


---

**SPIRE HEALTHCARE GROUP PLC**  
**SAYE OPTION SCHEME 2015**

---

Approved by shareholders of the Company in general meeting on  2016

Schedule 3 Notice given to HMRC on  2016

## CONTENTS

RULE		PAGE
1	DEFINITIONS AND INTERPRETATION.....	1
2	INVITATION AND APPLICATION FOR OPTIONS.....	5
3	SCALING DOWN .....	7
4	GRANT OF OPTIONS.....	7
5	PLAN LIMITS.....	8
6	RIGHTS OF EXERCISE AND LAPSE OF OPTIONS.....	9
7	TAKEOVERS AND OTHER CORPORATE EVENTS.....	10
8	EXCHANGE OF OPTIONS .....	12
9	EXERCISE OF OPTIONS .....	13
10	ADJUSTMENT OF OPTIONS .....	14
11	ADMINISTRATION.....	15
12	AMENDMENTS .....	16
13	EMPLOYMENT RIGHTS.....	17
14	MISCELLANEOUS.....	18

## 1 DEFINITIONS AND INTERPRETATION

1.1 In this Plan, unless the context otherwise requires:

**Adoption Date** means the date on which the Plan was adopted by the Board;

**Appropriate Period** means a period as determined in paragraph 38(3) of Schedule 3;

**Associated Company** has the meaning given by paragraph 47(1) of Schedule 3;

**Board** means the board of directors for the time being of the Company or a duly authorised committee of it;

**Bonus Date** means the date on which a bonus becomes payable under the terms of the relevant Savings Contract;

**Company** means Spire Healthcare Group plc (incorporated and registered in England with number 09084066);

**Continuous Service** has the same meaning as for "continuous employment" given in the Employment Rights Act 1996;

**Control** means control within the meaning of section 995 of the Income Tax Act 2007 and **Controlled** will be construed accordingly;

**Constituent Company** means:

- (i) the Company; and
- (ii) any other company which is under the Control of the Company, is a Subsidiary of the Company and is nominated by the Board to be a constituent company;

**CTA 2010** means the Corporation Tax Act 2010;

**Date of Grant** means the date on which an Option is granted under Rule 4;

**Date of Invitation** means the date on which an invitation is made to Eligible Employees under Rule 2;

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

**Eligible Employee** means any individual who at the Date of Grant is either:

- (i) an employee or full time director of a Constituent Company and, in the case of a director, on terms which require him to devote not less than 25 hours (excluding meal breaks) per week to his duties and:
  - (a) whose earnings from his employment are (or would be if there were any) general earnings to which section 15 of ITEPA applies (earnings for year when employee is UK resident);
  - (b) who has the qualifying period (if any) of Continuous Service (not exceeding five years prior to the Date of Grant) that the Board determines; and

- (c) who has not given or received notice to terminate his employment (and/or office, if any) which will have the effect that he will no longer be an employee or full time director of any Constituent Company on the relevant Date of Grant; or
- (ii) any employee or full time director of a Constituent Company not within (i) above who the Board determines to be an Eligible Employee in respect of any particular invitation.

**Employees' Share Scheme** means a scheme for encouraging or facilitating the holding of shares or debentures in a company by or for the benefit of:

- (i) the bona fide employees or former employees of the Company, the Company's Subsidiary or holding company or a Subsidiary of the Company's holding company; or
- (ii) the spouses, civil partners, surviving spouses, surviving civil partners or children or step-children under the age of 18 of such employees or former employees;

**Exercise Price** means the total amount payable on the exercise of an Option, whether in whole or in part, being an amount equal to the relevant Option Price multiplied by the number of Shares in respect of which the Option is exercised;

**Group** means the Company and its Subsidiaries;

**HMRC** means HM Revenue & Customs;

**Invitation Period** means the period of 42 days commencing on any of the following:

- (i) the Adoption Date;
- (ii) the day immediately following any general meeting of the Company;
- (iii) any day on which any change to the legislation affecting Schedule 3 Plans is announced or made;
- (iv) the day after the date on which the Company makes an announcement of its results for the last preceding financial year, half-year or other period; or
- (v) any date on which the Board resolves that exceptional circumstances exist;

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

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

**Market Value** means:

- (i) if and so long as the Shares are listed on the Main Market of the London Stock Exchange in relation to a Share on any day its closing middle market quotation (as derived from the Daily Official List of the London Stock Exchange on that day);
- (ii) while the Shares are listed on a Recognised Stock Exchange other than the Main Market of the London Stock Exchange, the value of the Shares determined using a method approved by the Board which is compatible with section 272(3) and 272(4) of the Taxation of Chargeable Gains Act 1992 (as amended by Schedule 26 to the Finance Act 2007); or

