

2294875

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

MR JUSTICE MANN

21st January 2020



CR-2019-007315

IN THE MATTER OF

CARPETRIGHT PLC

- and -

IN THE MATTER OF THE COMPANIES ACT 2006

ORDER

UPON THE APPLICATION by Part 8 Claim Form dated 18 November 2019 of Carpetright plc (the "Company") with registered number 02294875 whose registered office is situated at Purfleet Bypass, Purfleet, Essex RM19 1TT

AND UPON HEARING Andrew Thornton, Counsel for the Company

AND UPON READING the Claim Form and the supporting evidence

AND UPON Meditor Holdings Limited, by Andrew Thornton, being its Counsel for this purpose, submitting to be bound by the scheme of arrangement in the form set out in the Schedule hereto dated 26 November 2019 (the "**Scheme of Arrangement**") and undertaking to execute and do and 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

THIS COURT HEREBY SANCTIONS the Scheme of Arrangement as set forth in the Schedule hereto

AND THE COURT ORDERS that a copy of this Order be delivered to the Registrar of Companies.

Dated the 21st day of January 2020

THURSDAY



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RM

23/01/2020

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COMPANIES HOUSE

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

CR-2019-007315

IN THE MATTER OF CARPETRIGHT PLC

and

IN THE MATTER OF THE COMPANIES ACT 2006

SCHEME OF ARRANGEMENT
(under Part 26 of the Companies Act 2006)

between

CARPETRIGHT PLC

AND

THE SCHEME SHAREHOLDERS
(as hereinafter defined)

PRELIMINARY

- (A) In this Scheme, unless inconsistent with the subject or context, the following expressions have the following meanings.

"Acquisition"	the direct or indirect acquisition by MHL of the entire issued and to be issued share capital of Carpetright (save for the Excluded Shares), to be implemented by means of the Scheme (or by way of a Takeover Offer under certain circumstances) and, where the context requires, any subsequent revision, variation, extension or renewal thereof;
"Carpetright"	Carpetright plc;
"Carpetright Shares"	the existing unconditionally allotted or issued and fully paid ordinary shares of £0.01 each in the capital of Carpetright and any further such ordinary shares which are unconditionally allotted or issued before the Scheme becomes Effective;
"Carpetright's Registrars"	Computershare Investor Services plc;
"[in] certificated [form]"	a share or other security which is not in uncertificated form (that is, not in CREST);
"Code"	the City Code on Takeovers and Mergers;
"Companies Act"	the Companies Act 2006, as amended;
"Court"	the High Court of Justice in England and Wales;
"Court Meeting"	the meeting of Scheme Shareholders to be convened pursuant to an order of the Court under the Companies Act, for the purpose of considering, and if thought fit, approving the Scheme (with or without amendment), and any adjournment, postponement or reconvening of such meeting;
"CREST"	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear;
"Euroclear"	Euroclear UK and Ireland Limited;
"Excluded Shares"	(i) the 91,097,241 Carpetright Shares beneficially owned by Meditor Fund, (ii) any other Carpetright Shares of which MHL (or any member of the Meditor Group) is the holder or in which MHL is beneficially interested; or (iii) any Carpetright Shares which are for the time being held by Carpetright as treasury shares (within the meaning of the Companies Act);
"Latest Practicable Date"	close of business on 25 November 2019;
"Meditor Fund"	Meditor European Master Fund Limited, a private limited company incorporated in Bermuda under number 25157;
"Meditor Group"	Meditor Fund and MHL and their respective parent undertakings, subsidiaries, subsidiary undertakings, associated undertakings and any other body undertaking in which MHL or Meditor Fund and/or any such undertakings (aggregating their interests) have a Significant Interest;
"MHL"	Meditor Holdings Limited, a private limited company incorporated in England and Wales under number 12306373 and having its registered office at Prince Albert House, 18A King Street, Maidenhead, Berkshire SL6 1EF,
"Panel"	the Panel on Takeovers and Mergers;
"Registrar of Companies"	the Registrar of Companies in England and Wales;

