

Rules of the Shanks Group plc 2015 Sharesave Scheme

Shanks Group plc

Rules adopted by the Board on 8 May 2015 and notified to HMRC under Schedule 3 to the Income Tax (Earnings and Pensions) Act 2003 on ● 2015 with unique reference number ●

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**RULES OF THE SHANKS GROUP PLC 2015
SHARESAVE SCHEME**

1. **DEFINITIONS**

In these Rules (unless the context otherwise requires) the following words and phrases have the following meanings:

"Act" means the Income Tax (Earnings and Pensions) Act 2003;

"Admitted" means admitted to the official list maintained by the FCA and admitted to trading on the London Stock Exchange's market for listed securities;

"Announcement Date" means any date on which the results of the Group for any period are announced;

"Application Period" means such period of not less than 14 days and not more than 21 days commencing on the day following an Invitation Date as may be determined by the Board;

"Associated Company" has the meaning given to it in paragraph 47 of Schedule 3 to the Act except for the purposes of Rules 9.4(f) and 9.5 where it has the meaning given to it by paragraph 35(4) of Schedule 3 to the Act;

"Board" means the board of directors from time to time of the Company (or the directors present at a duly convened meeting of such board) or a duly authorised committee or person or group of persons;

"Bonus Date" means:

- (a) where Repayment under the relevant Savings Contract is taken as including any maximum bonus payable under that Savings Contract, the earliest date on which the maximum bonus is payable; and
- (b) in any other case, the earliest date on which a bonus is payable under the Savings Contract;

"Commencement Date" means the date on which the Scheme is approved by the shareholders of the Company;

"Company" means Shanks Group plc;

"Company Event" means any of the following events:

- (a) any person obtains Control of the Company as a result of making:
 - (i) a general offer to acquire the whole of the issued ordinary share capital of the Company which is made on a condition such that, if it is met, the person making the offer (or that person and others acting in concert together) will have Control of the Company; or
 - (ii) a general offer to acquire all the shares in the Company which are of the same class as the Shares;

where:

- (A) the reference in paragraph (a)(i) above to the issued ordinary share capital of the Company does not include any capital already held by the person making the offer or a person connected with that person

(as defined in section 718 of the Act) and the reference in paragraph (a)(ii) above to the shares in the Company does not include any shares already held by the person making the offer or a person connected with that person (as defined in section 718 of the Act); and

- (B) for the purposes of paragraphs (a)(i) and (ii), it does not matter if the general offer is made to different shareholders by different means; or
- (b) the Court sanctions under section 899 of the Companies Act 2006 a compromise or arrangement applicable to or affecting:
 - (i) all the ordinary share capital of the Company or all the shares of the same class as the Shares; or
 - (ii) all the shares, or all 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; or
- (c) a Non-UK Company Reorganisation Arrangement applicable to or affecting:
 - (i) all the ordinary share capital of the Company or all the shares of the same class as the Shares; or
 - (ii) all the shares, or all 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 scheme,
becomes binding on the shareholders covered by it;
- (d) any person becomes bound or entitled to acquire Shares under the Compulsory Acquisition Provisions; or
- (e) the Company passes a resolution for voluntary winding-up;

"Compulsory Acquisition Provisions" means the provisions contained in sections 979 to 985 of the Companies Act 2006;

"Constituent Company" means any Member of the Group which is for the time being designated by the Board as a participating company in the Scheme;

"Continuous Service" means the aggregate amount of service with:

- (a) any Constituent Company (including service with such company before it became a Constituent Company); and
- (b) any other company which is or was a Subsidiary (including service with any such other company before it became a Subsidiary);

provided that:

- (i) all such service has been continuous; and
- (ii) in the case of an employee who is absent from such employment for any reason for a period during which such employee's contract of service subsists, or by reason of maternity leave, and who then returns to such

employment, any such period of absence shall be deemed to have formed part of such employee's continuous service;

"Control" has the meaning given to it by section 719 of the Act;

"Date of Grant" means the date on which the Board grants an Option in accordance with Rule 5.1;

"Dealing Day" means any day on which the London Stock Exchange is open for the transaction of business;

"Eligible Employee" means any employee or director of a Constituent Company:

- (a) who on the relevant Date of Grant shall have achieved at least such minimum period of Continuous Service (the minimum not to exceed five years) as the Board shall on or before the Invitation Date determine;
- (b) whose earnings from his office or employment with a Constituent Company fall within (or would fall within if there were any) paragraph 6(2)(c) of Schedule 3 to the Act; and
- (c) who is not ineligible to participate in the Scheme by virtue of any of the provisions of the Act;

provided that:

- (i) at the Invitation Date no notice of termination of such employment has been served by either the employee concerned or his employing Constituent Company and the employee or director in question has not ceased to hold office or employment with a Constituent Company; and
- (ii) the Board may treat any employee or director of a Constituent Company who meets requirement (c) above as an Eligible Employee;

"Employees' Share Scheme" has the meaning given to it in section 1166 of the Companies Act 2006;

"Exercise Price" means the price per Share at which a Participant may exercise an Option, established in accordance with Rule 6;

"FCA" means the Financial Conduct Authority (or any successor body exercising its functions under part VI of the Financial Services and Markets Act 2000);

"Group" means the Company and its Subsidiaries from time to time;

"HMRC" means Her Majesty's Revenue and Customs;

"Internal Reorganisation" means any compromise, arrangement or offer (including any Company Event) after which, in the reasonable opinion of the Board, Control of the Company remains substantially in the hands of the same person(s) as beforehand;

"Invitation" means an invitation to apply for the grant of an Option issued by the Board in accordance with Rule 3;

"Invitation Date" means the date upon which invitations to apply for Options are issued by the Board in accordance with Rule 3.2;

"London Stock Exchange" means London Stock Exchange plc or any successor company or body carrying on the business of London Stock Exchange plc;

"Member of the Group" means the Company or any one of its Subsidiaries from time to time;

"Non-UK Company Re-organisation Arrangement" has the meaning given to that term in paragraph 47A of Schedule 3 to the Act;

"Option" means a right to acquire a specified number of Shares at the Exercise Price in accordance with the Rules;

"Participant" means any individual who has been granted and continues to hold an Option or (where the context admits) the personal representatives of any such individual;

"Personal Data" has the meaning given to that term in section 1(1) of the Data Protection Act 1998;

"Relevant Transfer" has the meaning given to that term in Rule 9.4(e);

"Repayment" means, in relation to a Savings Contract, the amount of the contributions repayable and, where relevant, of any bonus and/or interest payable on the termination of the Savings Contract;

"Restriction" has the meaning given to that term in paragraph 48(3) of Schedule 3 to the Act;

"Rules" means these rules as from time to time amended in accordance with their provisions by the Board or by the Company in general meeting;

"Savings Contract" means a certified SAYE savings arrangement within the meaning of section 703(1) of the Income Tax (Trading and Other Income) Act 2005 and which has been approved by HMRC for the purposes of Schedule 3 to the Act;

"Schedule 3 SAYE option scheme" means an SAYE option scheme which meets the requirements of Schedule 3 to the Act;

"Scheme" means this scheme as governed by the Rules;

"Scheme-related Employment" means the office or employment by virtue of which a Participant is eligible to participate in the Scheme;

"Share" means a fully paid ordinary share in the capital of the Company which satisfies the conditions specified in paragraphs 18 to 20 inclusive and paragraph 22 of Schedule 3 to the Act;

"Subsidiary" means a company which is both under the Control of the Company and is a subsidiary of the Company (within the meaning of section 1159 of the Companies Act 2006);

Where the context so permits, the singular shall include the plural and vice versa and the masculine gender shall include the feminine. Any reference to a statutory provision is to be construed as a reference to that provision as for the time being amended or re-enacted and shall include any regulations or other subordinate legislation made under it.

2. **COMMENCEMENT AND TITLE**

The Scheme shall commence on the Commencement Date and shall be known as The Shanks Group plc 2015 Sharesave Scheme.

3. **APPLICATIONS FOR OPTIONS**

3.1 **Board's decision to issue an Invitation**

On or prior to an Invitation Date the Board may decide in its absolute discretion:

- (a) whether to issue an Invitation;
- (b) whether to issue Invitations to apply for three year Options or five year Options (or Options of such other length as may be available from time to time) or whether to offer Eligible Employees a choice;
- (c) whether the Repayment shall be taken as including a bonus;
- (d) whether to include for the purposes of the maximum monthly savings limit such contributions as are referred to in Rule 3.3(f);
- (e) whether to impose a limit on the number of Shares in respect of which Options may be granted in relation to the invitation and, if so, what that limit shall be; and
- (f) whether to impose a maximum monthly contribution under the related Savings Contract of less than the maximum amount permitted under the terms of the Savings Contract and, if so, what that limit shall be.

