

2920061

CR-2017-005190

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT

THE HON. MR JUSTICE SNOWDEN



IN THE MATTER OF IMAGINATION TECHNOLOGIES GROUP PLC

-and-

IN THE MATTER OF THE COMPANIES ACT 2006

ORDER

UPON THE ADJOURNED HEARING OF THE CLAIM dated 29 September 2017 of the above named Imagination Technologies Group plc (the "**Claimant**") whose registered office is situated at Imagination House, Home Park Estate, Kings Langley, Hertfordshire, WD4 8LZ and whose registered number is 02920061

AND UPON HEARING Andrew Thornton, Counsel for the Claimant

AND UPON READING the said Claim and the evidence

AND UPON CBFI Investment Limited by Counsel for the Claimant, being its Counsel for this purpose, undertaking to be bound by the scheme of arrangement dated 9 October 2017 hereinafter sanctioned (the "**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 purposes of giving effect to the Scheme

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

AND IT IS ORDERED THAT this Order be produced by the Claimant to the Registrar of Companies and that an office copy hereof be delivered to him.

Dated 2 November 2017



THURSDAY



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SPE 02/11/2017 #112
COMPANIES HOUSE

PART 10

THE SCHEME OF ARRANGEMENT

Claim No. CR-2017-005190

**IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT**

IN THE MATTER OF IMAGINATION TECHNOLOGIES GROUP PLC

-and-

IN THE MATTER OF THE COMPANIES ACT 2006

SCHEME OF ARRANGEMENT

(under Part 26 of the Companies Act 2006)

between
Imagination Technologies Group plc
and
the Scheme Shareholders
(as hereinafter defined)

PRELIMINARY

- (a) In this Scheme, unless inconsistent with the subject or context, the following expressions shall bear the following meanings:
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| "Acquisition" | the proposed acquisition by CBFI of the entire issued and to be issued share capital of Imagination, to be effected by the Scheme; |
| "Additional Payment" | any Additional Payment as defined in, and which is payable in accordance with, the Cooperation Agreement between Imagination, CBFI and Canyon Bridge Fund I, LP dated 22 September 2017, as amended on 26 September 2017; |
| "Business Day" | a day (other than Saturdays, Sundays and public holidays) on which banks are open for business in London, United Kingdom; |
| "Cash Consideration" | 182 pence in cash for each Scheme Share payable pursuant to clause 2 of the Scheme; |
| "CBFI" | CBFI Investment Limited, a company incorporated in England and Wales (registered number 10968614), |

whose registered office is at Lower Ground Floor, One George Yard, London EC3V 9DF;

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| "certificated" or "in certificated form" | not in uncertificated form (that is, not in CREST); |
| "Companies Act 2006" | the Companies Act 2006 (as amended); |
| "Company" or "Imagination" | Imagination Technologies Group plc, a company incorporated in England and Wales (registered number 2920061), whose registered office is at Imagination House, Home Park Estate, Kings Langley, Hertfordshire, WD4 8LZ; |
| "Court" | the High Court of Justice in England and Wales; |
| "Court hearing" | the hearing by the Court to sanction the Scheme; |
| "Court Meeting" | the meeting of the Scheme Shareholders convened by order of the Court pursuant to section 896 of the Companies Act 2006 to consider and, if thought fit, approve this Scheme with or without modification, including any adjournment thereof; |
| "Court Order" | the order of the Court sanctioning the Scheme under Part 26 of the Companies Act 2006; |
| "CREST" | the relevant system (as defined in the Uncertificated Securities Regulations 2001) in respect of which Euroclear is the Operator (as defined in the Uncertificated Securities Regulations 2001) in accordance with which securities may be held and transferred in uncertificated form; |
| "Effective Date" | the date on which the Scheme becomes effective in accordance with its terms and "Effective Time" means the time on such date at which the Scheme becomes effective; |
| "Encumbrances" | all mortgages, pledges, liens, equities, charges, encumbrances, equitable rights, options, rights of pre-emption, assignments, hypothecations or any other third party rights and interests of any nature whatsoever; |
| "Equiniti" | Equiniti Limited, the Company's registrars; |
| "Euroclear" | Euroclear UK & Ireland Limited (formerly known as CRESTCo Limited); |
| "Excluded Shares" | any Imagination Shares beneficially owned by CBFI or any parent or subsidiary undertaking (as defined in the Companies Act 2006) of CBFI immediately prior to the Scheme Record Time; |

