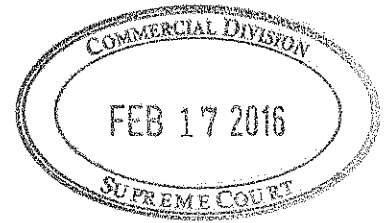


FORMAL ORDER



IN THE SUPREME COURT OF JUDICATURE OF JAMAICA

IN THE COMMERCIAL DIVISION

CLAIM NO. 2015 CD 00129

**IN THE MATTER OF RADIO JAMAICA
LIMITED (COMPANY NUMBER: 1372)**

AND

**THE GLEANER COMPANY LIMITED
(COMPANY NUMBER: 84)**

AND

**IN THE MATTER OF THE COMPANIES
ACT 2004**

IN CHAMBERS

BEFORE THE HONOURABLE MR. JUSTICE BATTS

ON THE 17th DAY OF FEBRUARY, 2016

UPON the Claimants' Fixed Date Claim Form coming on for hearing and after hearing Maliaca Wong and Shani Nembhard instructed by Myers Fletcher & Gordon, attorneys-at-law for the Applicants and Dr. Delroy Beckford and Wendy Duncan, General Counsel of the Fair Trading Commission **IT IS HEREBY ORDERED THAT:**

1. **THIS COURT HEREBY SANCTIONS** the Scheme of Arrangement and Amalgamation as approved at the Meetings convened pursuant to the Orders of November 2, 2015 and December 3, 2015 which Scheme as so approved and sanctioned is set forth in the Schedule hereto;

2. This Order to be prepared filed and served by the Applicants' attorneys-at-law.
3. The Fair Trading Commission is to be served with this Order.

BY THE COURT

A handwritten signature in cursive script, appearing to read "Dwight Ball", is written over a horizontal line.

JUDGE

FILED by **MYERS, FLETCHER & GORDON** of No. 21 East Street, Kingston, Attorneys-at-Law for and on behalf of the Applicants, whose address for service is that of their said Attorneys-at-Law. Attention: Ms. Shani Nembhard (Attorney No. 4352), Telephone No. (876) 922-5860-8; Fax No: (876) 922-4811 or 922-8781; Email: shani.nembhard@mfg.com.jm

“SCHEDULE”

SCHEME OF ARRANGEMENT FOR AMALGAMATION
UNDER THE COMPANIES ACT SECTION 206

BETWEEN

(1) The Gleaner Company Limited and the holders of its ordinary shares

AND

(2) Radio Jamaica Limited and the holders of its ordinary shares

AND

(3) The Gleaner Company (Media) Limited and the holders of its ordinary shares

PRELIMINARY

A. Definitions

In this scheme

- A.1 'Court' means a court of competent jurisdiction in Jamaica.
- A.2 'The Effective Date' shall mean the date on which the scheme becomes effective in accordance with its terms.
- A.3 'Gleaner' means the above-named The Gleaner Company Limited.
- A.4 'Gleaner Shareholders' means the ordinary shareholders of Gleaner in the register of members at the close of business immediately preceding the Effective Date.
- A.5 'the Media Company' means the above-named The Gleaner Company (Media) Limited.
- A.6 'the Media Business' shall mean all aspects of the Media Business, including but not limited to the assets (which shall include cash and cash equivalents to be contributed by Gleaner pursuant to the said Agreement) and liabilities which will be hived off to the Media Company by Gleaner pursuant to the said Agreement.
- A.7 'Order' means the order of the Court sanctioning this scheme.
- A.8 'RJR' means the above-named Radio Jamaica Limited.
- A.9 'RJR Shareholders' means the ordinary shareholders of RJR in the register of members at the close of business immediately preceding the Effective Date.

