

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION

No. []

COMPANIES COURT

IN THE MATTER OF AFRICAN MINERALS LIMITED (IN ADMINISTRATION)

- and -

IN THE MATTER OF THE COMPANIES ACT 2006

SCHEME OF ARRANGEMENT

(under Part 26 of the Companies Act 2006)

BETWEEN AFRICAN MINERALS LIMITED (IN ADMINISTRATION)

AND

THE SCHEME CREDITORS

(as hereinafter defined)

1. **PRELIMINARY**

In the Scheme, the following expressions shall, unless the context otherwise requires, have the following meanings:

“**Ad Hoc Committee**” means Pine River Capital Management LP, Knighthead Capital Management LLC and the funds managed by them;

“**Adequate Reserve**” has the meaning given to it in Clause 7.1;

“**Administration**” means the administration of the Company under the order of the High Court dated 26 March 2015;

“**Administration Expense**” means any expenses, disbursements, remuneration or other costs and liabilities incurred in the course of the Administration, including those set out in paragraphs (a) to (j) at Rule 3.51(2) of the Insolvency Rules and including all debts and liabilities referred to in paragraphs 99(4) and 99(5) of Schedule B1 to the Insolvency Act;

“**Administrative Party**” means each of the Information Agent and the CRV Trustee;

“**Administration Website**” means the website set up by the Joint Administrators for the purpose of providing information to the Company’s creditors regarding the Administration at [http://www.deloitte-insolvencies.co.uk/a-c/african-minerals-limited-and-african-minerals-engineering-limited-\(both-in-administration\).aspx](http://www.deloitte-insolvencies.co.uk/a-c/african-minerals-limited-and-african-minerals-engineering-limited-(both-in-administration).aspx).

“Administrative Parties Undertakings” means the Information Agent Undertaking and the CRV Trustee Undertaking;

“Admitted Claim” means any ordinary unsecured Claim against the Company (whether in respect of unpaid principal, interest or otherwise) which is not an Expense Claim, which is or has been admitted by the Joint Administrators in accordance with the Insolvency Rules (including, for the avoidance of doubt, where the creditor has successfully appealed under Rule 14.8 against the rejection of its Claim);

“Advisers” means:

- (a) Akin Gump LLP, legal adviser to the Company and Joint Administrators;
- (b) Skadden, Arps, Slate, Meagher & Flom (UK) LLP and Milbank LLP, legal adviser to the Bond Trustee;
- (c) any of the foregoing’s partners, employees and affiliated partnerships, as well as the partners and employees of such affiliated partnerships, their respective subsidiaries and holding companies and any local counsel engaged.

“Allowed Proceeding” means any Proceeding by a Scheme Creditor to enforce its rights under the Scheme where the Company or an Administrative Party fails to perform its obligations under the Scheme to effect the Scheme; provided that with respect to the Information Agent only, such failure shall be due to gross negligence, willful default or fraud;

“Attorney” has the meaning given to it in Clause 4.1;

“Bar Date” means 5.00 pm (London time) on 3 August 2020;

“Bondholder” means each person who is entitled to the beneficial interest in a particular principal amount of the Bonds held by a person who is from time to time shown in the records of Euroclear or Clearstream (other than Clearstream, if Clearstream shall be an accountholder of Euroclear, and Euroclear, if Euroclear shall be an account holder of Clearstream) as the holder of a particular principal amount of the Bonds;

“Bondholder CRV Election” has the meaning given to it in Clause 6.2;

“Bond Trustee” means Wilmington Trust (London) Limited, Third Floor, 1 King's Arms Yard, London, EC2R 7AF in its capacity as trustee under the Bonds, acting on instructions from the MoU Committee, and for the benefit of, the Bondholders;

“Bonds” means the USD 400,000,000 8.50 per cent. convertible bonds due 2017 issued by the Company;

“Business Day” means a day on which banks are open for business in London (excluding, for the avoidance of doubt, Saturdays, Sundays and public holidays);

“Cash Consideration” means with respect to a Scheme Creditor, its Pro Rata Allocation of Scheme Consideration in cash;

“Claims” means all claims, actions, Proceedings, demands, rights, counterclaims, complaints or causes of action, be they known or unknown, incurred solely or jointly or as principal, surety or in any other capacity, present, future or contingent, of any nature whatsoever and howsoever arising, whether arising in equity, common law, statute, or by reason of breach of contract, statutory duty or trust, for contribution, or for interests, costs or disbursements, as a result of a restitutionary claim, or in respect of any tortious or negligent act or omission (whether or not loss or damage caused thereby has yet been suffered) or otherwise, whether in existence now or coming into existence at some time in the future, whether the amount is fixed or liquidated or is capable of being ascertained by fixed rules or as a matter of opinion, whether filed or unfiled, whether

asserted or unasserted, including those which arise hereafter upon a change in the relevant law, whether or not in the contemplation of the relevant person at the date hereof, and including:

- (a) any “Debt” as defined in Rule 14.1(3) of the Insolvency Rules; and
- (b) any Liability;

“**Clearing Systems**” means Euroclear and Clearstream;

“**Clearstream**” means Clearstream Banking, *société anonyme*;

“**Companies Act**” means the Companies Act 2006 (as amended);

“**Company**” means African Minerals Limited (in administration), a company with its registered address at Victoria Place, 31 Victoria Street, Hamilton, HM10 Bermuda;

“**Court Order**” means an office copy of the order of the High Court sanctioning the Scheme under section 899 of the Companies Act;

“**CRV**” means the STAR trust to be known as the AML Creditor Recovery Trust, to be established pursuant to the CRV Trust Deed;

“**CRV Election**” means an election by a Scheme Creditor to direct the Company to transfer its Cash Consideration to the CRV Trustee in exchange for the CRV Trustee undertaking to issue CRV Interests to that Scheme Creditor in a nominal amount equal to its Pro Rata Allocation of Scheme Consideration;

“**CRV Election Deadline**” means the Bar Date.

