determination shall, as soon as practicable following the Scheme Effective Date, be sold at the best price which can reasonably be obtained at the time of sale and the net proceeds of such sale shall (after the deduction of all expenses and commissions, including any amount in respect of value added tax payable thereon) be paid to such Overseas Shareholder by sending a cheque or warrant to such Overseas Shareholder in accordance with the provisions of Clause 4 below. To give effect to any such sale, the person so appointed shall be authorised on behalf of such Overseas Shareholder to execute and deliver a form of transfer and to give such instructions and do all such 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, Holdco, any appointee referred to in this Clause 3.3.1 or any broker or agent of any of them shall have any liability for any loss arising as a result of the timing or terms of any such sale; or

- 3.3.2 determine that no such Holdco Shares shall be allotted and issued to such Overseas Shareholder under this Clause, but instead such Holdco Shares shall be allotted and issued to a nominee appointed by Holdco as trustee for such Overseas Shareholder, on terms that they shall, as soon as reasonably practicable following the Scheme Effective Date, be sold on behalf of such

Overseas Shareholder at the best price which can reasonably be obtained at the time of sale and the net proceeds of such sale shall (after the deduction of all expenses and commissions, including any amount in respect of value added tax payable thereon) be paid to such Overseas Shareholder by sending a cheque or warrant to such Overseas Shareholder in accordance with the provisions of Clause 4 below. In the absence of bad faith or wilful default, none of the Company, Holdco, any nominee referred to in this Clause 3.3.2 or any broker or agent of any of them shall have any liability for any loss arising as a result of the timing or terms of any such sale.

4. CERTIFICATES AND PAYMENTS

- 4.1 Not later than 28 days after the Scheme Effective Date, Holdco shall send by post to the allottees of the allotted and issued Holdco Shares certificates in respect of their due entitlements to Holdco Shares.
- 4.2 Not later than 28 days following the sale of any relevant Holdco Shares pursuant to Clause 3.3, Holdco shall procure that the person appointed under Clause 3.3.1 or the nominee appointed under Clause 3.3.2 shall account for the cash payable by despatching to the persons respectively entitled thereto, cheques by post or by any direct, bank or other funds transfer.
- 4.3 All certificates required to be sent by Holdco pursuant to Clause 4.1 and all cheques required to be sent pursuant to Clause 4.2 shall be sent by post in pre-paid envelopes addressed to the persons respectively entitled thereto at their respective addresses appearing in the register of members of the Company at the Scheme Record Time (or, in the case of joint Holders, to the address of that one of the joint Holders whose name stands first in the register in respect of the joint holding) or in accordance with any special instructions regarding communications received at the registered office of the Company prior to the Scheme Record Time.
- 4.4 None of the Company, Holdco, any person referred to in Clause 3.3.1, such nominee appointed to act under Clause 3.3.2 nor any agent of any of them shall be responsible for any loss or delay in transmission of certificates, cheques or warrants sent in accordance with this Clause 4.
- 4.5 This Clause 4 shall take effect subject to any prohibition or condition imposed by law.

5. CERTIFICATES REPRESENTING SCHEME SHARES

- 5.1 With effect from and including the Scheme Effective Date, all certificates representing holdings of Scheme Shares shall cease to have effect as documents of title to the Scheme Shares comprised therein and every Holder of Scheme Shares should destroy such certificates at the Scheme Effective Date.
- 5.2 All appropriate entries shall be made in the Company's register of members, with effect from the Scheme Effective Date, to reflect the cancellation of the Scheme Shares.

6. MANDATES AND INSTRUCTIONS

Each mandate in force and duly notified to the Company at the Scheme Record Time relating to the payment of dividends on Scheme Shares and each instruction, election and communication preference then in force as to notices and other communications (including electronic communications) from the Company shall, unless and until varied or revoked, be deemed, from and including the Scheme Effective Date, to be a valid and effective mandate or instruction to Holdco in relation to the corresponding Holdco Shares to be allotted and issued pursuant to this Scheme.

7. SCHEME EFFECTIVE DATE

- 7.1 The Scheme shall become effective in accordance with its terms as soon as a copy of the Court Order shall have been delivered to the Registrar of Companies for registration.
- 7.2 Unless the Scheme shall have become effective on or before 30 November 2022 or such later date, if any, as the Company and Holdco may agree and the Court may allow, this Scheme shall never become effective.

8. MODIFICATION

The Company and Holdco may jointly consent on behalf of all persons concerned to any modification of, or addition to, the Scheme or to any condition which the Court may think fit to approve or impose. For the avoidance of doubt, the Scheme can only be modified pursuant to this clause prior to the date on which the Scheme takes effect.

9. COSTS

The Company is authorised and permitted to pay all the costs and expenses relating to the negotiation, preparation and implementation of the Scheme.

Dated: Tuesday 16 August 2022