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**Rules of the Footasylum plc Save As You Earn Scheme**

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Adopted by resolution of the Board of Directors on 2 November 2017  
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Expires on .....

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## **RULES**

of the

### **FOOTASYLUM PLC SAVE AS YOU EARN SCHEME**

#### **1. INTERPRETATION**

In these Rules:

1.1 the following expressions have the following meanings unless inconsistent with the context:

- "Acquiring Company"** the company which obtains Control of the Company in any of the circumstances referred to in **Rules 6.1.1** and **6.1.2** or which becomes bound or entitled to acquire Shares in the manner described in **Rule 6.1.3** as the case may be
- "Admission Date"** the date that the Shares are admitted to trading on AIM
- "Adoption Date"** the date on which the Scheme is adopted by a resolution of the Board
- "AIM"** the market of the London Stock Exchange known as AIM
- "AIM Rules"** the rules for companies dealing on AIM as published by the London Stock Exchange and as amended from time to time
- "Appropriate Period"** for the purposes of **Rule 6.1**:
- (a) in the circumstances mentioned in **Rule 6.1.1**, the period of six months beginning on the later of the date on which Control of the Company passes to the Acquiring Company and the date on which any condition subject to which the General Offer is made has been satisfied;
  - (b) in the circumstances mentioned in **Rule 6.1.2**, the period of six months beginning on the date on which the compromise or arrangement is sanctioned by the Court;
  - (c) in the circumstances mentioned in **Rule 6.1.3**, the period of six months beginning on the date on which the Non-UK Company Reorganisation Arrangement becomes binding on the shareholders covered by it; and
  - (d) in the circumstances mentioned in **Rule 6.1.4**, the period during which the Acquiring Company remains bound or entitled as mentioned in that Rule
- "Associated Company"** an associated company of the Company within the meaning that expression bears in paragraph 47(1) of Schedule 3

<b>"Available Shares"</b>	such number of Shares over which Options may be granted without breaching any limit imposed pursuant to <b>Rule 3.1.4</b> or the limit set out in <b>Rule 3.2</b>
<b>"Board"</b>	the board of directors for the time being of the Company or the directors present at a duly convened meeting of the directors or a duly appointed committee of the board of directors at which a quorum is present
<b>"Bonus Date"</b>	in respect of an Option, the earliest date on which a bonus is payable under the terms of the Savings Contract which has been entered into in connection with that Option (or the earliest date on which a bonus would be so payable but for the relevant bonus rate for that Savings Contract being zero)
<b>"Company"</b>	Footasylum plc (registered number 05535565)
<b>"Connected Persons"</b>	has the same meaning as in section 993 of the Income Tax Act 2007
<b>"Constituent Company"</b>	the Company and any Subsidiary which is for the time being designated by the Board as a Constituent Company
<b>"Continuous Employment"</b>	the meaning given to that expression by section 210 of the Employment Rights Act 1996
<b>"Control"</b>	the meaning given to that expression by section 995 of the Income Tax Act 2007 and "Controlled" shall be construed accordingly
<b>"Date of Grant"</b>	in respect of an Option, the date upon which that Option is granted in accordance with these Rules and which date shall be specified in the Option Certificate relating to that Option
<b>"Date of Invitation"</b>	the date upon which an invitation is issued to an Eligible Employee in the manner referred to in <b>Rule 2.1</b>
<b>"Dealing Day"</b>	a day on which the London Stock Exchange is open for the transaction of business

<b>“Eligible Employee”</b>	<p>(a) any person:</p> <p>(i) who holds Employment; and</p> <p>(ii) whose earnings from the Employment are (or would be if there were any) general earnings to which section 15 of the Income Tax (Earnings and Pensions) Act 2003 applies; and</p> <p>(iii) who at the relevant Date of Grant has been in Continuous Employment with any one or more Constituent Companies (taken together) for a period determined by the Board (in any case such period not being more than 5 years ending on the relevant Date of Grant); and</p> <p>(b) any other person holding Employment who has been nominated by the Board as an Eligible Employee</p>
<b>“Employment”</b>	<p>a person will hold employment for the purposes of these Rules if he is a Full-time director holding salaried employment (for the avoidance of doubt, excluding a non-executive director) with, or is an employee of, a Constituent Company (including for the avoidance of doubt any such person who may be absent from work by reason of confinement or pregnancy where such person has a right to return to work under Part VIII of the Employment Rights Act 1996 or other similar contractual right)</p>
<b>“Extended Grant Period”</b>	<p>the period commencing on the first day of the Grant Period and expiring 12 days after the end of the Grant Period</p>
<b>“Fair Processing Notice”</b>	<p>the notice referring to the Scheme, made available through the Company’s intranet and/or the Company Secretary or any other officer of the Company, which sets out how personal data relating to Eligible Employees and Option Holder will be processed in connection with the Scheme</p>
<b>“Full-time”</b>	<p>in relation to an Eligible Employee who is a director of any company which is a Constituent Company, having a normal working week of at least 25 hours (excluding meal breaks)</p>

<b>“General Offer”</b>	<p>a general offer to acquire:</p> <p>(a) the whole of the issued ordinary share capital of the Company (or such part of such capital as is not then owned by the person making the offer or any persons who are Connected Persons in relation to the person making the offer), which is made on a condition such that, if it is met, the person making the offer will have Control of the Company; or</p> <p>(b) all the shares in the Company which are of the same class as the Shares (or such shares of that class as are not then owned by the person making the offer or any persons who are Connected Persons in relation to the person making the offer)</p> <p>in each case irrespective of whether the general offer is made to different shareholders by different means. For the purpose of this definition of General Offer, a person shall be treated as obtaining Control of the Company, if that person and others acting In Concert together obtain Control of the Company</p>
<b>“Grantor”</b>	any person other than the Company who, pursuant to an agreement or other arrangement with the Company, has agreed to grant or (as the case may require) has granted an Option to acquire Shares from him
<b>“Grant Period”</b>	the period commencing on the day immediately after the last day of the period during which an Eligible Employee may give a Notice of Application and expiring 30 days from the Date of Invitation
<b>“Group”</b>	the Company and all of the Subsidiaries for the time being or where the context so requires any one or more of them
<b>“HMRC”</b>	HM Revenue & Customs
<b>“In Concert”</b>	the meaning given to that term in The City Code on Take-overs and Mergers as amended from time to time
<b>“Issue or Reorganisation”</b>	any capitalisation issue or rights issue (other than an issue of shares pursuant to the exercise of an option given to the shareholders of the Company to receive shares in lieu of dividend) or open offer or any other variation in the share capital of the Company including (without limitation) any consolidation, sub-division or reduction of capital of the Company
<b>“London Stock Exchange”</b>	London Stock Exchange plc or any successor body thereto