“**CRV Election Letter**” means a letter by which a Scheme Creditor makes a CRV Election, in the form attached at Part 4 (*CRV Election Letter*) of Section IV (*Instruction Packet*) of the Explanatory Statement;

“**CRV Interest**” means ordinary interests of nominal value £1.00 per interest in the CRV carrying the rights described in the CRV Trust Deed;

“**CRV Trust Deed**” means the declaration of trust pursuant to which, with effect from the Scheme Effective Date, the CRV Trustee will declare a trust over, amongst other things, the property transferred to the CRV Trustee pursuant to the Deed of Assignment, in the form attached at Part 1 (*CRV Trust Deed*) of Section V (*Other Scheme Documents*) of the Explanatory Statement;

“**CRV Trustee**” means AML Creditor Recovery Vehicle PTC, a private trust company incorporated in the Cayman Islands with registration number 1609160, in its capacity as trustee of the CRV;

“**CRV Trustee Undertaking**” means the undertaking from the CRV Trustee to the Company, the Scheme Creditors and the High Court, to be entered into on or before the date of the Scheme Sanction Hearing to, amongst other things, enter into the Deed of Assignment and be bound by the terms of the Scheme;

“**Deed of Assignment**” means the deed of assignment to be entered into between, among others, the Company and the CRV Trustee in relation to the Enforcement Related Claims, in the form attached at Part 2 (*Deed of Assignment*) of Section V (*Other Scheme Documents*) of the Explanatory Statement;

“**Deed of Release**” means the deed of release to be entered into between, among others, the Company and the Scheme Creditors, in the form attached at Part 3 (*Deed of Release*) of Section V (*Scheme Documents*) of the Explanatory Statement, with any modification made pursuant to Clause 11.10;

“Delegate” means a person to whom the Company delegates in writing all or any of the functions, rights, authorities, powers and discretions conferred upon the Company under this Scheme, and from time to time to revoke any such delegation, provided that the Company shall be responsible for any act or omission of any such Delegate to the same extent as if the Company had itself exercised the relevant functions, rights, authorities, powers and discretions;

“Disqualified Person” means a person who is not an Eligible Person;

“Distribution Date” means the date falling ten (10) Business Days after the Bar Date;

“EEA Member State” any member state of the European Economic Area;

“Eligible Person” means a person who:

- (a) is either:
 - (i) a “qualified institutional buyer” as defined in Rule 144A under the Securities Act, or an “accredited investor” within the meaning of Rule 501(a) of Regulation D under the Securities Act; or
 - (ii) not in the United States and is not, and is not acting for the benefit or account of, a “U.S. person” (as defined in Regulation S under the Securities Act) or a person in the United States;
- (b) if it or any person or account for whom it is acting is located or resident in any EEA Member State or in the United Kingdom, each such person is a “qualified investor” (a **“Qualified Investor”**) as defined in the Prospectus Regulation and is acting for its own account, or, if it is acting as agent, either each principal for which it is acting is a Qualified Investor or it has full discretion to make investment decisions in relation to the offer;
- (c) is acting for its own account, or the accounts of one or more persons each of whom is otherwise an Eligible Person within the meaning of paragraphs (a) and (b) above with respect to which it exercises sole investment discretion;
- (d) is acquiring the securities described herein for investment purposes and not with any intention to resell, distribute, or otherwise dispose of or fractionalise such securities, in whole or in part;
- (e) the issuance and delivery of CRV Interests to whom would not be unlawful or prohibited under the laws of any applicable jurisdiction; and
- (f) may participate in the Scheme and acquire CRV Interests without the Company being required to comply with any filing, registration, disclosure or other onerous requirement in any jurisdiction where that person is a citizen or the laws of which such person is subject or in which that person is domiciled or resident;

“Enforcement Related Claims” means all of the Company’s rights, claims and interests related to the events and circumstances that preceded the Company’s entry into administration relating to a demand being made under a guarantee issued by the Company in respect of certain financial indebtedness of the Company’s then subsidiaries and the subsequent related security enforcement process, including but not limited to any claim under or in relation to any shareholders’ agreement relating to any former subsidiary of the Company, any breach of fiduciary duty by any person who was or purported to be or acted in any manner consistent with being a director of the Company, any breach of duty by a mortgagee in relation to the security enforcement process, or any other contractual, tortious, breach of duty or other claim against any of Shandong Steel Hong Kong Resources Limited, Shandong Steel Hong Kong Zengli Limited, any other affiliate of SISG, Madison Pacific in any capacity or any current or former officer, director, employee, consultant, agent, partner,

member or shareholder of any entity affiliated with SISG or Madison Pacific, including but not limited to Cui Jurong and Li Qiang;

“**Euroclear**” means Euroclear Bank S.A./N.V.;

“**Excluded Claims**” means any Expense Claim or any Non-Provable Claims;

“**Expense Claims**” means Claims relating to Administration Expenses;

“**Explanatory Statement**” means the explanatory statement in relation to the Scheme, which is, required to be provided to the Scheme Creditors pursuant to section 897 of Part 26 of the Companies Act;

“**First Dividend**” means the interim dividend of 0.77 p in the £ declared by the Joint Administrators on 26 July 2016, and paid shortly thereafter (the “**First Dividend**”);

“**Grantor**” has the meaning given to it in Clause 4.1;

“**High Court**” means the High Court of Justice in England and Wales at the Royal Courts of Justice, sitting at the Rolls Building, Fetter Lane, London EC4A 1NL;

“**Information Agent**” means GLAS Specialist Services Limited, in its capacity as the information agent for the Scheme;

“**Information Agent Undertaking**” means the irrevocable undertaking from the Information Agent to the Company, the Scheme Creditors and the High Court to be entered into on or before the date of the Scheme Sanction Hearing to, amongst other things, be bound by the terms of the Scheme;

“**Insolvency Act**” means the Insolvency Act 1986;

“**Insolvency Rules**” means the Insolvency (England & Wales) Rules 2016;

“**Joint Administrators**” means Ian Colin Wormleighton and Nicholas Guy Edwards of Deloitte LLP, PO Box 810, London EC4A 3TR in their capacity as joint administrators of the Company, and any other person who is appointed as an administrator of the Company, each acting as agent only for and on behalf of the Company and without personal liability;