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| "holder" | includes a person entitled by transmission; |
| "Imagination Shareholders" | holders of Imagination Shares from time to time; |
| "Imagination Share Plans" | the Imagination Employee Share Plan, the Imagination 2016 Employee Share Plan, the Imagination 2013 Long Term Incentive Plan and the Imagination Share Incentive Plan, as amended from time to time; |
| "Imagination Shares" | the ordinary shares of 10 pence each in the capital of Imagination; |
| "Longstop Date" | 5.00pm London time on 22 July 2018, or such later date (if any) as CBFI and Imagination may agree and (if required) the Panel and the Court may allow; |
| "members" | members of Imagination on the register of members at any relevant date; |
| "Panel" | the Panel on Takeovers and Mergers; |
| "Registrar of Companies" | the Registrar of Companies in England and Wales; |
| "Scheme" | this scheme of arrangement under Part 26 of the Companies Act 2006 in its present form or with or subject to any modification, addition or condition which Imagination and CBFI may agree and which the Court may approve or impose; |
| "Scheme Document" | the circular dated 9 October 2017 sent by Imagination to Imagination Shareholders and persons with information rights of which this Scheme forms a part; |
| "Scheme Record Time" | 6.00 p.m. on the Business Day immediately after the date of the Court hearing; |
| "Scheme Shareholders" | registered holders of Scheme Shares from time to time; |
| "Scheme Shares" | all Imagination Shares: <ul style="list-style-type: none"> (i) in issue at the date of the Scheme Document; (ii) (if any) issued after the date of the Scheme Document but before the Voting Record Time; and (iii) (if any) issued at or after the Voting Record Time and before the Scheme Record Time either on terms that the original or any subsequent holders thereof shall be bound by the Scheme or in respect of which the holders thereof shall have agreed in writing to be bound by the Scheme, but in each case other than any Excluded Shares; |

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| "subsidiary undertaking" | shall be construed in accordance with the Companies Act 2006; |
| "Takeover Code" | City Code on Takeovers and Mergers; |
| "TTE Instruction" | a Transfer to Escrow instruction (as described in the CREST Manual issued by Euroclear) |
| "uncertificated" or "in uncertificated form" | recorded on the relevant register as being held in uncertificated form in CREST and title to which may be transferred by means of CREST; |
| "Voting Record Time" | 6.30 p.m. on 27 October 2017 or, if the Court Meeting is adjourned, 6.30 p.m. on the second Business Day before the date of such adjourned meeting; |

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 share capital of Imagination at the close of business on 5 October 2017 (being the latest practicable date prior to publication of the Scheme Document) is 286,649,690 ordinary shares of 10 pence each all of which are fully paid or credited as fully paid. Imagination did not hold any Imagination Shares in treasury as at the close of business on 5 October 2017.
- (c) Share options/awards to acquire up to 15,845,659 Imagination Shares have been awarded and remain outstanding as at close of business on 5 October 2017 (being the latest practicable date prior to publication of the Scheme Document) pursuant to the Imagination Share Plans.
- (d) CBFi has agreed to appear by counsel on 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. Transfer of the Scheme Shares

- 1.1 With effect from the Effective Time, CBFI (or such of its nominee(s) as CBFI may determine) shall acquire the Scheme Shares fully paid up, with full title guarantee, free from all Encumbrances and together with all rights attaching to them at the Effective Date or thereafter attached thereto, including voting rights and (other than in respect of any Additional Payment) entitlement to receive and retain all dividends and other distributions declared, paid or made thereon (if any) by Imagination on or after the date of the Announcement.
- 1.2 For such purposes, the Scheme Shares shall be transferred to CBFI (or such of its nominee(s) as CBFI may determine) and to give effect to such transfers a form or forms of transfer, or other instrument(s) of transfer or instruction(s) to transfer, shall be executed and any person may be appointed by CBFI as agent and shall be authorised as such agent on behalf of the relevant holder of Scheme Shares to execute and deliver as transferor such form of transfer or other instrument or instruction of transfer (whether as a deed or otherwise), in respect of, or to give any instruction to 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 effective as if it had been executed or given by the holder or holders of the Scheme Shares thereby transferred.
- 1.3 Pending the transfer of the Scheme Shares pursuant to clauses 1.1 and 1.2 of the Scheme, each Scheme Shareholder irrevocably:
- (a) appoints CBFI (and/or its nominee(s)) as its attorney and/or agent to exercise (in place of and to the exclusion of the relevant Scheme Shareholder) any voting rights attached to the Scheme Shares and any or all rights and privileges attaching to the Scheme Shares;
 - (b) appoints CBFI (or its nominee(s)) as its attorney to sign any consent to short notice of any general or separate class meeting of Scheme Shareholders and on their behalf to execute a form of proxy in respect of such Scheme Shares appointing any person nominated by CBFI to attend general and separate class meetings of Scheme Shareholders; and
 - (c) authorises Imagination to send to CBFI any notice, circular, warrant or other document or communication which Imagination sends to the Imagination Shareholders or any class thereof,

such that from the Effective Time, no Scheme Shareholder shall be entitled to exercise any voting rights attached to the Scheme Shares, or (other than in respect of an Additional Payment) any other rights or privileges attaching to the Scheme Shares.