<b>"Market Value"</b>	in respect of a Share subject to an Option, the market value of a Share as determined in accordance with Part VIII of the Taxation of Chargeable Gains Act 1992 and agreed in advance with Shares and Assets Valuation on or prior to the Date of Invitation in respect of the Option concerned provided always that in the event that the Shares are subject to any Restriction, the market value of a Share shall be determined as though they were not subject to the Restriction
<b>"Maximum Contribution"</b>	the maximum amount, if any, which an Eligible Employee may pay under the relevant Savings Contract on a monthly basis (being a multiple of £1 and being not more than £500 or the figure for the time being specified in paragraph 25(3)(a) of Schedule 3) as determined by the Board pursuant to <b>Rule 3.1.1</b> in relation to any invitation (subject to adjustment pursuant to <b>Rule 2.6.3</b> ) and specified in such invitation pursuant to <b>Rule 2.1.4</b>
<b>"Minimum Contribution"</b>	the minimum amount which an Eligible Employee may pay under the relevant Savings Contract on a monthly basis (being a multiple of £1 and being not less than £5 nor more than £10 or the figure for the time being specified in paragraph 25(3)(b) of Schedule 3) determined by the Board pursuant to <b>Rule 3.1.1</b> in relation to any invitation and specified in such invitation pursuant to <b>Rule 2.1.4</b>
<b>"Non-UK Company Reorganisation Arrangement"</b>	<p>an arrangement made in relation to a company under the law of a territory outside the United Kingdom which:</p> <p>(a) gives effect to a reorganisation of the company's share capital by the consolidation of shares of different classes, or by the division of shares into shares of different classes, or by both of these methods; and</p> <p>(b) which is approved by a resolution of the members of the company pursuant to which the members who vote in favour of approving the arrangement represent more than 50% of the total voting rights of all the members having the right to vote on the issue</p>
<b>"Notice of Application"</b>	an application for an Option delivered to the Company (or its agent) by an Eligible Employee in accordance with <b>Rule 2.4</b>
<b>"Option"</b>	a right to acquire Shares granted to an Eligible Employee pursuant to the Scheme and for the time being subsisting or, where the context so requires, a right to acquire Shares so to be granted
<b>"Option Certificate"</b>	a certificate issued pursuant to <b>Rule 2.10</b>
<b>"Option Holder"</b>	a person holding an Option or, where the context so requires, the legal personal representatives of such a person

<b>“Option Price”</b>	in respect of an Option, the price payable by the Option Holder for each Share over which such Option is granted as determined by the Board in its sole discretion (subject to adjustment pursuant to <b>Rule 8</b> ) which shall not be less than an amount equal to 80 per cent. (or such other percentage as may be permitted by Schedule 3) of the Market Value of each such Share on the Date of Invitation relating to the Option provided that where such an Option is to subscribe for Shares the price shall not be less than the greater of (i) the nominal value of each such Share and (ii) an amount equal to 80 per cent. (or such other percentage as may be permitted by Schedule 3) of the Market Value of each such Share on such Date of Invitation
<b>“Other Employees’ Scheme”</b>	any employees’ share scheme (within the meaning of section 1166 of the Companies Act 2006) adopted by the Company enabling directors or employees of any company in the Group, or trustees on behalf of such directors or employees, to acquire Shares other than the Scheme
<b>“Permitted Offer Period”</b>	the period of 42 days (or in exceptional circumstances such longer period as determined by the Board) commencing on any of the following: <ul style="list-style-type: none"> <li>(a) the Admission Date;</li> <li>(b) the Adoption Date; or</li> <li>(c) the Dealing Day immediately following the date of the preliminary announcement of the annual results of the Company in any year or the date of the announcement of the half-year results of the Company in any year; or</li> <li>(d) any day on which a change to the legislation affecting Schedule 3 SAYE Option Schemes is proposed or takes effect; or</li> <li>(e) any day on which a new Savings Contract prospectus is announced or takes effect</li> </ul>
<b>“Reduced Maximum Contribution”</b>	in relation to any scaling down of applications under <b>Rule 2.6</b> , such amount as is determined by the Board on such scaling down pursuant to <b>Rule 2.6.3</b>
<b>“Redundancy”</b>	redundancy within the meaning of the Employment Rights Act 1996
<b>“Relevant Event”</b>	means any of: <ul style="list-style-type: none"> <li>(a) a person obtaining Control of the Company as a result of making a General Offer;</li> <li>(b) a person obtaining Control of the Company as a result of compromise or arrangement sanctioned by the court under section 899 of the Companies Act 2006 applicable to or affecting either: (i) all the ordinary share capital of the Company or all the shares of the same class as the Shares subject to Options;</li> </ul>

or (ii) all of the shares, or all of the shares of that same class, which are held by a class of shareholders identified otherwise than by reference to their employment or directorships or their participation in a Schedule 3 SAYE Option Scheme;

- (c) a person obtaining Control of the Company as a result of a Non-UK Company Reorganisation Arrangement applicable to or affecting either:
  - (i) all the ordinary share capital of the Company or all the shares of the same class as the Shares subject to Options; or
  - (ii) all of the shares, or all of the shares of that same class, which are held by a class of shareholders identified otherwise than by reference to their employment or directorships or their participation in a Schedule 3 SAYE Option Scheme, which has become binding on the shareholders covered by it; or
- (d) a persons who is bound or entitled to acquire Shares in the Company under sections 979 to 982 (inclusive) or 983 to 985 (inclusive) of the Companies Act 2006 obtaining Control of the Company

**“Relevant Transfer”**

in relation to an Option Holder, a relevant transfer of such Option Holder’s employment within the meaning of the Transfer of Undertakings (Protection of Employment) Regulations 2006

**“Restriction”**

in relation to a Share, any restriction within the meaning of paragraph 48(3) of Schedule 3

**“Savings Body”**

the savings body for the time being chosen by the Board (at its discretion) with whom Savings Contracts are made

**“Savings Contract”**

in respect of an Option, the contract entered into by an Option Holder with a Savings Body under a certified SAYE savings arrangement within the meaning of section 703(1) of the Income Tax (Trading and Other Income) Act 2005

**“Savings Contract Repayment”**

in respect of an Option, the aggregate repayment from the relevant Savings Contract due on the Bonus Date, being (subject to any adjustment pursuant to **Rule 2.6**):

- (a) in the case of a three-year Savings Contract, the sum of 36 Savings Contributions and the standard bonus payable under that Savings Contract;
- (b) in the case of a five-year Savings Contract, the sum of 60 Savings Contributions and the standard bonus payable under that Savings Contract