“**KYC Documentation**” has the meaning given to that term in Section IV (*Instruction Packet*) of the Explanatory Statement;

“**Liability**” means any debt, liability or obligation whatsoever (including under any guarantee) whether it is present, future, prospective or contingent, whether or not its amount is fixed or undetermined, whether or not it involves the payment of money or the performance of an act or obligation and under whatever law, and whether it arises at common law, in equity or by statute, in England and Wales or in any other jurisdiction or in any other manner whatsoever;

“**Long Stop Date**” means 11.59 p.m. (London time) on 31 December 2020 or such later date as may be agreed by the Company and the Majority Scheme Creditors;

“**Loss**” means any loss (including loss of profit or loss of earnings), damage, cost, charge, penalty, expense or Liability of whatever nature;

“**Madison Pacific**” means Madison Pacific Trust Limited;

“**Majority Scheme Creditors**” means one or more Scheme Creditors who together hold, in aggregate, at least 50 per cent. by value of all Admitted Claims held by all Scheme Creditors;

“**MoU Committee**” means a committee of Bondholders constituted pursuant to an extraordinary resolution of the Bondholders passed at a meeting on 21 November 2018;

“**Nominated Recipient**” means a person nominated by a Scheme Creditor in writing in its CRV Election Letter to receive on its behalf such Scheme Creditor’s entitlement to CRV Interests, provided that a Scheme Creditor who is a Disqualified Person has represented and warranted to the Company and CRV Trustee that it will retain no beneficial interest in the CRV Interests to be received by the Nominated Recipient;

“**Non-Provable Claims**” means Claims which are not Provable Claims or Expense Claims, but which are payable in the Administration;

“**Proceeding**” means any process, action or other legal proceedings (including, without limitation, any demand, arbitration, alternative dispute resolution, judicial review, adjudication, execution, seizure, distraint, forfeiture, re-entry, lien, enforcement of judgment or enforcement of any security);

“**Pro Rata Allocation**” means in respect of a Scheme Creditor with an Admitted Claim, the proportion borne by the aggregate amount of its Admitted Claims as at the Bar Date (including Admitted Claims deemed to have been held at the Bar Date in accordance with Clause 7.5) to the aggregate amount of all Admitted Claims of all Scheme Creditors as at the Bar Date (including Admitted Claims deemed to have been held at the Bar Date in accordance with Clause 7.5);

“**Prospectus Regulation**” means Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (as amended);

“**Protected Party**” means each of:

- (a) the Joint Administrators;
- (b) Deloitte LLP;
- (c) the Advisers;
- (d) the CRV Trustee;
- (e) the Bond Trustee;
- (f) in respect of paragraphs (b) to (e) above, their respective members, partners, directors, officers, employees and any of their respective agents, professional advisers or their employees;
- (g) the members of the Ad Hoc Committee; and
- (h) the Administrative Parties;

“**Provable Claim**” means a Claim provable in the Administration, in accordance with Rule 14.2 of the Insolvency Rules, other than an Expense Claim;

“**Registrar of Companies**” means the registrar of companies within the meaning of the Companies Act;

“**Released Claims**” means all Claims released pursuant to Clause 8.2 of this Scheme;

“**Released Portion**” means the total value of the Scheme Consideration expressed as a percentage of the total value of Admitted Claims as at the later of: (a) 5pm on 3 August 2020; or (b) the date on which all Undetermined Provable Claims are finally adjudicated upon;

“**Scheme**” means this scheme of arrangement in its present form or, subject to the provisions of this document, with any modification made pursuant to Clause 11.10;

“**Scheme Consideration**” means an amount equal to £7,805,747 (which shall represent unpaid principal of any Admitted Claim);

“**Scheme Creditor**” means in respect of the Scheme, a legal or natural person who has, or who claims to have, Provable Claims (including, for the avoidance of doubt, any Admitted Claim whether unpaid or paid in full or in part);

“**Scheme Documents**” means:

- (a) the Deed of Release;
- (b) the Administrative Parties Undertakings; and
- (c) any other document that the Company considers necessary to give effect to the Scheme;

“**Scheme Effective Date**” means the later of:

- (a) the Scheme Lodgment Date; and
- (b) the date on which the transfer of the Enforcement Related Claims to the CRV is completed pursuant to the Deed of Assignment;

“**Scheme Lodgment Date**” means the date on which an office copy of the Court Order has been delivered to the Registrar of Companies for registration in respect of the Scheme;

“**Scheme Meeting**” means a meeting of the Scheme Creditors, convened in accordance with the permission of the High Court pursuant to section 896 of the Companies Act, for the purpose of considering and, if thought fit, approving the Scheme;

“**Scheme Sanction Hearing**” means the High Court hearing at which the High Court will decide whether to exercise its discretion to sanction the Scheme;

“**Scheme Website**” means the website set up for the Scheme Creditors by the Information Agent at <https://glas.agency/african-minerals-limited> to disseminate information about the Scheme and to facilitate the implementation of the Scheme;

“**Securities Act**” means the U.S. Securities Act of 1933, as amended;

“**Second Distribution**” has the meaning given to it in Clause 7.7;

“**SISG**” means Shandong Iron & Steel Group Co., Ltd (山東鋼鐵集團);

“**Supplemental Information**” has the meaning given to it in Clause 5.8;

“**Transaction**” means all actions, steps and transactions contemplated by this Scheme and the Deed of Assignment;

“**Unsubmitted Claim**” has the meaning given to it in Clause 7.9;

“**Unreleased Portion**” means, in respect of each Scheme Creditor, the total value of its Admitted Claim less the value of the Released Portion less the value received pursuant to the First Dividend;

“Undetermined Provable Claim” means a Provable Claim in respect of which a proof of debt has been submitted in accordance with Rules 14.3 and 14.4 of the Insolvency Rules by the Bar Date, where such proof of debt is still to be finally adjudicated upon by the Joint Administrators or is the subject of determination by the High Court or in respect of which the 21-day period in Rule 14.8(2) of the Insolvency Rules has not expired;

“validly completed” in relation to the CRV Election Letter, means a CRV Election Letter which, to the satisfaction of the Information Agent, the Company and CRV Trustee:

- (a) has been completed in accordance with the criteria and instructions contained at Section IV (*Instruction Packet*) of the Explanatory Statement;
- (b) if applicable, attaches a Nominated Recipient Form that has been completed in accordance with the criteria and instructions contained at Section IV (*Instruction Packet*) of the Explanatory Statement; and
- (c) encloses all additional information (including all KYC Documentation, if applicable) required to be provided in accordance the criteria and instructions contained at Section IV (*Instruction Packet*) of the Explanatory Statement.