"Scheme"	the proposed scheme of arrangement under Part 26 of the Companies Act between Carpetright and Scheme Shareholders to effect the Acquisition (with or subject to any modification, addition or condition approved or imposed by the Court and agreed by Carpetright and MHL);
"Scheme Court Order"	the order of the Court sanctioning the Scheme;
"Scheme Effective Date"	the date on which either: (i) the Scheme becomes effective in accordance with its terms and the Scheme Court Order is delivered to the Registrar of Companies, or (ii) (if MHL elects to implement the Acquisition by way of a Takeover Offer), the date on which such Takeover Offer becomes or is declared unconditional in all respects in accordance with the requirements of the Code, and "Effective" shall be construed accordingly;
"Scheme Record Time"	6:00 p.m. on the Business Day immediately preceding the Scheme Effective Date;
"Scheme Shareholder"	a holder of Scheme Shares;
"Scheme Shares"	all Carpetright Shares which remain in issue at the Scheme Record Time and are: <ul style="list-style-type: none"> (i) in issue at the date of this Document; (ii) (if any) issued after the date of this Document and before the Voting Record Time; or (iii) (if any) issued at or after the Voting Record Time but at or before the Scheme Record Time on terms that the holder thereof shall be bound by the Scheme or in respect of which the original or any subsequent holders thereof are, or shall have agreed in writing to be, bound by the Scheme, excluding, in each case, the Excluded Shares;
"Share Incentive Schemes"	the Carpetright Long Term Incentive Plan 2013 (" LTIP "), the Carpetright Sharesave Plan 2013 (" Sharesave ") and the Carpetright Share Incentive Plan (" SIP ");
"Significant Interest"	in relation to an undertaking, a direct or indirect interest of 20 per cent, or more of the total voting rights conferred by the equity share capital (as defined in section 548 of the Companies Act) of such undertaking;
"Takeover Offer"	a takeover offer as defined in Chapter 3 of Part 28 of the Companies Act;
"[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; and
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland.

For the purposes of this Part 4, "subsidiary", "parent undertaking", "subsidiary undertaking", "undertaking" and "associated undertaking" have the respective meanings given to them by the Companies Act.

All references to "pounds", "pounds Sterling", "Sterling", "£", "pence", "penny" and "p" are to the lawful currency of the United Kingdom.

All the times referred to in this Part 4 are London times unless otherwise stated.

References to the singular include the plural and vice versa

All references to statutory provisions or law or to any order or regulation shall be construed as a reference to that provision, law, order or regulation as extended, modified, replaced or re-enacted

from time to time and all statutory instruments, regulations and order from time to time made thereunder or deriving validity therefrom.

- (B) As at the Latest Practicable Date, the issued share capital of Carpetright was £3,037,871.64 divided into 303,787,164 ordinary shares of £0.01 each, all of which are credited as fully paid up. Carpetright does not hold any Carpetright Shares in treasury at the date of this Scheme.
- (C) Any awards to acquire Scheme Shares under the Share Incentive Schemes which have vested and been exercised upon sanction of the Court will be cash settled by Carpetright.
- (D) MHL was incorporated on 8 November 2019 under the laws of England and Wales as a private company limited by shares.
- (E) As at the Latest Practicable Date, Meditor Fund (a member of the Meditor Group) is the registered holder of, or beneficially owns 91,097,241 Carpetright Shares (representing 29.9% of the Carpetright Shares in issue).
- (F) MHL has agreed to appear by Counsel at the hearing to sanction this Scheme and 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 to give effect to this Scheme.