<b>"Savings Contribution"</b>	in respect of an Option, the monthly contribution agreed to be paid by an Option Holder under the relevant Savings Contract which amount shall be an integral multiple of £1 (one pound) and shall not be less than the Minimum Contribution or more than the Maximum Contribution
<b>"Schedule 3"</b>	Schedule 3 to the Income Tax (Earnings and Pensions) Act 2003
<b>"Schedule 3 SAYE Option Scheme"</b>	a scheme which meets the requirements of Parts 2 to 7 (inclusive) of Schedule 3
<b>"Scheme"</b>	the Footasylum plc Save As You Earn Scheme established by the adoption of these Rules and as from time to time amended in accordance with the provisions of these Rules
<b>"Shares"</b>	fully paid ordinary shares in the capital of the Company which comply with the conditions of Part 4 of Schedule 3 or, as the context may require, shares for the time being (which comply with those conditions) representing the same in consequence of any Issue or Reorganisation
<b>"Shares and Assets Valuation "</b>	HMRC Shares and Assets Valuation or any replacement body or authority thereof
<b>"Subsidiary"</b>	any company which is for the time being both: <ul style="list-style-type: none"> <li>(a) Controlled by the Company; and</li> <li>(b) a subsidiary of the Company within the meaning of section 1159 of the Companies Act 2006</li> </ul>
<b>"Tax Year"</b>	any year commencing on 6 April and ending on the next 5 April (inclusive) or such other period of time as may be formally recognised as a tax year by HMRC from time to time
<b>"Treasury Shares"</b>	qualifying shares to which sections 724 to 732 of the Companies Act 2006 apply

- 1.2 other words and expressions, so far as not inconsistent with the context, have the same meanings as in Schedule 3;
- 1.3 references to any statutory provisions shall, where the context so admits or requires, be construed as including references to the corresponding provisions of any earlier statute (whether repealed or not) directly or indirectly amended, consolidated, extended or replaced by those provisions, (or re-enacted in those provisions), and of any subsequent statute in force at any relevant time directly or indirectly amending, consolidating, extending, replacing or re-enacting the same, and shall include any orders, regulations, instruments or other subordinate legislation made under the relevant statute;
- 1.4 any reference to a Rule is a reference to one of these Rules;
- 1.5 unless the context requires otherwise, words importing the singular shall also include the plural and vice versa, any reference to the masculine shall include the feminine as the context shall admit or require and any reference to a person shall include incorporated and unincorporated bodies; and

1.6 the descriptive headings to Rules are inserted for convenience only, have no legal effect and shall be ignored in the interpretation of these Rules.

## 2. GRANT OF OPTIONS

2.1 Subject to **Rules 2.2** and **2.3**, at any time within a Permitted Offer Period the Board may, if in its absolute discretion it so decides, unless there are no Available Shares, issue an invitation to each Eligible Employee to apply for an Option. Invitations shall be in such form as the Board may from time to time determine but shall specify:

2.1.1 who are Eligible Employees for the purposes of the invitation;

2.1.2 the length of the Savings Contract that the Eligible Employees can enter into;

2.1.3 the Option Price;

2.1.4 the Minimum Contribution and the Maximum Contribution but that the Maximum Contribution specified shall in all cases be subject to the limit referred to in **Rule 3.3** and shall make express reference to that limit;

2.1.5 the limit, if any, on the number of Shares over which Options may be granted as determined by the Board pursuant to **Rule 3.1.4**; and

2.1.6 the date by which Notices of Application must be received in accordance with **Rule 2.4**.

Invitations to apply for Options will be issued by means of letters (or any other form of notification the Board shall determine) sent or delivered via the post or electronically to Eligible Employees and will in all cases (including, but not limited to, where sent by post) be deemed to have been given on the date specified in that invitation.

2.2 No invitation to apply for an Option may be made after the tenth anniversary of the Adoption Date.

2.3 No invitation to apply for an Option may be made except during a Permitted Offer Period provided that if, by reason of the AIM Rules, any statute or any regulation or order made thereunder, any share dealing code adopted by the Company or any governmental directive, the Board shall be restricted from issuing an invitation, invitations may be issued within the period commencing immediately after the Dealing Day following the lifting of such restrictions and ending 40 days thereafter.

2.4 Each Eligible Employee to whom the Board sends an invitation may within 21 days from the Date of Invitation (or such shorter period not being less than 14 days from the Date of Invitation as the Board may determine) apply for an Option by completing and delivering to the Company (or its agent) by whatever means (including, but not limited to, via an online or telephone application process) a Notice of Application which shall be in such form as the Board may from time to time determine but shall specify:

2.4.1 the rate of Savings Contribution which the Eligible Employee wishes to contract to pay under the relevant Savings Contract; and

2.4.2 that the rate of the Eligible Employee's proposed Savings Contribution shall not exceed the lesser of the Maximum Contribution in relation to the invitation concerned and the amount calculated in accordance with **Rule 3.3**.

Each Notice of Application must incorporate or be accompanied by a completed proposal to enter into a Savings Contract with the Savings Body.

2.5 If there are sufficient Available Shares to satisfy in full all Notices of Application the Board (or Grantor as the case may be) shall, within the Grant Period, grant an Option to each Eligible Employee who has completed a Notice of Application to the satisfaction of the Board, over the number of Shares in respect of which the aggregate Option Price is as

nearly as possible equal to, but not in excess of, the Savings Contract Repayment relating to that Option.

- 2.6 If there are insufficient Available Shares to satisfy in full all Notices of Application the Board shall within the Extended Grant Period scale down applications by taking in its discretion one or more of the following steps until there are sufficient Available Shares:
- 2.6.1 by discounting bonuses from the calculation of the Savings Contract Repayment; and
  - 2.6.2 by reducing the rate of the Savings Contribution specified in each Notice of Application to the amount given by multiplying that rate by the fraction  $A/B$ , where A is the number of Available Shares and B is the aggregate number of Shares over which Options would have been granted pursuant to **Rule 2.5** had there been sufficient Available Shares to satisfy in full all Notices of Application; and
  - 2.6.3 by determining a reduced Maximum Contribution to that already determined pursuant to **Rule 3.1.1** (which may not in any case exceed £500 or such other sum as may be permitted by the provisions of paragraph 25 of Schedule 3) and monthly savings contributions chosen by applicants in excess of such Reduced Maximum Contribution shall be diminished to an amount equal to the Reduced Maximum Contribution so determined,

provided that each Eligible Employee who has given a Notice of Application shall be permitted to make a Savings Contribution of at least the Minimum Contribution per month.