2. Cash Consideration for transfer of the Scheme Shares

- 2.1 In consideration for the transfer of the Scheme Shares to CBFI as provided in clause 1, CBFI shall (subject to, and in accordance with, the remaining provisions of this Scheme) pay or procure that there shall be paid to or for the account or benefit of the holders of Scheme Shares (whose names appear in the register of members of the Company at the Scheme Record Time):

for each Scheme Share

182 pence in cash

2.2 If any dividend or other distribution or return of value (other than in respect of an Additional Payment) is proposed, declared, made, paid or becomes payable by Imagination in respect of a Scheme Share on or after 22 September 2017 and before the Effective Time, CBFI shall be entitled to reduce the value of the Cash Consideration payable for each Scheme Share by up to the amount per Scheme Share of such dividend, distribution or return of value (in which case any reference in this Scheme to the consideration payable for the Scheme Shares will be deemed to be a reference to such other consideration as so reduced) except where the Scheme Share is or will be acquired pursuant to the Scheme on a basis which entitles CBFI to receive the dividend, distribution or return of value and to retain it. Any exercise by CBFI of its rights referred to in this clause 2.2 shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Scheme. Where CBFI exercises its rights referred to in this clause 2.2, Scheme Shareholders will be entitled to receive and retain that dividend, distribution or return of value.

3. **Settlement of consideration**

3.1 Not more than 14 calendar days after the Effective Date (or such other period as may be approved by the Panel), CBFI shall:

(a) in the case of Scheme Shares which at the Scheme Record Time are held in certificated form, despatch or procure the despatch to the persons entitled thereto or as they may direct, in accordance with the provisions of clause 3.2, of cheques for the sums payable to them respectively in accordance with clause 2;

(b) in the case of Scheme Shares which at the Scheme Record Time are held in uncertificated form, procure the making of a CREST assured payment obligation in favour of the persons entitled thereto in accordance with clause 2 in accordance with the CREST payment arrangements in respect of the cash consideration due to the relevant holder, provided that CBFI may (if, for any reason, it wishes to do so) make payment of the said sums by cheque as aforesaid.

3.2 All deliveries of notices and cheques required to be made pursuant to this Scheme shall be effected by posting the same by first class post in pre-paid envelopes (or by such other method as may be approved by the Panel) 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 (or, in the case of joint holders, at the address of that one of the joint holders whose name stands first in the said register in respect of such joint holding at such time), and none of Imagination, CBFI or their respective agents or Equiniti Limited shall be responsible for any loss or delay in the transmission of any notice, certificate, cheque or payment sent in accordance with this clause 3.2 which shall be sent at the risk of the person entitled thereto.

3.3 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.

3.4 All cheques shall be in pounds sterling drawn on a UK clearing bank and payments shall be made to the persons entitled thereto or, in the case of joint holders, to that one of the joint holders whose name stands first in the register of members of Imagination in respect of such joint holding at the Scheme Record Time or to such other persons (if any) as such persons may direct in writing and the encashment of any such cheque or the making of any such assured CREST payment obligation as is referred to in clause 3.1(b) shall be a complete discharge of Imagination's obligation to pay the monies represented thereby.

3.5 None of Imagination, CBFI or their respective attorneys, agents or nominees shall be responsible for any loss or delay in the transmission of the statements of entitlement or cheques sent to Scheme Shareholders in accordance with this clause 3, which shall be posted at the risk of the Scheme Shareholder concerned.

3.6 The provisions of this clause 3 shall be subject to any prohibition or condition imposed by applicable law.

4. **Certificates and Cancellations**

With effect from and including the Effective Date:

4.1 all certificates representing Scheme Shares shall cease to be valid as documents of title to the shares represented thereby and every holder thereof shall be bound at the request of the Company to deliver up the same to the Company or as it may direct to destroy the same;

4.2 Euroclear shall be instructed to cancel the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form;

4.3 following the cancellation of the entitlement to Scheme Shares in uncertificated form, Equiniti shall be authorised to rematerialise entitlements to such Scheme Shares;

4.4 as regards all certificated Scheme Shares, appropriate entries will be made in the Company's register of members to reflect their transfer; and

4.5 the preceding paragraphs of this clause 4 shall take effect subject to any prohibition or condition imposed by law.

5. **The Effective Date**

5.1 This Scheme shall become effective as soon as the office copy of the Court Order shall have been delivered to the Registrar of Companies for registration.

5.2 Unless this Scheme shall become effective on or before the Longstop Date or such later date if any as the Company and CBFI may agree and the Court and the Panel may allow, this Scheme shall not become effective.

6. **Mandates**

Other than in respect of any Additional Payment, all mandates relating to the payment of dividends on any Scheme Shares and other instructions (including communications preferences) given to the Company by Scheme Shareholders in force at the Scheme Record Time relating to Scheme Shares shall, as from the Effective Date, cease to be valid, save to the extent that CBFI in its sole discretion determines otherwise

7. **Modification**

CBFI and the Company 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.



8. Governing Law

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

Dated 9 October 2017

Clifford Chance LLP
10 Upper Bank Street
London E14 5JJ

Solicitors for Imagination