2. **INTERPRETATION**

In the Scheme, with effect from the Scheme Lodgment Date or such other date as may be necessary to construe the Scheme, unless the context otherwise requires or otherwise expressly provides for:

- (a) references to ‘Clauses’ are references to the Clauses of the Scheme;
- (b) references to a ‘person’ include references to an individual, firm, partnership, company, corporation, unincorporated body of persons or any state or state agency;
- (c) all references to ‘£’ or ‘GBP’ are references to the lawful currency for the time being of the United Kingdom and all references to ‘USD’ are references to the lawful currency for the time being of the United States of America;
- (d) references to a statute or statutory provision include the same as subsequently modified, amended or re-enacted from time to time;
- (e) the singular includes the plural and *vice versa* and words importing one gender shall include all genders;
- (f) the term ‘includes’ or ‘including’ shall be construed without limitation;
- (g) headings are for ease of reference only and shall not affect the interpretation of the Scheme; and
- (h) references to time herein shall be references to the time in London.

3. **EFFECTIVENESS OF THE SCHEME**

3.1 The compromises and arrangements effected by the Scheme shall apply to all Provable Claims and shall be binding on all Scheme Creditors, the Joint Administrators, the Company, and each person that has undertaken to be bound by the terms of the Scheme and their respective successors and assigns (to the extent such compromises or arrangements are included in the express terms of such undertaking).

3.2 The Scheme shall be effective from the Scheme Lodgment Date and shall take effect in accordance with its terms.

4. **GRANT OF AUTHORITY IN FAVOUR OF THE COMPANY, THE JOINT ADMINISTRATORS, THE INFORMATION AGENT AND OTHERS TO EXECUTE THE DEED OF RELEASE AND THE SCHEME DOCUMENTS AND TAKE OTHER ACTIONS**

4.1 Each of the Scheme Creditors (on its own behalf and on behalf of any Nominated Recipient) (each a “**Grantor**”) hereby irrevocably authorises, empowers and appoints the Joint Administrators and the Company (each an “**Attorney**”) as its true and lawful agent and attorney (acting by its directors, the Joint Administrators, or other duly appointed representatives):

- (a) on and from the Scheme Lodgment Date, to enter into, execute and deliver as a deed (as applicable), on behalf of each Scheme Creditor, the Deed of Release and the other Scheme Documents to which they are a party provided that:
 - (i) such documents shall not release the Claims set out at Clause 8.3; and
 - (ii) such documents will not become effective prior to the Scheme Effective Date (unless necessary to become effective earlier to implement the Transaction) and will only become effective in accordance with their respective terms, whereupon they shall be binding on all Scheme Creditors;
- (b) to agree on their behalf any amendments to the Deed of Release and the other Scheme Documents which the Company and (if applicable) the other person(s) to be party to the Deed of Release or the relevant Scheme Document may deem necessary or desirable (acting reasonably) in order to ensure that:
 - (i) the information and categories of information contained, or referred to, in any formula, schedule, annex or similar, signature blocks, parties provisions, notice details or blanks in the Deed of Release or any Scheme Document reflect the relevant information and categories of information as of the applicable date;
 - (ii) the Deed of Release or the Scheme Documents may be duly executed and delivered; and/or
 - (iii) the Deed of Release or other the Scheme Documents are legal, valid, binding and enforceable upon the parties to them in accordance with the Scheme; and
- (c) to take any such actions necessary for the ratification, novation or granting of the Deed of Release or any Scheme Document; and
- (d) to carry out any related or ancillary actions that the Company considers necessary for the purposes of implementing the Scheme or the Transaction.

4.2 Each Grantor irrevocably authorises, empowers and appoints each Attorney to deliver any notices and instructions, and take as many actions as may be necessary to implement the Scheme.

4.3 The power of attorney granted pursuant to this Clause shall terminate automatically on the termination of the Scheme under Clause 9.

4.4 Each of the Scheme Creditors hereby irrevocably authorises, directs and instructs the Administrative Parties on and from the Scheme Lodgment Date to act in accordance with the Administrative Parties Undertakings to execute all documents (including the Scheme Documents) and to do all acts or things as may be necessary for the purposes of giving effect to the terms of the Scheme.

5. SCHEME CONSIDERATION

5.1 On the Scheme Effective Date:

- (a) each Scheme Creditor unconditionally and irrevocably agrees to release the Released Portion of its Admitted Claims; and
- (b) in consideration for the releases described in paragraph (a) above and in Clause 8, each Scheme Creditor shall be entitled to receive or direct the application of its Pro Rata Allocation of Scheme Consideration representing payments of unpaid principal in accordance with the terms of this Scheme.

Cash Consideration

5.2 Subject to Clause 5.4, each Scheme Creditor shall be entitled to receive its Cash Consideration on the Distribution Date.

5.3 The Company shall be entitled to effect the payment of any Scheme Consideration to a Scheme Creditor in accordance with such payment instructions as have been notified by the Scheme Creditor to the Company on or prior to the Bar Date.

CRV Interests

5.4 Subject to Clauses 5.5 to 5.10, each Scheme Creditor that makes a CRV Election pursuant to this Scheme shall be entitled to receive CRV Interests in a nominal amount equal to its Pro Rata Allocation of Scheme Consideration on the Distribution Date. A Scheme Creditor that makes a CRV Election pursuant to this Scheme shall not be entitled to its Cash Consideration except in accordance with Clause 5.9 below.