- 2.7 The Board (or the Grantor, as the case may be) shall, following completion of the scaling down procedure referred to in **Rule 2.6** (subject to **Rule 2.8**), grant an Option within the Extended Grant Period to each Eligible Employee who has completed a Notice of Application to the satisfaction of the Board, over the number of Shares in respect of which the aggregate Option Price is as nearly as possible equal to, but not in excess of, the Savings Contract Repayment relating to the Option concerned as reduced or deemed to be reduced pursuant to **Rule 2.6**.
- 2.8 In the event of there being insufficient Available Shares (after the application of **Rule 2.6**) to enable each Eligible Employee who has completed a Notice of Application to the satisfaction of the Board to make Savings Contributions of the Minimum Contribution per month, the Board (or the Grantor, as the case may be) shall, grant an Option within the Extended Grant Period to such of those Eligible Employees as may be selected by ballot provided that no Eligible Employee may contribute more than the Minimum Contribution per month. The aggregate Option Price of the Shares comprised in any Option shall be as nearly as possible equal to, but not in excess of, the Savings Contract Repayment relating to that Option.
- 2.9 No monetary consideration shall be payable by an Eligible Employee for the grant of an Option to him. An Option shall be personal to the Option Holder to whom it is granted and except to the extent necessary to enable a personal representative to exercise the Option following the death of the Option Holder, shall not be transferable or assignable. Save as otherwise previously provided in this **Rule 2.9**, an Option will not be assigned, charged, pledged or otherwise encumbered and any purported assignment, charge, disposal or dealing with the rights and interest of the Option Holder under the Scheme shall render the Option void.
- 2.10 An Option Certificate shall be issued under the authority of the Board in respect of each and every Option granted under the Scheme as soon as practicable after the Date of Grant and each such Option Certificate will, in addition to the requirements of **Rule 2.11**, specify the relevant Date of Grant, the number of Shares comprised in the Option and the Option Price in respect of each such Share and shall be otherwise in such form (not inconsistent with the provisions of the Scheme) as the Board may from time to time determine. If that Option Certificate is worn out, defaced, destroyed or lost, it may be

renewed on such evidence being provided and on such terms as the Board may reasonably require.

- 2.11 At the Date of Grant of an Option, it must be stated (and subsequently recorded in the Option Certificate relating to the Option in question) whether or not the Shares which may be acquired on the exercise of the Option may be subject to any Restriction and to the extent that such Shares may be subject to any Restriction, details of such Restriction must also be stated (and subsequently recorded in the Option Certificate relating to the Option in question).

### 3. **LIMITATIONS**

- 3.1 On or before any Date of Invitation the Board may determine:

3.1.1 the Maximum Contribution and the Minimum Contribution which may be specified by Eligible Employees on the Notices of Application; and/or

3.1.2 whether each Eligible Employee, in connection with his Notice of Application, shall:

3.1.2.1 only be able to enter into a three-year Savings Contract;

3.1.2.2 only be able to enter into a five-year Savings Contract; and/or

3.1.3 that the Maximum Contribution determined in accordance with **Rule 3.1.1** be limited by reference to the salary or period of service of Eligible Employees; and/or

3.1.4 a limit on the number of Shares (subject to **Rule 3.2**) over which Options may be granted.

- 3.2 Subject to **Rules 3.5** and **3.6**, no Option shall be granted after the Admission Date if immediately following the grant of that Option the aggregate nominal value of ordinary shares in the Company:

3.2.1 issued or then capable of being issued pursuant to Options granted under the Scheme within the immediately preceding period of ten years; and

3.2.2 issued or then capable of being issued pursuant to options granted or rights obtained in that ten year period under any Other Employees' Schemes

would exceed 10 per cent. of the nominal value of the ordinary share capital of the Company at that time in issue.

- 3.3 Notwithstanding any other provision of this Scheme, the aggregate amount of an Option Holder's contributions under all Savings Contracts and all other certified savings arrangements linked to Schedule 3 SAYE Option Schemes may not exceed £500 (five hundred pounds) per month or such other sum as may be permitted by the provisions of paragraph 25 of Schedule 3.

- 3.4 No Options may be granted under the Scheme more than ten years after the Adoption Date.

- 3.5 For the purposes of **Rule 3.2**, ordinary shares which have been acquired (or may be acquired) pursuant to:

3.5.1 an Option granted under the Scheme by a Grantor;

3.5.2 an option or other right granted by a person (other than the Company) under any Other Employees' Scheme,

shall only count as "issued or then capable of being issued" to the extent that the ordinary shares that were (or are) subject to any such option or other right were issued (or there is an intention for them to be issued) by the Company to the Grantor or other person for the purposes of the Scheme or any Other Employees' Scheme, or, subject to **Rule 3.7**, were Treasury Shares transferred (or there is an intention for them to be transferred) by the Company to the Grantor or other person for the purposes of the Scheme or any Other Employees' Scheme. For the avoidance of doubt, any Treasury Shares transferred (or where there is an intention for them to be transferred) to satisfy an Option granted under the Scheme or any option or other right granted under any Other Employees' Scheme shall, subject to **Rule 3.7**, count as "issued or then capable of being issued" for the purpose of **Rule 3.2**.

3.6 For the purposes of **Rule 3.2**:

- 3.6.1 Shares issued or then capable of issue pursuant to Options granted in respect of invitations issued under the Scheme on or prior to the Admission Date or pursuant to any options or rights obtained under any Other Employees' Scheme on or prior to the Admission Date; and
- 3.6.2 Shares which were the subject of an option or other right (whether granted pursuant to the Scheme or otherwise) which has lapsed or been surrendered; and
- 3.6.3 any Option granted by the Company in respect of which the Board has exercised its power under **Rule 7.8**, or any other right to subscribe for Shares granted by the Company in respect of which a provision similar to **Rule 7.8** has been applied under the relevant employees' share scheme or share option scheme adopted by the Company, so that such right to subscribe for Shares will be satisfied by a transfer of Shares from a person other than the Company, where the Shares were acquired by such person by way of market purchase,

shall not count towards the limits set out in **Rule 3.2**.

3.7 In the event that Treasury Shares are no longer required to be included for the purpose of operating anti-dilution limits in employees' share schemes by the Investment Association (or any replacement body thereof), then **Rule 3.5** shall be applied by ignoring all references to Treasury Shares therein to the effect that Treasury Shares shall not be counted as falling within the term "issued or then capable of being issued" for the purpose of **Rule 3.2**.

4. **EXERCISE AND LAPSE OF OPTIONS**

4.1 For the purposes of this **Rule 4**, no Option Holder will be treated as ceasing to hold Employment until he has ceased to hold any office or employment with the Company or with any Associated Company or with any company under the Control of the Company.

4.2 An Option may, subject to **Rule 4.4**, be exercised at any time following the earliest of the following events:

- 4.2.1 the relevant Bonus Date; and
- 4.2.2 the Option Holder ceasing to hold Employment by reason of death, injury, disability, Redundancy, a Relevant Transfer or retirement;
- 4.2.3 in any case where the Option Holder holds office or employment in a company ("Company A") which is an associated company (as defined in paragraph 35(4) of Schedule 3) of the Company, such Option Holder ceasing to hold Employment by reason of Company A ceasing to be such an associated company of the Company by reason of a change of control (as determined in accordance with sections 450 and 451 of the Corporation Tax Act 2010); and

- 4.2.4 the Option Holder ceasing to hold Employment by reason only that his office or employment relates to a business or part of a business which is transferred to a person who is not an Associated Company where such transfer does not amount to a Relevant Transfer in relation to the Option Holder concerned.