3.2 **Timing of an Invitation**

The Board may issue an Invitation on any date which falls:

- (a) within 42 days after:
 - (i) the Commencement Date; or
 - (ii) an Announcement Date; or
 - (iii) any day on which a change to legislation or regulations which, in the Board's reasonable opinion, may affect Options granted under this Plan, is announced, effected or made; or
 - (iv) any day on which a new Savings Contract prospectus is announced or takes effect; or
- (b) at any time at which the Board resolves that exceptional circumstances exist which justify the issue of an Invitation.

3.3 **Contents of the Invitation**

Where an Invitation is issued, it shall be sent to all Eligible Employees and shall state:

- (a) the Exercise Price or the method by which the Exercise Price will be notified to Eligible Employees;
- (b) if the Repayment is not to be taken as including a bonus, that fact;
- (c) any limit imposed on the number of Shares in respect of which Options may be granted in relation to the invitation;
- (d) the minimum monthly contribution under the related Savings Contract which may not be less than £5 per month (or such other minimum amount as may be

permitted by legislation and by the terms of the Savings Contract from time to time);

- (e) the maximum monthly contribution under the related Savings Contract which may not, when aggregated with contributions which he makes under any other Savings Contract linked to a Schedule 3 SAYE option scheme, be more than £500 (or such other limit as may be permitted by legislation and by the terms of the Savings Contract from time to time);
- (f) whether the maximum monthly contribution specified in the invitation shall include contributions agreed to be made by any applicant under any other Savings Contract linked to a Schedule 3 SAYE option scheme operated by the Company or any Member of the Group where:
 - (i) that Savings Contract was cancelled prior to its normal maturity date; and
 - (ii) had that savings contract not been so cancelled, those contributions would have been included for the purposes of the maximum monthly contribution specified in the invitation.
- (g) whether applications may be made for three year Options or five year Options (or Options of such other length as may be available from time to time) or any combination of them;
- (h) the date, being the last day of the Application Period, by which applications for the grant of Options must have been received by the Board or such person as the Board may direct; and
- (i) whether the Shares which may be acquired on the exercise of an Option may be subject to any Restriction(s) and, if so, the details of the Restriction(s).

3.4 **Failure to deliver an Invitation**

Any accidental failure or omission to deliver an Invitation to an Eligible Employee shall not invalidate the grant of an Option to any other Eligible Employee.

3.5 **Form of the application for an Option**

Applications for Options under the Scheme shall be in such form as the Board may require and each:

- (a) must incorporate or be accompanied by a completed application form to enter into a Savings Contract under which the applicant specifies, in multiples of £1 per month, the contribution he wishes to make within the limits specified in the Invitation; and
- (b) shall empower the Board or any person authorised by it:
 - (i) to amend the amount of the applicant's specified contribution to such lesser sum as may be required under Rule 4; and
 - (ii) to deduct from the Participant's pay such contribution as he shall specify (or as may be amended under Rule 3.5(b)(i)) and pay that contribution on behalf of the Participant in discharge of the Participant's obligations under the Savings Contract; and
- (c) must state the length of the Option applied for.

3.6 **Calculation of the number of Shares under Option**

The Repayment due under each Participant's Savings Contract shall, as nearly as practicable, equal the amount for which Shares may be acquired under the related Option if exercised in full and, therefore, each application shall be treated as being for an Option over the largest whole number of Shares which can be acquired at the Exercise Price with the Repayment under the related Savings Contract (following any adjustment under Rules 3.5(b)(i) and 4).

4. **SCALING DOWN**

4.1 **Pro rata scaling down**

Subject to Rule 4.2, where the Board in its discretion imposes a limit on the number of Shares in respect of which Options may be granted in respect of any Invitation and applications are received which would, if met in full, exceed that limit, the monthly savings contribution chosen by each applicant under the Savings Contract shall, on or before the Date of Grant, be reduced proportionately (and in the same proportions) to the extent necessary to fall within such limit, provided that:

- (a) multiple applications made by a single applicant shall be aggregated and reduced proportionately; and
- (b) contributions agreed to be made by any applicant under any existing savings contract linked to a Schedule 3 SAYE option scheme shall not be taken into account.

4.2 **Insufficient Shares available**

If, having scaled down applications as described in Rule 4.1, the number of Shares available is insufficient to enable Options to be granted to all Eligible Employees making valid applications, the Board may determine in its absolute discretion that no Options shall be granted.

5. **GRANT OF OPTIONS**

5.1 **Times at which Options may be granted**

Within 30 days (or, where applications are scaled back under Rule 4, 42 days) after:

- (a) the first Dealing Day by reference to which the Exercise Price was determined under Rule 6; or
- (b) where the Exercise Price was not determined by reference to one or more Dealing Days, the Invitation Date;

and subject to the limitations and conditions contained in the Scheme, the Board may grant Options pursuant to an Invitation and, if it does so, shall grant an Option to each Eligible Employee who has made a valid application over that number of Shares for which an application is treated as having been made under Rule 3.6.