5.5 No Scheme Creditor shall have any entitlement to be issued CRV Interests pursuant to a CRV Election in connection with this Scheme unless its validly completed CRV Election Letter is delivered to and received by the Information Agent and CRV Trustee **on or prior to the CRV Election Deadline**.

5.6 In the event that a Scheme Creditor wishes to procure that its Nominated Recipient receives all (but not part) of its CRV Interests, it must, in addition to complying with Clause 5.5, also ensure that:

- (a) the proposed Nominated Recipient:
 - (i) is an Eligible Person;
 - (ii) is nominated in the Scheme Creditor's validly completed CRV Election Letter as a Nominated Recipient; and
 - (iii) submits the KYC Documentation relating to its Nominated Recipient to the Information Agent and CRV Trustee on or prior to the CRV Election Deadline; and
- (b) its validly completed CRV Election Letter includes a confirmation that its Nominated Recipient is an Eligible Person.

For the avoidance of doubt, a Scheme Creditor who is a Disqualified Person will be required to represent and warrant to the Company that it will retain no beneficial interest in the CRV Interests to be received by its Nominated Recipient.

5.7 No CRV Interests will be issued or transferred pursuant to this Scheme to a person who is a Disqualified Person or located in a jurisdiction where such distributions would, or may, in the reasonable opinion of the CRV Trustee or the Company, be prohibited by law.

- 5.8 To the extent that a CRV Election Letter contains inadequate information to enable the CRV Trustee to distribute CRV Interests to the relevant Scheme Creditor (or its Nominated Recipient) pursuant to this Scheme, the Information Agent, the Company or the CRV Trustee, may (but shall not be obliged to) inform that Scheme Creditor and accept supplemental or corrected information (“**Supplemental Information**”) such that the CRV Trustee is able to distribute CRV Interests to that Scheme Creditor in line with its CRV Election Letter. Such Supplemental Information must be received by the Information Agent and the CRV Trustee by the Bar Date.
- 5.9 If Clauses 5.7 or 5.8 apply, or if the Supplemental Information or KYC Documentation, anti-money laundering and similar requirements are not received by the Information Agent and the CRV Trustee by the Bar Date, no CRV Interests in respect of the relevant Scheme Creditor’s Scheme Consideration will be issued pursuant to this Scheme, and the relevant Scheme Creditor will be deemed to have not made a CRV Election and will instead receive its Cash Consideration on the Distribution Date.
- 5.10 Any CRV Interests required to be issued to Scheme Creditors in connection with this Scheme shall be issued by the CRV to Scheme Creditors directly, and not by or through the Company or Joint Administrators. The CRV Trustee, by its CRV Trustee Undertaking, undertakes to administer and procure the issuance of CRV Interests in accordance with the terms of the Scheme. The Company’s and the Joint Administrators’ obligations to provide Scheme Consideration to a Scheme Creditor that has made a CRV Election shall be wholly discharged and satisfied by the Company transferring an amount in cash equal to that Scheme Creditor’s Cash Consideration to the CRV Trustee. Neither the Company nor the Joint Administrators shall be liable for any breach by the CRV Trustee of the terms of the CRV Trustee Undertaking, or any failure by the CRV to issue CRV Interests pursuant to the Scheme.

6. **OPPORTUNITY FOR BONDHOLDERS TO MAKE ELECTIONS**

- 6.1 The Bond Trustee holds an Admitted Claim which will be compromised by the Scheme.
- 6.2 Pursuant to an extraordinary resolution in respect of the Bonds and a letter from the MoU Committee, the Bond Trustee has been instructed to solicit elections of Bondholders by which each Bondholder will be given the opportunity, but not the obligation, to elect whether to receive an immediate cash distribution or to cause the cash distribution they would otherwise be entitled to receive (in each case, net of any amounts provided for in such extraordinary resolution and in the trust deed dated 10 February 2012 in respect of the Bonds) to be contributed to the CRV in exchange for an interest in the CRV (a “**Bondholder CRV Election**”).
- 6.3 Details of the steps that each Bondholder will need to take in order to make a Bondholder CRV Election and receive CRV Interests will be set out in a notice to be published by the Bond Trustee via the Clearing Systems.
- 6.4 For the avoidance of doubt, (i) any distribution of cash to Bondholders shall be administered by the Bond Trustee, and shall not be the responsibility of the Company or the Joint Administrators, and (ii) any CRV Interests required to be issued to Bondholders in connection with a Bondholder CRV Election shall be issued by the CRV to Bondholders directly, and not by or through the Company or the Joint Administrators or the Bond Trustee.

7. **ADEQUATE RESERVES AND DETERMINATION OF CLAIMS**

- 7.1 Subject to Clause 7.2, the Joint Administrators shall as soon as is reasonably practicable, set aside from the Scheme Consideration such amounts as they consider necessary, in their sole discretion, in order to adequately reserve for the Undetermined Provable Claims (each an “**Adequate Reserve**” and, together, the “**Adequate Reserves**”).
- 7.2 The Joint Administrators shall either admit or reject an Undetermined Provable Claim (in whole or in part) as soon as reasonably practicable.