- (iii) if the Shares are not listed on a Recognised Stock Exchange, the market value of a Share determined in accordance with the applicable provisions of Part VIII of the Taxation of Chargeable Gains Act 1992, as agreed in advance with HMRC Shares and Assets Valuation;

**Maximum Contribution** means the lesser of;

- (i) a Monthly Contribution of £500 or any other maximum amount permitted under paragraph 25 of Schedule 3 as the maximum amount of a Monthly Contribution; and
- (ii) the maximum Monthly Contribution determined by the Board;

**Minimum Contribution** means the lesser of:

- (i) a Monthly Contribution of £10 or any other amount stipulated under Schedule 3 as the minimum amount of a Monthly Contribution; and
- (ii) the minimum Monthly Contribution determined by the Board, being not less than £5;

**Monthly Contribution** means the monthly amount agreed to be paid by a Participant under a Savings Contract;

**Option** means a right which has been granted or is proposed to be granted to acquire Shares under the Plan;

**Option Price** means, subject to any adjustment under Rule 10, the price per share at which a Participant may acquire Shares on the exercise of an Option as determined by the Board and stated at the Date of Grant in accordance with Rule 2.4 (which must not be less than the nominal value of a Share if the Shares are to be subscribed);

**Participant** means any Eligible Employee to whom an Option has been granted or (where the context requires) his personal representatives;

**Person** means any individual, corporation, partnership, limited liability company, trust or other entity of whatever nature;

**Plan** means the Spire Healthcare Group plc SAYE Share Option Scheme 2016 as amended from time to time in accordance with the Rules;

**Plan Period** means the period starting on the Adoption Date and ending on the tenth anniversary of that date;

**Recognised Stock Exchange** has the same meaning ascribed to it in Section 1005 of the Income Tax Act 2007;

**Redundancy** has the same meaning as defined by section 139(1) of the Employment Rights Act 1996;

**Relevant Event** means any of the events set out in Rules 7.1, 7.2 or 7.3;

**Restriction** means a restriction set out in paragraph 48(3) of Schedule 3;

**Retirement** means retirement (with consent of the Participant's employer) at any age from the office or employment by virtue of which a Participant is eligible to participate in the Plan;

**Rules** means these Plan rules as amended from time to time;

**Savings Body** the savings body designated by the Board for the purpose of the Plan;

**Savings Contract** means a contract under a certified contractual savings scheme within the meaning of section 703 of the Income Tax (Trading and Other Income) Act 2005 which is approved by HMRC for the purposes of Schedule 3;

**Savings Contract Repayment** means

- (i) the aggregate repayment which corresponds to any particular rate of saving under a Savings Contract, being the repayment of all Monthly Contributions made plus (if the Board so determines in accordance with Rule 2.3(f)) the bonus payable under the three year Savings Contract or the five year Savings Contract, as applicable, payable on the Bonus Date; or
- (ii) to the extent that Rules 3 or 5 apply to adjust the number of Shares under Option, the amount applied to calculate the number of Shares comprised in the Option;

**Schedule 3** means Schedule 3 to ITEPA;

**Schedule 3 Notice** means the notice and accompanying declaration given by the Company to HMRC confirming that the Plan meets the requirements of Schedule 3;

**Schedule 3 Plan** means a plan which meets the requirements of Schedule 3;

**Share** means a fully paid ordinary share in the capital of the Company which, for as long as the Plan remains a Schedule 3 Plan, satisfies the conditions of paragraphs 18 to 22 of Schedule 3;

**Subsidiary** means a company (A) which is a subsidiary of another company (B) if:

- (i) that other company (B):
  - (a) is a member of it and controls the composition of its board of directors; or
  - (b) holds more than half in nominal value of its equity share capital; or
- (ii) the first mentioned company (A) is a subsidiary of any company which is that other company's (B's) subsidiary;

**TUPE** means the Transfer of Undertakings (Protection of Employment) Regulations 2006; and

**Variation** means, in relation to the equity share capital of the Company, a capitalisation issue, a rights issue or open offer, a subdivision, a consolidation or reduction or any other variation.

1.2 The headings in the Rules are for convenience and should be ignored when construing them.

1.3 Unless the context otherwise requires, words in the singular include the plural and vice versa and words importing either gender include both genders.

- 1.4 Reference in the Rules to any statutory provisions are to those provisions as amended, extended or re-enacted from time to time, and include any regulations or other subordinate legislation made under them.

## **2 INVITATION AND APPLICATION FOR OPTIONS**

### **2.1 Time when invitations may be made**

During the Plan Period and provided the Plan is a Schedule 3 Plan, the Company may during an Invitation Period invite all Eligible Employees to apply for Options. However, any accidental failure or omission to deliver an invitation to any Eligible Employee will not invalidate the grant of Options.