5.2 **Times at which an Option may not be granted**

No Option may be granted:

- (a) prior to the Commencement Date; or
- (b) later than ten years after the Commencement Date.

5.3 **Method of grant**

No payment shall be required from a Participant on the grant of an Option. The Board shall grant Options by deed in such form as the Board shall decide. A single deed of grant may be executed in favour of any number of Participants.

5.4 **Option certificates**

Each Participant shall on, or as soon as possible after, the Date of Grant be issued with a certificate as evidence of the grant of an Option.

5.5 **Prohibition on transfer etc of an Option**

Neither an Option nor any right in respect of it may be transferred, pledged, mortgaged or encumbered in any way by a Participant or his personal representatives. In the event of any breach or purported breach of this Rule, an Option will lapse immediately. This Rule 5.5 does not prevent the transmission of an Option to the personal representatives of a deceased Participant nor does it prevent those personal representatives from exercising an Option in accordance with the Rules or the law of succession.

5.6 **Ineligibility for the grant of an Option**

Notwithstanding the above, no Option shall be granted to any individual who is ineligible to participate in the Scheme at the Date of Grant by virtue of paragraph 10 of Schedule 3 to the Act.

6. **THE EXERCISE PRICE**

6.1 **Amount of the Exercise Price**

The Exercise Price of an Option shall be stated at the Date of Grant and shall be such amount as the Board shall determine provided it is not less than the higher of:

- (a) (in the case only of an Option to subscribe for Shares) the nominal value of a Share; and
- (b) 80 per cent (or such other percentage as may be specified in paragraph 28(1) of Schedule 3 to the Act from time to time) of the market value of a Share on the Date of Grant as determined in accordance with Rule 6.2.

6.2 **Definition of "market value"**

For the purposes of Rule 6.1(b), the market value of a Share on the Date of Grant shall be:

- (a) at any time at which the Shares are Admitted, its middle market quotation (as derived from the Daily Official List of the London Stock Exchange) on the last Dealing Day before the Invitation Date or, if the Board so decides, the average of the middle market quotations (as so derived) for the three Dealing Days immediately preceding the Invitation Date provided that, where an Invitation Date falls within one of the periods specified in paragraphs (a)(i) or (a)(ii) of Rule 3.2, no Dealing Day by reference to which market value is calculated shall fall prior to any of those periods; or
- (b) at any time at which the Shares are not Admitted, its market value as determined in accordance with Part VIII of the Taxation of Chargeable Gains Act 1992 and agreed in advance with HMRC.

6.3 **Any Restrictions to be ignored**

For the purposes of this Rule 6, the market value of Shares which are subject to any Restriction shall be determined as if that Restriction did not apply.

6.4 **Statement of Exercise Price on Option certificate**

The Exercise Price shall be shown in the Option certificate referred to in Rule 5.4 and is subject to adjustment in accordance with Rule 8.

7. **LIMITATIONS ON THE ISSUE OF SHARES**

7.1 **Limit on the number of Shares to be issued under the scheme**

Subject to such adjustments as may be made in accordance with Rule 8, no Option may be granted on any proposed Date of Grant if, as a result, the aggregate number of Shares issued or committed to be issued pursuant to grants made under the Scheme and pursuant to grants or appropriations made during the ten years preceding such Date of Grant under all other Employees' Share Schemes established by the Company would exceed ten per cent of the issued ordinary share capital of the Company on that Date of Grant.

7.2 **Lapsed and released options not to be taken into account**

For the avoidance of doubt, Shares which have been the subject of Options or of rights granted under any other Employees' Share Scheme which have lapsed or been released shall not be taken into account for the purposes of this Rule 7.

7.3 **Treasury shares**

For the purposes of the limit contained in Rule 7.1, the reference to Shares issued or committed to be issued shall include Shares transferred from treasury or committed to be so transferred unless institutional shareholder guidelines cease to require such Shares to be counted.