- 7.3 The Joint Administrators' determination whether to accept or reject a proof of debt in respect of Undetermined Provable Claims (in whole or in part) will be based upon a review of the proof of debt and any documents submitted by the relevant Scheme Creditor in support of such Claim and by applying the same principles and rules which govern the valuation and admission of proofs of debt by an administrator in an administration in England and Wales including, if necessary, discounting any future Claims to their present value and estimating the value of any Claims that do not have a certain value because they are unascertained or subject to a contingency or for any other reason.
- 7.4 In the event that a Scheme Creditor is dissatisfied with the Joint Administrators' determination under Clause 7.3, that Scheme Creditor shall be entitled to apply to the High Court within 21 days of being notified of the Joint Administrators' decision, for such decision to be reversed or varied in accordance with rule 14.8(1) of the Insolvency Rules. Any Scheme Creditor who does not so apply shall not be entitled to challenge the Joint Administrators' determination, which shall be final and binding. No Scheme Creditor shall be entitled to challenge the Joint Administrators' determination under Clause 7.3 of any other Scheme Creditor's proof of debt.
- 7.5 Upon an Undetermined Provable Claim being finally determined and accepted as an Admitted Claim in accordance with Clauses 7.2 to 7.4, the Scheme Creditor holding such Claim (and any of their successors and assigns) shall be deemed to have held such Admitted Claim at the Bar Date for the purposes of the Scheme, and shall be bound by the terms of the Scheme. In particular, such Scheme Creditor shall be entitled to receive or direct the application of its Pro Rata Allocation of Scheme Consideration in accordance with the terms of this Scheme, subject to the following adjustments in timing:
- (a) if such Scheme Creditor makes a CRV Election in accordance with Clause 5.4, its validly completed CRV Election Letter (and any KYC Documentation in respect of it or any Nominated Recipient) must be delivered to and received by the Information Agent and the CRV Trustee **on or prior to the date falling ten (10) Business Days** after the date that such Scheme Creditor's Undetermined Provable Claim is accepted as an Admitted Claim;
 - (b) any Supplemental Information provided by the Scheme Creditor in accordance with Clause 5.8 must be delivered to and received by the Information Agent and the CRV Trustee **on or prior to the date falling five (5) Business Days** after the date that the Information Agent, the Company or the CRV Trustee has informed the relevant Scheme Creditor in writing that the information provided with its Election is inadequate to enable the CRV Trustee to distribute CRV Interests to that Scheme Creditor (or its Nominated Recipient); and
 - (c) payment of that Scheme Creditor's Cash Consideration shall occur:
 - (i) if no CRV Election Letter is received from that Scheme Creditor by the deadline specified in (a) above, no later than the date falling fifteen (15) Business Days after the date that that Scheme Creditor's Undetermined Provable Claim is accepted as an Admitted Claim;
 - (ii) if any Supplemental Information is not delivered to and received by the CRV Trustee and Information Agent by the deadline specified in (b), no later than the date falling ten (10) Business Days after such deadline.
- 7.6 Upon final determination of all Undetermined Provable Claims, the Information Agent shall make an announcement upon the Scheme Website confirming this fact and the amount of any residual amount of Adequate Reserves.
- 7.7 If, after all payments which Scheme Creditors are entitled to receive or direct the application of from the Adequate Reserves have been made, there is a residual amount of Adequate Reserves in excess of £10,000, the Company shall make a distribution in cash (a "**Second Distribution**") to all Scheme Creditors in accordance with their Pro Rata Allocation. Scheme Creditors shall have no ability to make a CRV Election with respect to a Second Distribution. The Company shall notify Scheme Creditors of its intention to make a

Second Distribution and the timing of such distribution via an announcement on the Scheme Website posted by the Information Agent.

7.8 If there is no residual amount of Adequate Reserves or the residual amount is £10,000 or less, the Joint Administrators will retain such amount and it will be treated in the same way as other cash of the Company in the ongoing Administration.

7.9 **Each Scheme Creditor irrevocably and unconditionally releases and waives any entitlement to assert, any and all Provable Claims in respect of which no proof of debt has been submitted to, and received by, the Information Agent and the Company by the Bar Date (an “Unsubmitted Claim”). Each Scheme Creditor will not be entitled to receive any Scheme Consideration pursuant to the Scheme in respect of such Unsubmitted Claims and will not be able to recover or receive any payments for such Unsubmitted Claims in the Administration (even if further assets become available for distribution after the Scheme Effective Date). Each Scheme Creditor acknowledges and agrees that it shall have no right to prove for any Unsubmitted Claim after the Bar Date, and such Unsubmitted Claims will be fully and irrevocably extinguished.**

8. RELEASES, WAIVERS, AMENDMENTS, UNDERTAKINGS AND STAY OF PROCEEDINGS

8.1 In consideration of the rights conferred on each Scheme Creditor pursuant to the Scheme, each Scheme Creditor agrees to the following releases, waivers and amendments and gives the following undertakings.

Releases

8.2 With effect on and from the Scheme Effective Date, and subject to Clause 8.3, each Scheme Creditor (and, as applicable, its Nominated Recipient), irrevocably and unconditionally, fully and finally:

- (a) waives, releases and discharges all Claims in respect of the Released Portion of its Admitted Claim;
- (b) waives, releases and discharges all Claims which it may have against the Company and the Protected Parties, whether in this jurisdiction or any other or under any law, of whatsoever nature and howsoever arising, that it (and/or, as applicable, its Nominated Recipient) ever had, may have or hereafter can, shall or may have, in relation to or arising out of or in connection with: (i) the Claims referred to in Clause 8.2(a); (ii) the preparation, negotiation, sanction or implementation of the Scheme or any Scheme Document (or any other document entered into by the Company, the Joint Administrators or any Protected Party in connection with the Scheme or Transaction and referred to in a Scheme Document) and/or the implementation of the Scheme and/or the Transaction, and (iii) the execution of, and implementation of the steps contemplated by clause 3 and clause 4 of, the Deed of Assignment; and
- (c) waives, releases and discharges all Claims in respect of any act done or omitted to be done in good faith by the Company or any Protected Party other than an Administrative Party, in pursuance of its functions or duties under this Scheme, or the exercise or non-exercise by the Company or any Protected Party other than an Administrative Party in good faith, of any power or discretion conferred upon it for the purposes of this Scheme, including any Claim for Loss whatsoever and howsoever arising out of any such act or omission, exercise or non-exercise of any power or discretion (together, the Released Claims).

8.3 Clause 8.2 shall not release, waive, impair or otherwise apply to:

- (a) each Scheme Creditor’s Claim in respect of the Unreleased Portion of its Admitted Claim;
- (b) the Enforcement Related Claims;
- (c) any Excluded Claims;

- (d) any Claim in respect of an Allowed Proceeding;
- (e) any Claim arising out of wilful default, fraud or dishonesty against the Company and those Protected Parties that are not an Administrative Party;
- (f) any Claim arising out of fraud, dishonesty, wilful default, or gross negligence against the Administrative Parties; and/or
- (g) any Claim in respect of any Adviser of any Scheme Creditor arising under a duty of care which has been specifically and expressly accepted or acknowledged in writing by the relevant Adviser.