For the avoidance of doubt, in the case of the death of the Option Holder, the Option held by that Option Holder may only be exercised by his personal representatives and all references to the death of the Option Holder in these Rules shall mean the death of the Eligible Employee to whom the Option was originally granted, rather than the death of his personal representatives.

- 4.3 If an Option Holder ceases to hold office or employment with a Constituent Company in circumstances where he is not treated as ceasing to hold Employment pursuant to the provisions of **Rule 4.1**, and on the Bonus Date holds office or employment with an Associated Company or a company of which the Company has Control, the Option Holder may exercise the Option within six months following the Bonus Date.
- 4.4 An Option will lapse and cease to be exercisable upon the earliest of:
- 4.4.1 the expiry of six months from the Bonus Date (except where **Rule 4.4.2** or the proviso to **Rule 4.4.3** applies); and
  - 4.4.2 the expiry of twelve months following the date of death of the Option Holder if he dies before the Bonus Date or, if the Option Holder dies on or within six months after the Bonus Date, the expiry of twelve months following the Bonus Date; and
  - 4.4.3 the expiry of six months following the date on which the Option Holder ceases to hold Employment in the circumstances set out in **Rules 4.2.2** (other than death), **4.2.3** or **4.2.4** provided that:
    - 4.4.3.1 if an Option Holder dies before the Bonus Date but within that period of six months the Option will not lapse until the expiry of twelve months from the date of his death; and
    - 4.4.3.2 if the Option Holder dies after the Bonus Date but within that same period of six months the Option will not lapse until the expiry of twelve months from the Bonus Date; and
  - 4.4.4 the date on which the Option Holder ceases to hold Employment in any circumstances other than where one of **Rules 4.2.2**, **4.2.3** or **4.2.4** is applicable to the Option in question; and
  - 4.4.5 subject to a release of rights as provided in **Rule 6** and subject to **Rule 4.6**, the expiry of the period of six months from the later of the date on which Control of the Company passes and the date on which any conditions subject to which an offer is made have been satisfied in accordance with **Rule 5.1**; and
  - 4.4.6 subject to a release of rights as provided in **Rule 6** and subject to **Rule 4.6**, on the date that any person who has been bound or entitled to acquire Shares under the provisions of sections 979 to 982 (inclusive) or 983 to 985 (inclusive) of the Companies Act 2006 ceases to be so bound or entitled; and
  - 4.4.7 subject to a release of rights as provided in **Rule 6** and subject to **Rule 4.6**, the expiry of the period of six months from the date on which the Court sanctions a compromise or arrangement under section 899 of the Companies Act 2006 applicable to or affecting either: (i) all the ordinary share capital of the Company or all the shares of the same class as the shares subject to Options; or (ii) all of the shares, or all of the shares of that same class, which are held by a class of shareholders identified otherwise than by reference to

- their employment or directorships or their participation in a Schedule 3 SAYE Option Scheme; and
- 4.4.8 the expiry of the period of six months from the date of a resolution being passed by the Company for the voluntary winding-up of the Company; and
- 4.4.9 subject as provided in **Rules 5.3, 5.4** and **6** on the commencement of the winding-up of the Company;
- 4.4.10 subject to a release of rights as provided in **Rule 6** and subject to **Rule 4.6**, the expiry of the period of six months from the date on which a Non-UK Company Reorganisation Arrangement applicable to or affecting either: (i) all the ordinary share capital of the Company or all the shares of the same class as the shares subject to Options; or (ii) all of the shares, or all of the shares of that same class, which are held by a class of shareholders identified otherwise than by reference to their employment or directorships or their participation in a Schedule 3 SAYE Option Scheme, becomes binding on the shareholders affected by it;
- 4.4.11 upon a bankruptcy order being made in respect of the Option Holder;
- 4.4.12 the Option Holder's right to continue making Savings Contributions under the related Savings Contract ceasing to be available to him before the earliest date on which he is entitled to exercise the Option pursuant to **Rules 4.2, 4.3** or **5**;
- 4.4.13 subject to **Rule 4.6**, in any case where a Relevant Event occurs and as a result of which the Shares to which Options relate no longer meet the requirements of Part 4 of Schedule 3, the expiry of the period of 20 days following the day on which such Relevant Event occurs; and
- 4.4.14 repayment to the Option Holder of his Savings Contributions under the related Savings Contract before the earliest date on which he is entitled to exercise the Option pursuant to **Rules 4.2, 4.3** or **5**.
- 4.5 Notwithstanding the provisions of **Rules 4.2, 4.3** and **5** no Option may be exercised by any Option Holder at any time:
- 4.5.1 when he has already exercised the Option in part as permitted by **Rule 7.2**; or
- 4.5.2 when that exercise would be in breach of the AIM Rules, any statute or any regulation or order made thereunder, any share dealing code adopted by the Company or any governmental directive.
- 4.6 Notwithstanding any other provision of these Rules, the periods proscribed during which an Option may be exercised in the case of the death of the Option Holder concerned pursuant to **Rules 4.4.2, 4.4.3.1** and **4.4.3.2** shall not, following the death of the Option Holder, be shortened or curtailed by virtue of any other Rule of this Scheme save for **Rule 4.4.8**. In the event that a resolution is passed by the Company for the voluntary winding up of the Company, each Option shall lapse in accordance with **Rule 4.4.8**, irrespective of whether or not such resolution is passed before, on or after the death of the Option Holder concerned.
- 5. CHANGE IN CONTROL AND LIQUIDATION**
- 5.1 If at any time any offeror makes a General Offer:
- 5.1.1 as a result of which such offeror (or such other companies and/or persons referred to in paragraph (a) of the definition of General Offer) gains Control of the Company an Option Holder may, subject as provided in **Rules 4.4, 4.5, 4.6** and **6**, exercise, in accordance with **Rule 7**, any Options then held by him, during the period of six months following the later of the date on which Control

of the Company passes and the date on which any condition subject to which the offer has been made is satisfied; and