THE SCHEME

1. Transfer of Scheme Shares

- 1.1 On the Scheme Effective Date, MHL (or such of its nominee(s) as are agreed between MHL and Carpetright) shall acquire all of the Scheme Shares, fully paid-up with full title guarantee, and free from all liens, equities, charges, options, encumbrances, rights of pre-emption and any other third party rights or interest of any nature and together with all rights now or hereafter attaching to or accruing to them, including, without limitation, 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 way of reduction of share capital or share premium account or otherwise), declared, made or paid by Carpetright by reference to a record date on or after the Scheme Effective Date.
- 1.2 For such purposes, the Scheme Shares shall be transferred to MHL (or such of its nominee(s) as are agreed between MHL and Carpetright) and such transfer shall be effected by means of a form of transfer or other instrument of transfer and to give effect to such transfer(s) any person may be appointed by MHL 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 (whether as a deed or otherwise), 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.
- 1.3 With effect from the Scheme Effective Date and pending the transfer of the Scheme Shares pursuant to clauses 1.1 and 1.2 of this Scheme, each Scheme Shareholder irrevocably appoints MHL (or such of its nominee(s) as are agreed between MHL and Carpetright) 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 attaching to the Scheme Shares, to sign any consent to short notice of any general or separate class meeting of Carpetright and to execute a form of proxy in respect of such Scheme Shares appointing any person nominated by MHL to attend general and separate class meetings of Carpetright, and authorises Carpetright to send to MHL and/or its nominee(s) any notice, circular, warrant or other document or communication which Carpetright sends to its shareholders or any class thereof, such that from the Scheme 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.

2. Consideration for the transfer of Scheme Shares

- 2.1 In consideration for the transfer of the Scheme Shares to MHL and/or its nominee(s) referred in clause 1.2 of this Scheme, MHL shall (subject as hereinafter provided) pay or procure that there shall be paid to or for the account of each Scheme Shareholder whose name appears in the register of members of Carpetright at the Scheme Record Time:
- for each Scheme Share: 5 pence in cash**
- 2.2 If, on or after 31 October 2019 and prior to the Scheme Effective Date, any dividend and/or other distribution is announced, declared, made or paid in respect of the Scheme Shares, MHL reserves the right to reduce the amount of consideration payable by MHL for the Scheme Shares by an amount up to the amount of such dividend or distribution so announced, declared, made or paid.
- 2.3 If MHL exercises the right referred to in clause 2.2 of this Scheme to reduce the consideration payable by MHL for each Scheme Share by all or part of the amount of any dividend (or other distribution) that has not been paid:
- 2.3.1 Scheme Shareholders will be entitled to receive and retain that dividend (or other distribution) in respect of the Scheme Shares they hold;
- 2.3.2 any reference in this Scheme and the document to the consideration payable under the Scheme shall be deemed a reference to the consideration as so reduced; and