Undertakings

- 8.4 With effect on and from the Scheme Effective Date, each Scheme Creditor hereby irrevocably and unconditionally:
- (a) ratifies and confirms everything which the Company, the Joint Administrators and the Administrative Parties, may lawfully do or cause to be done or purport to do pursuant to the authority conferred by Clause 4 of the Scheme;
 - (b) undertakes to the Company and the Protected Parties to treat all Released Claims as having been satisfied, discharged and released fully and absolutely; and
 - (c) subject to Clauses 8.3 and 8.5, undertakes to the Company and the Protected Parties that it will not commence any Proceeding against the Protected Parties in connection with the Released Claims.

Stay of Proceedings

- 8.5 With effect on and from the Scheme Lodgment Date, and subject to Clause 8.3, no Scheme Creditor may commence or continue, support any person commencing or continuing, or instruct any person to commence any Proceeding against the Company or any Protected Party concerning any Released Claim.
- 8.6 Each Scheme Creditor will hold on trust for the benefit of the Company and relevant Protected Party, as the case may be, any recovery made by any Scheme Creditor pursuant to a breach of Clause 8.5 (and will turn over any such recovery forthwith upon demand being made by the Company or the relevant Protected Party without set-off, counterclaim or deduction). To the extent that the asset comprising the recovery cannot be held on trust by the Scheme Creditor, the Scheme Creditor shall pay to the Company or the relevant Protected Party, as the case may be, an amount equal to that recovery immediately upon demand being made by the Company or the relevant Protected Party without set-off, counterclaim or deduction.

9. TERMINATION OF THE SCHEME

- 9.1 The Scheme shall terminate and shall be construed as if it had never become effective if the Scheme Effective Date has not occurred by the Long Stop Date.
- 9.2 Clauses 9 and 11.27 shall survive any termination of the Scheme.

10. JOINT ADMINISTRATORS' POWERS AND REMUNERATION

- 10.1 The Company and the Joint Administrators shall in their sole discretion (acting reasonably) deal with any Scheme Creditor or any group of them in such order as the Joint Administrators see fit, provided that this does not conflict with the terms of this Scheme or the Joint Administrators' statutory duties.

- 10.2 In carrying out its functions under this Scheme, the Company shall (without prejudice to the terms of this Scheme) be empowered, to the extent that such powers are necessary for or reasonably incidental to the implementation of this Scheme, to:
- (a) employ and remunerate its Advisers in connection with this Scheme; and
 - (b) delegate in writing to any person all or any of the functions, rights, authorities, powers and discretions conferred upon the Company under this Scheme, and from time to time to revoke any such delegation, provided that the Company shall be responsible for any act or omission of any such Delegate to the same extent as if the Company had itself exercised the relevant functions, rights, authorities, powers and discretions.
- 10.3 The Joint Administrators have undertaken and agreed to be bound by this Scheme as it applies to them and to execute or do, or to procure to be executed or done, all documents (including any Deed of Release), acts or things as may be necessary, or as the High Court may order necessary, to be executed or done by the Company or on its behalf to implement and to give effect to this Scheme (in all cases, without prejudice and in addition to the general powers afforded to the Joint Administrators pursuant to Schedule 1 to the Insolvency Act).
- 10.4 Each Scheme Creditor hereby authorises the Joint Administrators to carry out all acts and exercise all discretions, authorities, powers and duties conferred upon the Company by this Scheme in order to facilitate its implementation.
- 10.5 Each Scheme Creditor hereby ratifies any act whatsoever that the Company or the Joint Administrators may do in their name or on their behalf by exercising its or their powers pursuant to the Scheme and the costs of any such actions taken by the Company or the Joint Administrators shall be payable as an Administration Expense.
- 10.6 The authority granted in this Clause 10 shall be treated, for all purposes whatsoever and without limitation, as having been granted by each Scheme Creditor to the Company and the Joint Administrators by deed.
- 10.7 All actions and determinations by the Company or the Joint Administrators under this Scheme shall be made in good faith.
- 10.8 The Joint Administrators shall be entitled to claim their remuneration as an Administration Expense in relation to actions taken by them in respect of this Scheme.
- 10.9 The Joint Administrators have agreed to carry out their roles and functions and exercise their powers as provided for in this Scheme as agents for and on behalf of the Company and neither they, their firm, partners, employees, agents, advisers or representatives shall incur any personal liability whatsoever in respect of any of the obligations undertaken by the Company; or in respect of any failure on the part of the Company to observe, perform or comply with any such obligations; or under or in relation to any associated arrangements or negotiations; or under any document or assurance made pursuant to this Scheme.

11. MISCELLANEOUS PROVISIONS APPLICABLE TO THE SCHEME

Third party rights

- 11.1 Save as expressly provided for in this Scheme and as identified in this Clause 11, nothing in this Scheme or the Explanatory Statement is intended to confer any rights on, or to be enforceable by, any third party under the Contracts (Rights of Third Parties) Act 1999 or otherwise.
- 11.2 The Joint Administrators shall be entitled to enforce each of the terms of this Scheme as if they were a party to it.

- 11.3 Each of the Protected Parties shall be entitled to enforce the releases and undertakings expressed to be granted in their favour in this Scheme.

Fractional allocations

- 11.4 Fractions of CRV Interests will not be allotted or issued in connection with the Scheme to Scheme Creditors or their Nominated Recipients, and will be rounded up to the nearest nominal value of a CRV Interest.

Payment of cash

- 11.5 Any cash payable by the Company pursuant to this Scheme shall be paid in GBP.

Provision of information by or to Scheme Creditors

- 11.6 A CRV Election Letter submitted by or on behalf of any Scheme Creditor and/or its Nominated Recipient shall be submitted to the Information Agent, the Company and the CRV Trustee in accordance with the instructions set out in the relevant CRV Election Letter and the Scheme.

- 11.7 If the Information Agent, Company or CRV Trustee refuses to accept a CRV Election Letter, the Information Agent, the Company or CRV Trustee shall promptly prepare a written statement of its reasons for doing so and the Information Agent will send that statement by electronic mail to the party that provided such CRV Election Letter.

