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Origo Partners PLC (OPP)

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Friday 07 February, 2014

Origo Partners PLC

Announcement Re terms of CZDPs

RNS Number : 5129Z
Origo Partners PLC
07 February 2014

7 February 2014

Origo Partners PLC

("Origo" or the "Company")

Announcement Re terms of Convertible Zero Dividend Preference Shares

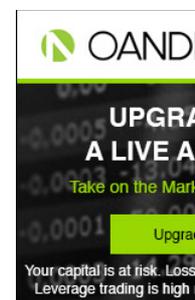
On 8 March 2011, Origo Partners PLC issued 60 million convertible zero dividend preference shares (the "CPS") at a price of US\$1.00 per share. The CPS have a maturity date of 17 September 2017 (the maturity date having been extended by 18 months pursuant to a resolution of shareholders passed on 18 March 2013 (the "2013 CPS Amendment"). The terms of the CPS are contained in Origo's articles of association (the "Articles") and were also set out in the admission document published on 16 February 2011 (the "CPS Admission Document") in advance of the issue and placing of the CPS. Article 4.17 provides that on a change of control of Origo, the CPS are automatically convertible into ordinary shares.

Spearpoint Limited ("Spearpoint") subscribed for a significant proportion of the CPS. In November 2012, Spearpoint was acquired by Brooks Macdonald Group plc ("Brooks Macdonald"). Brooks Macdonald controls 85.7 per cent. of the CPS with a current aggregate value (based on the closing mid-market price per CPS on 6 February 2014) of approximately £30 million. Liberum Capital Limited ("Liberum") acted as Origo's nominated adviser and broker in relation to the issue and placing of the CPS.

Brooks Macdonald has raised a complaint with Origo in respect of the terms of the CPS. Brooks Macdonald contends that the change of control provisions should have included an option exercisable by the holders of the CPS to redeem the CPS upon a change of control in respect of Origo (a "CPS COC Redemption Option"). This is on the basis of what was mentioned in a short-form term sheet (the "CPS Term Sheet") that was appended to the placing letter entered into between Liberum (on behalf of Origo) and Spearpoint for the subscription by Spearpoint of the CPS (the CPS Admission Document and Articles, as amended, having not



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yet been prepared when the placing letter was signed). The CPS Term Sheet contained a provision that Brooks Macdonald suggest should be interpreted as indicating that Spearpoint would have a CPS COC Redemption Option.

The CPS Term Sheet contained only brief details of the CPS and Spearpoint's subscription was subject (amongst other things) to detailed documentation being produced and approved (i.e. the CPS Admission Document and the Articles, as amended). Spearpoint had the opportunity to review this detailed documentation prior to its acquisition of the CPS and should have made its actual subscription for the CPS based on the final information contained in the CPS Admission Document and the Articles. No query regarding the non-inclusion in the terms of the CPS of a CPS COC Redemption Option was raised by Spearpoint at the time of issue of the CPS in 2011 or subsequently (including at the time of the 2013 CPS Amendment), until the communication by Brooks Macdonald of its complaint.

Brooks Macdonald has indicated that it may commence legal proceedings if the terms of the CPS are not amended to provide a CPS COC Redemption Option. Such an amendment could only be made if shareholders approve the relevant changes to the Articles at a general meeting. Origo has, in recent days, consulted a limited number of its key shareholders to discuss the complaint and understands that shareholders would be unlikely to approve the amendments to the Articles proposed by Brooks Macdonald if they were put to shareholders. Origo has also sought legal advice in respect of Brooks Macdonald's complaint. On the basis of that legal advice, Origo considers that a legal claim against Origo, if initiated by Brooks Macdonald, would be unlikely to succeed.

Origo intends to work with Brooks Macdonald to achieve a mutually acceptable resolution to the complaint that Brooks Macdonald has raised. Further announcements with regards to this matter will be made in due course, as appropriate.

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