- A.10** 'scheme' means this scheme of arrangement for amalgamation in its present form with any modifications thereof or addition thereto or condition approved or imposed by the Court.
- A.11** 'the said Agreement' means the Agreement entered into between Gleaner, RJR and the Media Company on August 5, 2015.
- A.12** 'The Sierra Valuation' means the comprehensive valuation reports of each of RJR and the Media Business, as the case may be, carried out by Sierra Associates Limited, in order to determine the fair market value of each of RJR and the Media Business as at 31 March 2015.

B. Gleaner

B.1 Share capital

The stated capital of Gleaner is Six Hundred and Five Million Six Hundred and Twenty One Thousand Nine Hundred and Fourteen Dollars Jamaican Currency (J\$605,621,914). The authorized and issued, fully paid ordinary shares are as shown hereunder:

<u>Authorised ordinary shares</u>	<u>Issued and fully paid ordinary shares</u>
One Billion Two Hundred And Sixteen Million (1,216,000,000) ordinary shares	One Billion Two Hundred and Eleven Million Two Hundred and Forty Three Thousand Eight Hundred and Twenty Seven (1,211,243,827) ordinary shares

Of the One Billion Two Hundred and Eleven Million Two Hundred and Forty Three Thousand Eight Hundred and Twenty Seven (1,211,243,827) issued and fully paid ordinary shares, Forty Million Eight Hundred and Ten Thousand and Thirty Three shares (40,810,033) are held by The Gleaner Company Limited Employee Investment Trust.

B.2 Application of profits

The profits of Gleaner available for dividend and determined to be distributed in respect of any year or other financial period are applicable in paying a dividend for such year or period to the holders of the ordinary shares.

B.3 Application of assets

In the event of Gleaner being wound up the surplus assets available for distribution amongst the members are distributable to the holders of the ordinary shares.

B.4 Voting rights

The ordinary shares in the capital of Gleaner confer the following voting rights on the holders of them:

- B.4.1 on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a representative appointed pursuant to the Companies Act has one vote; and
- B.4.2 on a poll every member who is present in person or by proxy has one vote for every ordinary share of which he is the holder.

C. RJR

C.1 Share capital

The stated capital of RJR is Four Hundred and Seventy Two Million Six Hundred and Ninety Five Thousand Two Hundred and Fourteen Dollars Jamaican Currency (J\$472,695,214). The authorized and issued, fully paid ordinary shares are as shown hereunder:

<u>Authorised ordinary shares</u>	<u>Issued and fully paid ordinary shares</u>
Three Hundred and Seventy Eight Million (378,000,000) ordinary shares	Three Hundred and Fifty Seven Million Four Hundred and Sixty Seven Thousand Nine Hundred and Ninety One (357,467,991) ordinary shares
<u>Authorised preference shares</u>	<u>Issued and fully paid preference shares</u>
Fifty Thousand (50,000) Five Percent (5%) Cumulative Participating Preference Shares	Nil

Of the Three Hundred and Fifty Seven Million Four Hundred and Sixty Seven Thousand Nine Hundred and Ninety One (357,467,991) ordinary shares, Seven Million Three Hundred and Twenty Three Thousand One Hundred (7,323,100) are held by the RJR Employee Share Scheme.

C.2 Application of profits

The profits of RJR available for dividend and determined to be distributed in respect of any year or other financial period are applicable in paying a dividend for such year or period to the holders of the ordinary shares.

C.3 Application of assets

In the event of RJR being wound up the surplus assets available for distribution amongst the members are distributable amongst the holders of the ordinary shares.

C.4 Voting rights

Subject to restrictions on certain holders of shares in excess of eight percent (8%) and restrictions on certain holders of ten percent (10%) of the shares of RJR who are Relevant Persons within the Articles of Incorporation of RJR, the ordinary shares in the capital of RJR confer the following voting rights on the holders of them:

C.4.1 on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a representative appointed pursuant to the Companies Act has subject as mentioned below one vote; and

C.4.2 on a poll every member who is present in person or by proxy has one vote for every ordinary share of which he is the holder.