- 2.3.3** the exercise of such rights shall not be regarded as constituting any revision or variation of the terms of such Scheme.
- 2.4** To the extent that any such dividend and/or distribution and/or other return of capital is announced, declared or paid and it is: (i) transferred pursuant to the Acquisition on a basis which entitles MHL to receive the dividend or distribution and to retain it; or (ii) cancelled, the consideration will not be subject to change in accordance with clause 2 of this Scheme.
- 3. Settlement of consideration**
- 3.1** As soon as practicable after the Scheme Effective Date, and in any event no more than 14 days thereafter, MHL shall:
- 3.1.1** in the case of the Scheme Shares which at the Scheme Record Time are in certificated form, despatch or procure the despatch of, to the persons entitled thereto, cheques for the sums payable to each of them in accordance with clause 2 of this Scheme, or if the amount payable to any such Scheme Shareholder exceeds £1 million, MHL reserves the right to make arrangements with such Scheme Shareholder to facilitate electronic payment of such amount in lieu of a cheque; and
- 3.1.2** in the case of the Scheme Shares which at the Scheme Record Time are in uncertificated form, instruct, or procure the instruction of, Euroclear to create an assured payment obligation in respect of the sums payable in accordance with the CREST assured payment arrangements provided that MHL reserves the right to make payment of the said consideration by cheque as aforesaid in clause 3.1.1 of this Scheme if, for any reason, it wishes to do so; and
- 3.1.3** in the case of payments to Directors or employees of Carpetright pursuant to the exercise of options or the vesting of awards after the sanction of the Court and the Scheme Record Time under the Share Incentive Schemes, make such payments either by cheque or through payroll (net of any exercise price, income tax and national insurance contributions) in accordance with the proposals being made to participants in the Share Incentive Schemes.
- 3.2** All deliveries of notices and/or cheques pursuant to this Scheme shall be effected by sending the same by first-class post in pre-paid envelopes or by international standard post if overseas (or by such method as may be approved by the Panel) addressed to the persons entitled thereto at their respective registered addresses as appearing in the register of members of Carpetright at the Scheme Record Time 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.
- 3.3** All cheques shall be in pounds Sterling and shall be made payable to the Scheme Shareholder concerned or, in the case of joint holders, to the address of the holder whose name stands first in the register of members of Carpetright and to whom, in accordance with the foregoing provisions of this clause 3, the envelope containing the same is addressed, and the encashment of any such cheque shall be a complete discharge of MHL's obligation under this Scheme to pay the monies represented thereby. MHL shall despatch or procure the despatch of cheques within 14 days of the Scheme Effective Date.
- 3.4** In respect of payments made through CREST, MHL shall instruct, or procure the instruction of, Euroclear to create an assured payment obligation in accordance with the CREST assured payment arrangements within 14 days of the Scheme Effective Date. The instruction of Euroclear shall be a complete discharge of MHL's obligation under this Scheme with reference to the payments made through CREST.
- 3.5** Neither MHL nor Carpetright shall be responsible for any loss or delay in the despatch of notices or cheques sent in accordance with this clause 3 which shall be sent at the risk of the person or persons entitled thereto.
- 3.6** The provisions of this clause 3 shall be subject to any prohibition or condition imposed by law.

4. Share Certificates and cancellations

With effect from, or as soon as possible after, the Scheme Effective Date.

- 4.1** all certificates representing Scheme Shares shall cease to have effect as documents of title to the Scheme Shares comprised therein and every Scheme Shareholder shall be bound at the request of Carpetright to deliver up the same to Carpetright, or as it may direct, to destroy the same;
- 4.2** Euroclear shall be instructed to cancel or transfer the entitlements to Scheme Shares of Scheme Shareholders in uncertificated form;
- 4.3** following the cancellation of the Scheme Shares of those holders of Scheme Shares holding their shares in uncertificated form, Carpetright's Registrars, shall be authorised to rematerialise entitlements to such Scheme Shares; and
- 4.4** on or as soon as reasonably practicable after the Scheme Effective Date and subject to the completion of such transfers, forms, instruments or instructions as may be required in accordance with clause 1 and the payment of any UK stamp duty thereon, Carpetright shall make, or procure to be made, the appropriate entries in its register of members to reflect the transfer of the Scheme Shares to MHL and/or its nominee(s).

5. Mandates

All mandates and other instructions given to Carpetright by Scheme Shareholders in force at the Scheme Record Time relating to Scheme Shares shall cease to be valid and effective on the Scheme Effective Date.

6. Operation of the Scheme

- 6.1** This Scheme shall become Effective as soon as a copy of the Scheme Court Order has been delivered to the Registrar of Companies.
- 6.2** Unless the Scheme has become Effective on or before 1 March 2020 or, in the event that the Scheme has not become Effective on or prior to 1 March 2020 but the Conditions set out in paragraph 2 of Part 3 (*Conditions to and Further Terms of the Scheme and the Acquisition*) of the scheme document dated 26 November 2019 have been satisfied (or waived as applicable) or have not become incapable of satisfaction, 31 March 2020 (or such later date as may be agreed by Carpetright and MHL (with the Panel's consent and the Court may approve (if such approval(s) are required))), this Scheme shall never become Effective.

7. Modification

MHL and Carpetright 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 English law and is subject to the exclusive jurisdiction of the English courts. The rules of the Code will apply to the Scheme.

Dated: 26 November 2019