8. **ALTERATIONS OF SHARE CAPITAL**

8.1 **Adjustment of Options**

In the event of any variation in the share capital of the Company by way of capitalisation of profits or reserves or by way of rights or any consolidation or sub-division or reduction of capital or otherwise, then the number, nominal value and description of Shares subject to any Options, the Exercise Price and, where an Option has been exercised but, as at the date of the variation of capital referred to above, no Shares have been allotted or transferred pursuant to such exercise, the number of Shares which may be so allotted or transferred and the price at which they may be acquired, may be adjusted by the Board in such manner and with effect from such date as the Board may determine to be appropriate provided always that:

- (a) at any time at which the Scheme is a Schedule 3 SAYE option scheme, any such adjustment complies with the requirements of paragraph 28(3A) of Schedule 3 to the Act; and
- (b) no adjustment shall be made which would reduce the Exercise Price of any Option to subscribe for Shares below the nominal value of a Share unless and to the extent that:

- (i) the Board is authorised to capitalise from the reserves of the Company a sum equal to the amount by which the nominal value of the Shares subject to the Option exceeds the aggregate adjusted Exercise Price; and
- (ii) the Board shall resolve to capitalise and apply such sum on exercise of that Option.

8.2 **Notification of any adjustment to Participants**

The Board shall notify Participants in such manner as it thinks fit of any adjustment made under Rule 8.1 and may call in, cancel, endorse, issue or re-issue any Option certificate as a result of any such adjustment.

9. **WHEN OPTIONS MAY BE EXERCISED**

9.1 **No exercise earlier than the Bonus Date**

Save as provided in Rules 9.4, 9.6 and 10, an Option may not be exercised earlier than the Bonus Date of the related Savings Contract.

9.2 **No exercise more than six months after the Bonus Date**

Save only as provided in Rule 9.6, no Option may be exercised later than six months after the Bonus Date of the related Savings Contract.

9.3 **Exercise within six months after the Bonus Date**

Subject to Rules 9.4 and 9.6, an Option may be exercised within six months after the Bonus Date of the related Savings Contract by a Participant who is a director or employee of a Constituent Company or by a Participant who is at the Bonus Date a director or employee of a company which is not a Constituent Company but which is an Associated Company of the Company or a company under the Control of the Company.

9.4 **Cessation of employment through injury, disability etc**

Subject to Rule 10, if a Participant ceases to hold Scheme-related Employment by reason of:

- (a) injury;
- (b) disability;
- (c) redundancy within the meaning of the Employment Rights Act 1996 or the Employment Rights (Northern Ireland) Order 1996;
- (d) retirement;
- (e) a relevant transfer within the meaning of the Transfer of Undertakings (Protection of Employment) Regulations 2006 (a "**Relevant Transfer**");
- (f) where the Participant holds office in or is employed by an Associated Company of the Company, such company ceasing to be 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);
- (g) the business or part of the business to which the Participant's office or employment relates being transferred to a person who is not an Associated Company of the Company in circumstances where the transfer is not a Relevant Transfer; or

- (h) any other reason, provided that such cessation is more than three years from the Date of Grant of the Option;

an Option may be exercised during the period of six months from the date of cessation notwithstanding that the Bonus Date has not yet occurred.

9.5 **When a person is treated as ceasing Scheme-related Employment**

No person shall be treated for the purposes of Rule 9.4 as ceasing to hold Scheme-related Employment until that person ceases to hold office or employment with:

- (a) the Company; or
- (b) any Associated Company of the Company; or
- (c) any Company which is under the Control of the Company.

9.6 **Death**

In the event of the death of a Participant:

- (a) prior to the Bonus Date, an Option may be exercised by his personal representatives at any time during the period of 12 months commencing on the date of his death notwithstanding that the Bonus Date has not yet occurred; and
- (b) on or within six months after the Bonus Date, an Option may be exercised by his personal representatives at any time during the period of 12 months commencing on the Bonus Date.

9.7 **Number of Shares over which an option may be exercised before the Bonus Date**

If an Option becomes exercisable under any provision of the Scheme before the Bonus Date, it shall be exercisable only over the number of Shares the aggregate Exercise Price of which equals (as nearly as may be), but does not exceed the Repayment made under the related Savings Contract but excluding any contributions made directly by the Participant except to the extent that such are:

- (a) made pursuant to any special arrangements relating to absence from employment; or
- (b) made at the same rate of contribution and at the same intervals as those contributions previously deducted from his salary pursuant to the provisions of Rule 3.5(b)(ii) between the date of the Participant ceasing to hold Scheme-related Employment and the date on which the Option is exercised;

and the Option shall cease to be exercisable over any Shares in excess of that number in respect of which it was granted. For the avoidance of doubt, any Repayment under the Savings Contract shall exclude the Repayment of any contributions made in advance under the Savings Contract the due date for payment of which falls or would have fallen more than one month after the date on which Repayment is made.

9.8 **Cancellation of an Option after exercise**

An Option shall be exhausted and automatically cancelled immediately after it is first exercised notwithstanding that it shall not have been exercised in respect of all of the Shares over which the Option was granted.