D. The Media Company

D.1 Share Capital

The stated capital of the Media Company is One Dollar Jamaican Currency (J\$1.00) as shown hereunder:

<u>Authorised ordinary shares</u>	<u>Number of Issued and fully paid ordinary shares</u>
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No authorised maximum number of shares	One (1) ordinary share
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It is a condition precedent to the implementation of the scheme that the stated capital shall be Six Hundred and Fifty Three Million One Hundred And Eighty Seven Thousand and Twenty Four Dollars Jamaican Currency (J\$653,187,024) and 1,211,243,826 ordinary shares of Media Company shall be issued and allotted, credited as fully paid up to Gleaner by capitalizing the reserves of the company.

D.2 Application of profits

The profits of the Media Company available for dividend and determined to be distributed in respect of any year or other financial period are applicable in paying a dividend for such year or period to the holders of the ordinary shares.

D.3 Application of assets

In the event of the Media Company being wound up the surplus assets available for distribution amongst the members are distributable amongst the holders of the ordinary shares.

D.4 Voting rights

The ordinary shares in the capital of the Media Company confer the following voting rights on the holders of them:

D.4.1 on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a representative appointed pursuant to the Companies Act has subject as mentioned below one vote; and

D.4.2 on a poll every member who is present in person or by proxy has one vote for every ordinary share of which he is the holder.

E. Sanction of Court

If the scheme is approved by the Gleaner Shareholders and the RJR Shareholders it is intended that as soon as practicable thereafter an application shall be made to the Court pursuant to Section 206 of the Companies Act for an order that Gleaner transfer to RJR One Billion Two Hundred and Eleven Million Two Hundred and Forty Three Thousand Eight Hundred and Twenty Seven (1,211,243,827) ordinary shares of the Media Company in exchange for the allotment and issue of One Billion Two Hundred and Eleven Million Two Hundred and Forty Three Thousand Eight Hundred and Twenty Seven (1,211,243,827) ordinary shares of RJR credited as fully paid up to the Gleaner Shareholders on the basis of one ordinary share of RJR for every one ordinary share held by a shareholder of Gleaner and upon the terms and subject to the conditions and for the consideration contained in this scheme.

Prior to the transfer of the Media Company to RJR, the total ordinary RJR shares allotted and issued to the RJR Shareholders shall be One Billion Two Hundred and Eleven Million Two Hundred and Forty Three Thousand Eight Hundred and Twenty Seven (1,211,243,827) ordinary shares.

F. Conditions Precedent to the Application for Sanction of the Scheme by the Court

It is a condition precedent to the application for the sanction of the scheme by the Court that the Media Company shall have acquired the Media Business described in the Schedule to the said Agreement and shall have a stated capital of J\$653,187,024 and allotted and issued 1,211,243,827 ordinary shares credited as fully paid up to Gleaner.

SCHEME

1 Subdivision of Ordinary Shares of RJR

Each of the existing ordinary shares of RJR in the stated capital of RJR shall be subdivided into three (3) ordinary shares credited as fully paid up. Immediately after subdivision, RJR shareholders will hold 1,072,403,973 ordinary shares of RJR credited as fully paid up.

2 Increase in Capital of RJR by way of Capitalization of Reserves

After subdivision of its ordinary shares as provided in paragraph 1 above the number of shares of RJR shall be increased by the creation of One Hundred and Thirty Eight Million Eight Hundred and Thirty Nine Thousand Eight Hundred and Fifty Four (138,839,854) new ordinary shares by capitalizing the sum of One Hundred and Eighty Million Four Hundred and Ninety One Thousand Eight Hundred and Ten Dollars and Twenty Cents Jamaican Currency (J\$180,491,810.20) forming part of the reserves of RJR and such sum shall be set free for distribution among the RJR Shareholders and the Directors authorized to apply the same in paying up in full the ordinary shares issued pursuant to this paragraph 2 of the scheme and to distribute such shares so paid up amongst the RJR shareholders. The capitalization of the One Hundred and Eighty Million Four Hundred and Ninety One Thousand Eight Hundred and Ten Dollars and Twenty Cents Jamaican Currency (J\$180,491,810.20) is effected and the new ordinary shares allotted pursuant to a Capitalization Agreement on the basis that where a shareholder's entitlement to these new shares gives rise to a fraction of a new ordinary share, such fraction of a share will be rounded up to the nearest whole number where the fraction is greater than or equal to 0.5 and rounded down to the nearest whole number where the fraction is less than 0.5.