- 11.8 The Company, the Joint Administrators, the Information Agent and the CRV Trustee may disclose the CRV Election Letter and its contents to such persons and their Advisers as are necessary to facilitate the consummation of the Transaction.

- 11.9 Information and documentation regarding the Scheme, including the Explanatory Statement and documents required for the purpose of voting on the Scheme, will be available on the Administration Website and the Scheme Website and on request during normal working hours from the Information Agent at lm@glas.agency.

Modification

- 11.10 The Company may, at the Scheme Sanction Hearing, consent on behalf of the Scheme Creditors to any modification of the Scheme or the Scheme Documents on terms or conditions that the High Court may think fit to impose. However, if such modifications could reasonably be expected directly or indirectly to have an adverse effect on the interests of a Scheme Creditor, then the Company shall not be entitled to provide such consent without the prior written consent of that Scheme Creditor.

- 11.11 The Information Agent shall inform the Scheme Creditors, by publishing a notice on the Scheme Website in accordance with Clause 11.21, of any modification of, addition to or condition imposed by the High Court on this Scheme approved in accordance with this Clause 11.

- 11.12 Modifications, additions or conditions approved or imposed pursuant to this Clause 11 shall be binding on the Scheme Creditors, the Company and the Joint Administrators and this Scheme or any Scheme Documents, as applicable, shall be amended accordingly.

- 11.13 The Company shall be entitled, in its sole discretion, to amend the form of any notice to be provided to the Scheme Creditors under this Scheme provided that such modifications shall not adversely affect the rights of any class of Scheme Creditors as a whole.

Performance of obligations on dates other than a Business Day

- 11.14 If any obligation is to be performed under the terms of the Scheme on a date other than a Business Day and is not capable of being performed on such date, the relevant obligation shall be performed on the next Business Day.

Notice

- 11.15 Any notice, document or other communication to be given, delivered or served pursuant to or in connection with this Scheme, except where this Scheme otherwise provides, shall be in writing and in English and shall be delivered in accordance with Clauses 11.16 to 11.25.
- 11.16 The non-receipt by any Scheme Creditor of any notice, communication or document delivered or sent in accordance with Clauses 11.16 to 11.25, shall not affect the provisions of this Scheme or the validity of such notice.
- 11.17 Any notice, document or communication shall be given, delivered or served pursuant to or in connection with this Scheme to the Company by electronic mail to iwormleighton@deloitte.co.uk and rwoolsey@deloitte.co.uk.
- 11.18 Subject to Clause 11.19, any notice, document or communication shall be given, delivered or served pursuant to or in connection with this Scheme, by the Company to a Scheme Creditor by electronic mail to:
- (a) the electronic mail address from which any notice, document or communication under or in connection with this Scheme has been sent by or on behalf of that Scheme Creditor to the Company and/or the Joint Administrators; or
 - (b) such other electronic mail address as the Scheme Creditor may notify to the Company from time to time.
- 11.19 The Scheme Creditors shall provide details of an electronic mail address and maintain such electronic mail account at their own risk and shall be responsible for informing the Company of any changes to the electronic mail address and/or providing an alternative electronic mail address (as appropriate).
- 11.20 Any notice, document or communication given, delivered or served by electronic mail shall be deemed to have been received:
- (a) if delivered to the Information Agent, at the time recorded on the response email that will be automatically generated by the Information Agent's electronic mail system; or
 - (b) otherwise at the time recorded on the computer of the person to whom the electronic mail is addressed,
- provided that if such receipt occurs on a day which is not a Business Day or after 5.00 p.m. on any Business Day, such notice, communication or document shall be deemed to have been received at 9.30 a.m. on the next Business Day.
- 11.21 Any notice, document or communication shall be deemed to be given, delivered or served (as applicable) by the Company to all Scheme Creditors by the Information Agent publishing such notice, document or communication on the Scheme Website.
- 11.22 The accidental omission to send any notice, written communication or other document in accordance with Clauses 11.16 to 11.25 shall not affect the provisions of the Scheme.

- 11.23 Any notice, document or communication uploaded to the Scheme Website in accordance with Clause 11.21 shall state on its face a date and time of upload.
- 11.24 Any notice, document or communication given, delivered or served by upload to the Scheme Website shall be deemed to have been received at the time of upload stated in such notice, document or communication provided that if the date of upload stated in such notice, document or communication is not a Business Day or the time of upload stated in such notice, document or communication is, or is after, 5.00 p.m. on any Business Day, such notice, document or communication shall be deemed to have been received by Scheme Creditors at 9.30 a.m. on the next Business Day.
- 11.25 In the case of a notice, document or communication which is signed on behalf of a Scheme Creditor, none of the Company, the Joint Administrators, the Information Agent or the CRV Trustee (as applicable) shall be required to make any enquiry as to the authority of the signatory of that notice, document or communication to sign such notice, document or communication on behalf of such Scheme Creditor.

Partial invalidity

- 11.26 If at any time any provision of this Scheme is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of that provision under the law of any other jurisdiction nor the legality, validity or enforceability of any other provision of this Scheme under the law of that jurisdiction shall in any way be affected or impaired thereby.

Governing law and jurisdiction

- 11.27 The Scheme, and any non-contractual obligations arising out of or in connection with the Scheme, shall be governed by, and construed in accordance with, the laws of England and Wales. Each of the Scheme Creditors hereby agrees that the High Court shall have exclusive jurisdiction to hear and determine any suit, action or proceeding and to settle any dispute which may arise out of the Explanatory Statement or any provision of the Scheme, or out of any action taken or omitted to be taken under the Scheme or in connection with the administration or implementation of the Scheme and, for such purposes, each of the Scheme Creditors irrevocably submits to the jurisdiction of the High Court, provided, however, that nothing in this Clause 11.27 shall:
- (a) affect the validity of other provisions governing law and jurisdiction as between the Company and any of the Scheme Creditors, whether contained in any contract or otherwise; or
 - (b) prevent the Company from relying upon the provisions of the Scheme in any foreign court or in any foreign proceeding.
- 11.28 The Scheme shall take effect subject to any prohibition or condition imposed by law.