- 5.1.2 forthwith upon such an offer being posted to shareholders the Company shall notify the Option Holders of that offer and shall use its reasonable endeavours to procure that if an Option Holder is allotted or has transferred to him Shares which are not the subject of that offer pursuant to the exercise of Options in accordance with **Rule 5.1.1**, the person by whom the General Offer was made shall offer to acquire from the Option Holder all those Shares upon the same terms as the terms upon which shares of the same class were acquired under the General Offer.
- 5.2 If a person becomes bound or entitled to acquire Shares under sections 979 to 982 (inclusive) or sections 983 to 985 (inclusive) of the Companies Act 2006 the Board shall notify each Option Holder of such circumstances as soon as it becomes aware of them and an Option Holder may, subject as provided in **Rules 4.4, 4.5, 4.6** and **6**, exercise, in accordance with **Rule 7**, any Options then held by him at any time when that person remains so bound or entitled.
- 5.3 If the Court sanctions a compromise or arrangement under section 899 of the Companies Act 2006 applicable to or affecting either: (i) all the ordinary share capital of the Company or all the shares of the same class as the Shares subject to Options; or (ii) all of the shares, or all of the shares of that same class, which are held by a class of shareholders identified otherwise than by reference to their employment or directorships or their participation in a Schedule 3 SAYE Option Scheme, an Option Holder may, subject as provided in **Rules 4.4, 4.5, 4.6** and **6**, exercise, in accordance with **Rule 7**, any Options then held by him during the period commencing on the date on which the compromise or arrangement is sanctioned by the Court and expiring six months from the date of that sanctioning.
- 5.4 In the event of a resolution being passed by the Company for the voluntary winding up of the Company (except for the purposes of a reconstruction or amalgamation sanctioned by the Court under section 899 of the Companies Act 2006) an Option Holder may, subject as provided in **Rules 4.4, 4.5** and **6**, exercise, in accordance with **Rule 7**, any Options then held by him during the period of six months commencing on the date of the passing of the resolution for that winding-up and those Options shall be deemed for the purpose of determining the right of that Option Holder to participate in any distribution to shareholders (but for no other purpose whatsoever) to have been exercised immediately before the passing of that resolution.
- 5.5 In the event that a Non-UK Company Reorganisation Arrangement applicable to or affecting either: (i) all the ordinary share capital of the Company or all the shares of the same class as the Shares subject to Options; or (ii) all of the shares, or all of the shares of that same class, which are held by a class of shareholders identified otherwise than by reference to their employment or directorships or their participation in a Schedule 3 SAYE Option Scheme, becomes binding on the shareholders covered by such Non-UK Company Reorganisation Arrangement, an Option Holder may, subject as provided in **Rules 4.4, 4.5, 4.6** and **6**, exercise, in accordance with **Rule 7**, any Options then held by him during the period commencing on the date on which such Non-UK Company Reorganisation Arrangement becomes binding on the shareholders covered by it and expiring six months thereafter.
- 5.6 If a Relevant Event occurs and as a consequence of such Relevant Event, the Shares to which Options relate no longer meet the requirements of Part 4 of Schedule 3, an Option Holder may, subject to **Rules 4.4, 4.5** and **4.6**, only exercise any Options then held by them pursuant to **Rule 5.1, 5.2, 5.3, 5.4** or **5.5** as the case may be, within the period of 20 days commencing on the day after the day on which the Relevant Event concerned occurs, notwithstanding that the Shares no longer meet the requirements of Part 4 of Schedule 3 and notwithstanding that **Rules 5.1, 5.2, 5.3, 5.4** and **5.5** provide a longer period in which the Options may be exercised, provided always that the foregoing provisions of this **Rule 5.6** shall, subject to **Rule 4.6**, not permit the exercise of an Option at a time which is outside of the six month period permitted for exercise of Options by virtue of the relevant one of **Rules 5.1, 5.3, 5.4** or **5.5**, nor at a time other than that

permitted for exercise of Options by virtue of **Rule 5.2** where such **Rule 5.2** is relevant, as the case may be.

## 6. **EXCHANGE OF OPTIONS**

6.1 If a company:

6.1.1 obtains Control of the Company as a result of making a General Offer which is made on a condition such that if it is satisfied the Acquiring Company will have Control of the Company;

6.1.2 obtains Control of the Company in pursuance of a compromise or arrangement sanctioned by the Court under section 899 of the Companies Act 2006;

6.1.3 obtains Control of the Company as a result of a Non-UK Company Reorganisation Arrangement which has become binding on the shareholders covered by it; or

6.1.4 becomes bound or entitled to acquire Shares under sections 979 to 982 (inclusive) or 983 to 985 (inclusive) of the Companies Act 2006

an Option Holder may, subject as provided in **Rules 4.4** and **4.5**, at any time during the Appropriate Period, by agreement with the Acquiring Company, release his rights under the Scheme in consideration of the grant to him of rights ("the new rights") which are equivalent to the rights released ("the old rights") but relate to shares ("the new shares") in the Acquiring Company (or such other company falling within the definitions contained in paragraphs 18 (b) and 18 (c) of Schedule 3) and any Options not so released at the expiry of the Appropriate Period will lapse.

6.2 For the purposes of **Rule 6.1** the new rights shall not be deemed to be equivalent to the old rights unless:

6.2.1 the shares to which the new rights relate satisfy the conditions specified in Part 4 of Schedule 3;

6.2.2 the new rights shall be exercisable in the same manner as the old rights and subject to the provisions of the Scheme as in effect immediately prior to the release of the old rights;

6.2.3 the total market value (as determined in accordance with Part VIII of the Taxation of Chargeable Gains Act 1992 subject to the proviso contained in **Rule 6.5**), immediately before the release, of the Shares which were subject to the relevant Option Holder's old rights is substantially the same as the total market value (as determined in accordance with Part VIII of the Taxation of Chargeable Gains Act 1992 subject to the proviso contained in **Rule 6.5**), immediately after the grant, of the shares in respect of which the new rights are granted to that Option Holder; and

6.2.4 the total amount payable by that Option Holder for the acquisition of shares in pursuance of the new rights is substantially the same as the total amount that would have been payable for the acquisition of Shares in pursuance of the old rights.

6.3 For the purposes of the Scheme, and in respect only of Options the rights comprised in which have been released in accordance with **Rule 6.1**, following the grant of the new rights the term "Shares" shall have the same meaning as is ascribed to the term "the new shares" in this **Rule 6** and the term "Company" will for the purposes only of the definitions of "Acquiring Company", "Appropriate Period", "Issue or Reorganisation" and "General Offer" and **Rules 5, 6, 7, 8** and **10** mean the company the share capital of which the new shares form part.

6.4 Upon a transaction in accordance with **Rule 6.1** the event by virtue of which that transaction was effective will, following that transaction, be deemed not to have occurred for the purposes of whichever is relevant of **Rules 5.1, 5.2 or 5.3**.

6.5 For the purposes of **Rule 6.2.3**, the market value of shares is to be determined using a methodology agreed with HMRC and if such shares are subject to a Restriction, as if such shares were not subject to such Restriction.