10. **COMPANY EVENTS**

10.1 **Exercise following a Company Event**

If a Company Event occurs, an Option becomes exercisable immediately following the Company Event and may, subject to any agreement pursuant to Rule 10.2, be exercised until the earliest of:

- (a) the expiry of the period of six months commencing on the date of the Company Event; and
- (b) the expiry of any period during which any person is bound or entitled to acquire Shares under the Compulsory Acquisition Provisions.

10.2 **Rollover of Options**

If a company (the "**Acquiring Company**") obtains Control of the Company as a result of a Company Event, any Participant may, within the relevant period set out in paragraph 38(3) of Schedule 3 to the Act, by agreement with the Acquiring Company, release an Option (the "**Old Option**") in consideration of the grant to him of a new option (the "**New Option**") which satisfies the requirements of paragraph 39 of Schedule 3 to the Act and is over shares in the Acquiring Company (or another company which satisfies subparagraph (b) or (c) of paragraph 18 of Schedule 3 to the Act in relation to the Acquiring Company). The New Option shall, for all other purposes of the Scheme, be treated as having been acquired at the same time as the Old Option in consideration of the release of which it is granted. In relation to any New Option and where appropriate in the context of that New Option:

- (a) the Rules shall be construed as if references in the Rules to "the Company" were references to the Acquiring Company (or such other company whose shares are subject to the New Option); and
- (b) the Rules shall be construed as if references in the Rules to "Shares" were references to shares in the Acquiring Company (or such other company whose shares are subject to the New Option).

10.3 **Internal re-organisation**

Rule 10.1 shall not apply in the case of an Internal Reorganisation, unless the Acquiring Company fails to make an offer to Participants to release their Options in accordance with Rule 10.2 within one week of the date of the relevant Company Event, in which case Rule 10.1 shall apply as if the event triggering the exercise of Options had occurred on the day following the end of the period of one week mentioned above.

10.4 **Exercise following a voluntary winding-up**

If the Company passes a resolution for voluntary winding up, any Subsisting Option may be exercised within six months after the passing of the resolution.

10.5 **Persons acting in concert**

For the purposes of this Rule 10 other than Rule 10.3, a person shall be deemed to have obtained Control of a Company if he and others acting in concert with him have together obtained Control of it.

10.6 **Manner of exercise of Options**

The exercise of an Option pursuant to the preceding provisions of this Rule 10 shall be subject to the provisions of Rule 12.

11. **LAPSE OF OPTIONS**

An Option, whenever granted, shall lapse and cease to be exercisable upon the earliest to happen of the following:

- (a) the expiry of any of the periods for exercise under the provisions of Rule 9 except that if the Participant dies during the exercise period specified in Rule 9.3 or 9.4, an Option shall not lapse by reason of this Rule 11.1(a) until the expiry of the 12 month period in Rule 9.6, if later;
- (b) the expiry of any of the periods for exercise under the provisions of Rule 10 including for the avoidance of doubt the expiry of the relevant period specified in Rule 10.2 (subject to any agreement entered into pursuant to Rule 10.2) except that, in the case of a deceased Participant (other than where Rule 10.4 applies), an Option shall not lapse by reason of this Rule 11.1(b) until the expiry of the 12 month period in Rule 9.6, if later;
- (c) the date on which the Participant ceases to hold any office or employment with any Member of the Group or with any Associated Company for any reason other than any of the matters referred to in Rules 9.4 or 9.6;
- (d) the date on which the Participant is adjudicated bankrupt;
- (e) any breach or purported breach of Rule 5.5; or
- (f) if the Participant omits seven or more times to make a monthly payment due under his Savings Contract or gives notice under the Savings Contract requiring Repayment before the Bonus Date unless such non-payment or notice is:
 - (i) in consequence of his ceasing to hold office or employment by virtue of one of the reasons mentioned in Rules 9.4 or 9.6; or
 - (ii) in the circumstances of Rule 12.

12. **MANNER OF EXERCISE OF OPTIONS**

12.1 **Procedure for exercise of an Option**

An Option shall be exercised by the Participant lodging with the Secretary of the Company at its registered office (or otherwise as may be notified to Participants from time to time):

- (a) an option certificate in respect of the option to be exercised;
- (b) a notice of exercise in such form as the Board may from time to time prescribe specifying the number of Shares in respect of which the Option is being exercised; and
- (c) payment in cleared funds for that number of Shares, calculated by reference to the Exercise Price;

or in such other manner as may be notified to Participants from time to time, including via an online share administration portal.