After the subdivision of shares pursuant to paragraph 1 and the issue of shares pursuant to this paragraph 2, RJR shareholders will hold 1,211,243,827 ordinary shares of RJR credited as fully paid up.

3 Further Increase of Share Capital

Forthwith and contingent on the increase of the stated capital of RJR under paragraph 2 of the scheme taking effect, the stated capital of RJR shall be increased by the creation of One Billion Two Hundred and Eleven Million Two Hundred and Forty Three Thousand Eight Hundred and Twenty Seven (1,211,243,827) new ordinary shares required for allotment under paragraph 6 of the scheme.

4 Opinion under section 38 of the Companies Act

It is a condition precedent to the transfer of the shares of the Media Company to RJR that RJR shall have received an opinion in accordance with section 38 of the Companies Act that the value of the Media Company is not less than the amount being credited as fully paid up on the ordinary shares to be issued by RJR and allotted to the Gleaner Shareholders.

5 Transfer of Shares of the Media Company

Gleaner shall transfer to RJR all the issued shares of the Media Company free from all liens, charges and encumbrances and together with all rights at the date of the scheme or hereafter attached thereto. For such purpose the issued ordinary shares of the Media Company shall be transferred to RJR, and to give effect to such transfers any person may be nominated by RJR to execute as transferor an instrument of transfer of any such ordinary shares and every instrument of transfer so executed shall be as effective as if it had been executed by the holder or holders of the ordinary shares thereby transferred. The value of the Media Company at the date of the issue of the ordinary shares of RJR and allotment to Gleaner Shareholders shall be no less than the value of the ordinary shares so issued and allotted.

6 Allotment and Issue of Shares of RJR to Gleaner Shareholders

In consideration for the acquisition and transfer of the issued ordinary shares of the Media Company provided for in paragraph 5 of the scheme, RJR shall allot and issue credited as fully paid up to and amongst Gleaner Shareholders one ordinary share in RJR created pursuant to paragraph 3 in respect of each ordinary share of the Gleaner held by such Gleaner shareholder.

7 Change of Name

Upon the scheme becoming effective, the Board of Directors of Gleaner shall, with the approval of the Registrar of Companies, change its registered company name to one which bears no relation to the names of Gleaner, Media Company or RJR.

8 Effectiveness

The scheme shall become effective as soon as an office copy or office copies of the Order or Orders sanctioning the scheme under Section 206 of the Companies Act shall have been delivered by Gleaner and RJR to the Registrar of Companies for registration but such office copy shall not be delivered until permission to deal in the new ordinary shares has been granted, subject to allotment, by the Jamaica Stock Exchange.

9 Order to be deemed to be a contract

A copy of the order sanctioning this scheme shall for the purposes of Section 52(1) of the Companies Act be deemed to be a contract in writing constituting the title of allottees of ordinary shares in RJR to all such ordinary shares as may be issued to them respectively under and in accordance with this scheme.

10 Modification of the Scheme

Gleaner and RJR may jointly consent on behalf of all parties concerned to any modification of this scheme which the Court shall think fit to impose or approve and in the construction of this scheme the words 'this scheme' shall mean this scheme as so modified.


- 11** Unless this scheme shall have become effective by the 31st day of December 2015 or such later date as the Directors of Gleaner, and RJR shall agree, the scheme shall lapse.

Dated the 4th day of November 2015

RADIO JAMAICA LIMITED

PER: 
J.A. LESTER SPAULDING
CHAIRMAN

THE GLEANER COMPANY LIMITED

PER: 
HON. OLIVER F. CLARKE
CHAIRMAN