## 7. **MANNER OF EXERCISE OF OPTIONS**

7.1 In order to exercise an Option in whole or in part the Option Holder shall:

7.1.1 in the case on an Option granted by the Company, deliver to the Secretary of the Company (or its agent) a notice in writing in a form approved by the Board specifying the number of Shares in respect of which the Option is being exercised accompanied by remittance of the aggregate Option Price of those Shares; or

7.1.2 in the case of an Option granted by a Grantor, deliver to both the Secretary of the Company (or its agent) and the Grantor a notice in writing in a form approved by the Board specifying the number of Shares in respect of which the Option is being exercised accompanied by remittance of the aggregate Option Price of those Shares

provided always that the amount of the aggregate Option Price so remitted may not exceed the amount of the repayment (including any interest or bonus) received upon the termination of the relevant Savings Contract excluding any Savings Contribution the due date for payment of which falls more than one month after the date on which repayment is made. The notice shall take effect on the day it is actually delivered and that day will constitute for all purposes, except solely for the purposes of **Rule 5.4**, the date of exercise of that Option. The Company (or its agent) shall keep and make available to Option Holders upon request copies of a form of notice which is suitable for the purposes of exercising an Option.

7.2 An Option may be exercised in whole or in part but an Option Holder who has exercised an Option in part may not subsequently exercise the balance of that Option which will lapse immediately after that partial exercise.

7.3 An Option may only be exercised over the number of Shares which may be purchased with the sum obtained by way of repayment under the Savings Contract.

7.4 All allotments, issues and transfers of Shares (and the issue of a definitive share certificate) shall be made within 30 days of the date of exercise of the relevant Option and shall be subject (if applicable) to those Shares being admitted to trading on AIM and to all (if any) necessary consents of H.M. Treasury or other authorities under enactments or regulations for the time being in force and it will be the responsibility of the Option Holder to comply with any requirements to be fulfilled in order to obtain or obviate the necessity for any such consent. At the request of the Option Holder the Board (or, as the case may be, the Grantor with the prior written consent of the Board) may in its discretion resolve to allot and issue or transfer (as the case may be) some or all of the Shares to be acquired on the exercise of an Option to such other person or persons as may be nominated by the Option Holder, provided that the Option Holder is the beneficial owner of those Shares.

7.5 Shares issued on the exercise of an Option shall be issued subject to the Memorandum and Articles of Association of the Company as from time to time amended and shall rank in full for all dividends or other distributions payable to holders of Shares by reference to a record date occurring on or after the date of allotment and for any rights to be granted to those holders by reference to that record date. In all other respects the Shares so to be issued shall be identical and rank *pari passu* with the fully paid registered Shares in issue on the date of that exercise. Shares transferred on the exercise of an Option will be transferred without the benefit of any rights attaching to the Shares by reference to a record date preceding the date of that exercise.

- 7.6 The Company will (if applicable) make application to the London Stock Exchange so that upon their issue (or as soon thereafter as reasonably practicable) the Shares to be issued upon the exercise of an Option will be admitted to trading on AIM.
- 7.7 While any Option remains unexercised and has not lapsed, the Company shall keep available sufficient unissued Shares and/or ensure that it has made arrangements to procure the transfer of sufficient issued Shares and/or ensure that it holds sufficient Treasury Shares (as the case may be) to satisfy in full all those outstanding Options.
- 7.8 An Option granted by the Company shall, unless specifically provided otherwise by the Board on or prior to the Date of Grant, be treated as being an Option to subscribe for the relevant number of Shares over which the Option subsists. However, the Board may determine in its discretion at any time before resolving to allot Shares upon the exercise of that Option that in substitution for the allotment and issue of Shares either that it will procure the transfer of some or all of the Shares over which that Option subsists or that it shall transfer Treasury Shares to the relevant Option Holder (or to a person nominated by the relevant Option Holder in accordance with **Rule 7.4**). Upon the Board making such a determination the Option (either in whole or in part as the case may be) will be treated as having been at all times an Option to purchase (and not subscribe for) the relevant number of Shares as so determined by the Board or to receive Treasury Shares as so determined by the Board (as the case may be). If the Board determines to procure the transfer of the relevant number of Shares or transfer Treasury Shares to an Option Holder upon exercise of an Option, the obligation to pay stamp duty (if any) on the transfer shall be a liability of the Company.
- 7.9 In the event of a determination pursuant to and in accordance with **Rule 7.8**, the Shares comprised in the relevant Option (or, as the case may be, the relevant part of the Option) shall not be taken into account for the purposes of the limit contained in **Rule 3.2**, unless such Shares are Treasury Shares. Treasury Shares that are transferred or to be transferred to satisfy the exercise of Options are, subject to **Rules 3.5** and **3.7**, to be regarded as issued or capable of being issued for the purposes of the limit contained in **Rule 3.2**.
- 7.10 Upon the exercise of an Option granted by a Grantor, the Grantor may and, if so directed by the secretary of the Company in writing, shall apply the amount of any Option Price received from the Option Holder and any other amount paid to the Grantor by any Constituent Company (being the then current or last employer of the Option Holder) in subscribing for Shares at such price (being not less than the Option Price) as the Company may determine. Shares issued to the Grantor pursuant to this **Rule 7.10** shall be transferred by the Grantor to Option Holders in satisfaction of their rights following exercise of their Options and those transfers will satisfy and discharge any liability of the Company in respect of those Options. The Grantor may exercise such of its powers and duties as are appropriate to give effect to the provisions of **Rule 7.1** and **7.10**.

## 8. **ADJUSTMENT OF OPTIONS**

- 8.1 Upon the occurrence of an Issue or Reorganisation the number and/or description of the Shares comprised in each Option and/or the relevant Option Price may, subject always to **Rule 8.4**, be adjusted in such manner as the Board may deem appropriate (save that where the Option was granted by a Grantor, no such adjustment shall be made without the prior written approval of the Grantor). Subject as provided in **Rule 8.2**, where the Option is to subscribe for Shares the adjusted Option Price for a Share shall never be less than its nominal value.
- 8.2 Where an Option is to subscribe for Shares, an adjustment may, subject always to **Rule 8.4**, be made pursuant to **Rule 8.1** which would result in the Option Price being less than the nominal value of a Share provided that at the date of such adjustment the Board has authority to capitalise from the reserves of the Company a sum equal to the amount by which the aggregate nominal value of the Shares subject to such Option exceeds the adjusted Option Price. On exercise of such Option the Board shall capitalise such sum and apply it in paying up such amount.

8.3 Notice of any adjustments made pursuant to **Rule 8.1** shall be given to the Option Holders by the Board which may call in Option Certificates for endorsement or replacement.

8.4 **Rules 8.1** and **8.2** do not authorise any adjustment to an Option which would result in the requirements of paragraphs 1 to 27 (inclusive) and paragraphs 29 to 49 (inclusive) of Schedule 3 not being met in relation to the Option and any adjustment or adjustments made to an Option pursuant to **Rule 8.1** and/or **8.2** must secure that:

8.4.1 the total market value of the Shares which may be acquired by the exercise of the Option is immediately after such adjustment or adjustments substantially the same as what it was immediately before the adjustment or adjustments; and

8.4.2 the total price at which those Shares may be acquired is immediately after the adjustment or adjustments substantially the same as what it was immediately before the adjustment or adjustments.