12.2 **Date of exercise**

The date of exercise of the Option shall be the date of receipt by the Company of the items referred to in Rule 12.1.

12.3 **Payment not to exceed the Repayment under the Savings Contract**

It is a condition of the exercise of an Option under the Scheme that payment for the Shares shall not exceed the amount of the Repayment to the Participant under the Savings Contract to which he has contributed in relation to the Option. If, upon the exercise of an Option, the Repayment then due to a Participant under his Savings Contract is less than the amount required to pay for all the Shares in respect of which it is purportedly exercised, the Option shall be treated as exercised only in respect of such number of Shares as may be acquired with the amount of the Repayment and shall lapse as to the excess.

12.4 **Issue or transfer of Shares following exercise**

Subject to:

- (a) receipt of the appropriate payment; and
- (b) the obtaining of any necessary consents from H.M. Treasury, the Bank of England or other competent authority and to the terms of any such consent;

the Board shall within 30 days of the date of exercise of an Option cause the Company to allot and issue, or procure the transfer of, the relevant Shares and, in the case of certificated shares, send or cause to be sent to the Participant who has exercised the Option a share certificate for the Shares in respect of which the Option is exercised. The Company may alternatively arrange for the Shares to be issued or transferred to a nominee appointed by the Company to be held on behalf of the Participant.

12.5 **Ranking of Shares**

Shares issued pursuant to the Scheme will rank pari passu in all respects with the Shares already in issue except that they and any Shares transferred pursuant to the Scheme will not rank for any dividend or other distribution of the Company paid or made by reference to a record date falling prior to the date of issue or transfer.

12.6 **Application for the Shares to be Admitted**

If and for so long as the Shares are Admitted, the Company shall as soon as practicable after any such allotment, apply to the FCA and the London Stock Exchange for permission for the allotted Shares to be Admitted. Any application may be postponed at the discretion of the Board until application can be made in respect of such number of Shares as the Board considers appropriate.

12.7 **Maintenance of sufficient unissued share capital**

The Company shall maintain sufficient unissued share capital to satisfy all rights to subscribe for Shares from time to time under subsisting Options.

13. **EMPLOYMENT RIGHTS**

13.1 **Scheme not to form part of the contract of employment**

This Scheme shall not form part of any contract of employment between any Member of the Group or any Associated Company of the Company and any employee of any such company and the rights and obligations of any individual under the terms of his office or employment with any such company shall not be affected by his participation in the Scheme or any right which he may have to participate in the Scheme.

13.2 **Conditions of participation in the Scheme**

Participation in the Scheme shall be on the express condition that:

- (a) neither it nor cessation of participation shall afford any individual under the terms of his office or employment with any Member of the Group or any Associated Company of the Company any additional or other rights to compensation or damages; and
- (b) no damage or compensation shall be payable in consequence of the termination of such office or employment (whether or not in circumstances giving rise to a claim for wrongful or unfair dismissal) or for any other reason whatsoever to compensate him for the loss of any rights the Participant would otherwise have had (actual or prospective) under the Scheme for whatever reason but for such termination; and
- (c) the Participant shall be deemed irrevocably to have waived any such rights to which he may otherwise have been entitled.

13.3 **No claim for non-participation in the Scheme**

No individual shall have any claim against a Member of the Group or any Associated Company of the Company arising out of his not being admitted to participation in the Scheme which (for the avoidance of all, if any, doubt) is governed entirely by the Rules.

13.4 **No compensation for loss of rights etc**

No Eligible Employee or Participant shall be entitled to claim compensation from any Member of the Group or any Associated Company of the Company in respect of any sums paid by him pursuant to the Scheme or for any diminution or extinction of his rights or benefits (actual or otherwise) under any Option held by him consequent upon the lapse for any reason of any Option held by him or otherwise in connection with the Scheme and each such company shall be entirely free to conduct its affairs as it sees fit without regard to any consequences under, upon or in relation to the Scheme or any Option or Participant.

14. **ADMINISTRATION OF THE SCHEME**

14.1 **Power of the Board to make regulations**

The Board may make and vary such regulations (not being inconsistent with the Scheme) as it thinks fit for the administration and implementation of the Scheme. The Board's decision on any matter concerning the Scheme or its interpretation shall be final and binding.