8.5 For the purpose of **Rule 8.4**, "market value" shall have the same meaning as it has for the purposes of the Taxation of Chargeable Gains Act 1992 by virtue of Part 8 of that Act and if the Shares in question are subject to a Restriction, the market value of such Shares is to be determined as if they were not subject to such Restriction.

## 9. **COSTS**

Any costs relating to the introduction and administration of the Scheme shall be payable by the Company.

## 10. **ADMINISTRATION**

10.1 The Board shall have power from time to time to make and vary such regulations (not being inconsistent with these Rules) for the implementation and administration of the Scheme as it thinks fit.

10.2 Any notice or Notice of Application given by an Eligible Employee or an Option Holder to the Company (or, as the case may be, the Grantor) in pursuance of the Scheme must be given in writing and be signed by the Eligible Employee or Option Holder as the case may be (and for this purpose an online Notice of Application containing the Eligible Employee's national insurance number or other form of unique identification in respect of the Eligible Employee or Option Holder concerned will be deemed to have been so given) and shall be acted upon by the Company (or, as the case may be, the Grantor) as soon as practicable after receipt provided that the Company (or, as the case may be, the Grantor) may in its absolute discretion act on instructions given or purporting to be given by electronic mail or facsimile or other method of communication and shall not be responsible for any loss whatsoever occasioned by so acting. Any such notice or Notice of Application will be properly given if sent by post to or otherwise delivered to the Secretary of the Company at its registered office (or, as the case may be, to the Grantor at the address set out in the Option Certificate).

10.3 Any notification or other notice which the Company is required to give or may desire to give to any Eligible Employee or Option Holder in pursuance of the Scheme shall be sufficiently given if delivered to him in person or if sent through the post in a prepaid cover addressed to such Option Holder at his address last known to the Company.

10.4 Any notice sent by post shall (save as provided by **Rules 2.1** and **7.1**) be deemed to be properly served 48 hours after an envelope containing such notice and properly addressed has been posted by first class post.

10.5 Option Holders not otherwise entitled to such documents may upon their written request be sent copies of all notices and other documents (including the Annual Report and Accounts) sent by the Company to its members.

10.6 The Company shall make returns of all Options granted and exercised and shall provide such other information relating to the Option Holders as may be from time to time required by HMRC.

## 11. GENERAL

11.1 The formation, existence, construction, performance, validity and all aspects whatsoever of the Scheme, any term of the Scheme and any Option granted under it shall be governed by English law. The English courts shall have jurisdiction to settle any disputes which may arise out of or in connection with the Scheme. The jurisdiction provisions contained in this **Rule 11.1** are made for the benefit of the Company and any Grantor only, which accordingly retain the right to bring proceedings in any other court of competent jurisdiction.

11.2 The decision of the Board in any dispute or question concerning the construction or effect of the Scheme or any other questions arising in connection with the Scheme shall be final and conclusive.

11.3 The Board may at any time resolve to terminate the Scheme in which event no further Options shall be granted but the provisions of the Scheme shall in relation to the Options then subsisting continue in full force and effect.

11.4 Notwithstanding any other provision of these Rules:

11.4.1 the Scheme shall not form any part of any contract of employment between the Company or any Subsidiary and any employees of any of those companies, and it shall not confer on any such employees any legal or equitable rights (other than those constituting the Options themselves) against the Company or any Subsidiary, directly or indirectly, or give rise to any cause of action in law or in equity against the Company or any Subsidiary;

11.4.2 the benefits to Eligible Employees under the Scheme shall not form any part of their wages or remuneration or count as pay or remuneration for pension fund or other purposes; and

11.4.3 in no circumstances shall any Eligible Employee on ceasing to hold the office or employment by virtue of which he is or may be eligible to participate in the Scheme, be entitled to any compensation for any loss of any right or benefit or prospective right or benefit under the Scheme which he might otherwise have enjoyed whether such compensation is claimed by way of damages for wrongful dismissal or other breach of contract or by way of compensation for loss of office or otherwise.

11.5 By returning a Notice of Application to the Company and accepting the grant of an Option an Option Holder shall be deemed to have agreed to the foregoing provisions of this **Rule 11** and all other provisions of this Scheme.

11.6 An Option Holder may at any time by notice in writing to the Company surrender such rights as might otherwise be available to him under any or all of his Options.

## 12. AMENDMENTS TO THESE RULES

12.1 Subject to **Rules 12.2**, and **12.3**, these Rules may be amended in any manner by resolution of the Board from time to time.

12.2 No amendment may be made in any Tax Year to a "key feature" of the Scheme (being a provision of the Scheme which is necessary in order for the requirements of Parts 2 to 7 inclusive of Schedule 3 to be met in relation to the Scheme) which would have the effect of preventing the return for the Tax Year in question in relation to the Scheme from containing a declaration that the amendment has not caused the requirements of Parts 2 to 7 inclusive of Schedule 3 not to be met in relation to the Scheme.

12.3 Save as provided in **Rule 12.4**, no amendment to these Rules shall adversely affect any subsisting Options except with the written consent on the part of such Option Holders as hold subsisting Options that are affected by the proposed amendments over at least 75% of the total number of Shares subject to all subsisting Options that are adversely affected by the proposed amendment.

12.4 Notwithstanding the provision of **Rule 12.3**, the Board may make any minor amendments to benefit the administration of the Scheme, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for any Option Holder or any member of the Group.

### 13. **OVERSEAS SUBSIDIARIES**

13.1 The Board may adopt rules as schedules to these Rules permitting the Company to grant Options over Shares on the terms contained in those rules to individuals who would be Eligible Employees but for them not being chargeable to tax in respect of his office or employment under section 15 of the Income Tax (Earnings and Pensions) Act 2003 who are employed by Constituent Companies in locations outside the United Kingdom subject to **Rule 13.2**. Rules adopted under this **Rule 13.1** will so far as the Board in its discretion considers reasonably practicable follow the Rules pursuant to which Options may be granted under the Scheme.

13.2 Any rules adopted under **Rule 13.1** will contain provisions in the same terms as the following Rules:

**Rule 3.2, Rule 3.3, Rule 3.4, Rule 12.2, Rule 12.3 and Rule 12.4.**

13.3 Any option granted pursuant to rules adopted pursuant to **Rule 13.1** will be clearly identified as being so granted in all documentation relating to that grant and for the avoidance of doubt will not form part of the Rules for the purposes of Schedule 3.

### 14. **DATA PROTECTION**

Any personal data relating to an Eligible Employee and/or Option Holder that is used in connection with the Scheme shall be processed in accordance with the Fair Processing Notice as from time to time amended. A copy of the current Fair Processing Notice will be available on the Company's intranet or on request by contacting the Company Secretary or any other officer of the Company.