14.2 **Administration and amendments to the Scheme**

The Scheme shall be administered under the direction of the Board who may at any time and from time to time by resolution and without other formality delete, amend or add to the Rules of the Scheme in any respect provided that:

- (a) no deletion, amendment or addition shall operate to affect adversely in any way any rights already acquired by a Participant under the Scheme without the approval of the majority of the affected Participants first having been obtained;
- (b) no alteration to a key feature (as that term is defined in paragraph 40B(8) of Schedule 3 to the Act) of the Plan shall have effect at any time at which the Scheme is and is intended to remain a Schedule 3 SAYE option scheme where such an alteration would cause the scheme to cease to be a Schedule 3 SAYE option scheme;

- (c) no deletion, amendment or addition to the advantage of Participants may be made to any of the provisions of the Scheme relating to:
 - (i) eligibility;
 - (ii) the limitations on the number or amount of Shares subject to the Scheme;
 - (iii) the maximum entitlement of any one Participant;
 - (iv) the basis for determining a Participant's entitlement to, and the terms of, Shares to be provided under the Scheme and for the adjustment thereof (if any) in the event of a capitalisation issue, rights issue or open offer, subdivision or consolidation of Shares or reduction of capital or any other variation of capital;

except with the prior approval of the Company in general meeting, unless the deletion, amendment or addition is minor and to benefit the administration of the Scheme, to obtain or maintain the status of the Scheme as a Schedule 3 SAYE scheme, to obtain or maintain favourable tax, exchange control or regulatory treatment for Participants or any Member of the Group or any Associated Company of the Company or to take into account existing or proposed legislation.

14.3 **Amendments to comply with legislation etc and overseas schemes**

Subject to Rule 14.2(b) and notwithstanding anything to the contrary contained in these Rules, the Board may at any time by resolution and without further formality:

- (a) amend the Scheme in any way to the extent necessary to obtain or maintain the status of the Scheme as a Schedule 3 SAYE scheme or to obtain or maintain approval by any other governmental or regulatory body pursuant to any present or future United Kingdom legislation; and
- (b) establish further Schemes to apply in overseas territories governed by rules similar to these Rules but modified to take account of local tax, exchange control or securities laws, regulation or practice provided that any Shares made available under any such scheme shall be treated as counting against any limits on overall or individual participation in the Scheme.

14.4 **Board's decision is final**

The Board's decision on any matter relating to the interpretation of the Rules and any other matters concerning the Scheme (including the rectification of errors or mistakes of procedure or otherwise) shall be final and binding.

14.5 **Notices**

Any notice or other communication under or in connection with the Scheme may be given:

- (a) by the Company to an Eligible Employee or Participant either personally or sent to him at his place of work by electronic mail or by post addressed to the address last known to the Company (including any address supplied by the relevant Participating Company or any Subsidiary) or sent through the Company's internal postal service; and
- (b) to the Company either personally or by post to the Company Secretary.

Items sent by post shall be pre-paid and shall be deemed to have been received 72 hours after posting. Items sent by electronic mail shall be deemed to have been received at the expiration of 24 hours from when they were sent.

14.6 **Costs**

The Company shall bear the costs of setting up and administering the Scheme. However, the Company may require any Participating Company to reimburse the Company for any costs borne by the Company directly or indirectly in respect of such Participating Company's officers or employees.

14.7 **Books and records**

The Company shall maintain all necessary books of account and records relating to the Scheme.

14.8 **Execution of documents**

The Board shall be entitled to authorise any person to execute on behalf of a Participant, at the request of the Participant, any document relating to the Scheme, in so far as such document is required to be executed pursuant to the Scheme.

14.9 **Copies of shareholder documents**

The Company may send copies to Participants of any notice or document sent by the Company to the holders of Shares.

14.10 **Replacement of Option certificates**

If any Option certificate becomes worn out, defaced or lost, it may be replaced on such evidence being provided as the Board may require.

15. **DATA PROTECTION**

By participating in the Plan, a Participant consents to the collection, retention, use, processing and transfer (whether between themselves or to any third party and including transfer to countries outside the European Economic Area) of his Personal Data by any Member of the Group, any of their Associated Companies, the trustees of any employee benefit trust, any administrator of the Scheme or the Company's registrars or brokers for the purposes of implementing and operating the Scheme.

16. **EXCLUSION OF THIRD PARTY RIGHTS**

The Contracts (Rights of Third Parties) Act 1999 shall not apply to this Scheme nor to any Option granted under it and no person other than the parties to an Option shall have any rights under it nor shall it be enforceable under that Act by any person other than the parties to it.

17. **TERMINATION OF THE SCHEME**

The Scheme may be terminated at any time by a resolution of the Board or by a resolution of the Company in general meeting and shall in any event terminate on the tenth anniversary of the Commencement Date. On termination, no further Options shall be granted but such termination shall not affect the subsisting rights of Participants.

18. **GOVERNING LAW**

These Rules shall be governed by and construed in accordance with English law.