### **2.2 Form of invitation**

The Board will specify the form of the invitations to apply for Options. Invitations may be made by letter, poster, circular, advertisement, electronically or any other means or combination of means determined by the Board.

If the Option Price is advertised by poster, the Date of Invitation will be the day following the day or, as the case may be, the last of the three Dealing Days by reference to which the Option Price is determined. If Shares are listed on the London Stock Exchange, the Date of Invitation must be chosen so that each Dealing Day used to determine the Option Price is within the Invitation Period.

### **2.3 Content of invitation**

Each invitation will specify:

- (a) the date by which an application for an Option must be received (being not less than 14 days after the Date of Invitation, unless otherwise agreed in advance with HMRC);
- (b) the Option Price (or how the Option Price will be calculated);
- (c) whether the Eligible Employee may apply for a three year Option only, a five year Option only or whether he can choose either a three year or five year Option;
- (d) the Minimum Contribution;
- (e) the Maximum Contribution, which, when added to any other Monthly Contribution being made under any other Savings Contract, must not be more than £500 or as otherwise specified in paragraph 25 of Schedule 3;
- (f) whether the bonus payable under the Savings Contract may be taken into account in determining the number of Shares made subject to an Option;
- (g) that the invitation is subject to these Rules, the relevant Savings Contract prospectus, Schedule 3 and any other legislation applying to Schedule 3 Plans; and
- (h) any limit on the number of Shares that may be placed under Option in accordance with Rule 2.8.

## 2.4 **Option Price**

The Board will decide the Option Price for an invitation. The Option Price will not be less than the higher of:

- (a) 80 per cent. of the Market Value of a Share on the Dealing Day immediately preceding the Date of Invitation or, if the Board decides, 80 per cent. of the Market Value at such other time or times as may be agreed in advance with HMRC; and
- (b) if the Shares are to be subscribed, their nominal value,

but subject to any adjustment under Rule 10.

## 2.5 **Applications**

An Eligible Employee may apply for an Option in the form specified by the Board. The application will contain any undertakings and/or declarations from Eligible Employees that the Board or the Savings Body requires for the Plan. The application must include or be accompanied by a proposal to enter into a Savings Contract with the Savings Body. Eligible Employees must apply for Options within 21 days following the Date of Invitation (or any shorter period, but not less than 14 days, determined by the Board).

## 2.6 **Number of Shares under Option**

An application for an Option shall be for an Option to acquire the largest whole number of Shares which could be acquired at the Option Price with an amount equal to the total of the expected Monthly Contributions plus the bonus payable under the relevant Savings Contract on the bonus date unless it was specified in the invitation that the bonus would not be included for this purpose.

## 2.7 **Employee's specification**

An Eligible Employee must specify:

- (a) the Monthly Contribution (being a multiple of £1) which, subject to Rules 2.9 and 3, the Eligible Employee wishes to make;
- (b) whether the application is for a three year Option or a five year Option, if applicable; and
- (c) whether, if applicable under Rule 2.3(f), he wishes to include the bonus payable under the Savings Contract when the number of Shares to be placed under Option is calculated.

If appropriate, the Board shall be authorised to complete the Savings Contract proposal of the Savings Body, with the amount of Monthly Contribution.

## 2.8 **Shares available**

The Board may specify a maximum number of Shares available under an invitation.

## 2.9 **Limit on participation**

A Participant's proposed Monthly Contribution cannot:



- (a) when added to any Monthly Contributions then being made under any other Savings Contract linked to an Option granted under the Plan or any other Schedule 3 Plan, exceed the Maximum Contribution; or
- (b) be less than the Minimum Contribution,

and, for the purpose of calculating the Maximum Contribution, the Board may determine that any Monthly Contributions to Savings Contracts previously entered into by the Participant and subsequently cancelled without the related Option being exercised, shall be included (and the period of time for including the Monthly Contribution shall be the unexpired period of the Savings Contract).

### **3 SCALING DOWN**

#### **3.1 Method**

If a limit on the maximum number of Shares available under an invitation has been specified under Rule 2.8 or the limit in Rule 5.1 applies and there are insufficient Shares available to satisfy valid applications for Options, the Board may use any of the following methods, or a combination of methods, to scale down applications to the extent necessary to eliminate the excess:

- (a) if included, treat the bonus of each Eligible Employee as wholly excluded from the Savings Contract Repayment; or
- (b) reduce pro-rata the proposed Monthly Contribution of each Eligible Employee which is in excess of an amount chosen by the Board (though such amount may not, unless determined otherwise by the Board before the Date of Invitation, exceed £50); or
- (c) reduce pro-rata the proposed Monthly Contribution of each Eligible Employee, provided that this amount is not less than the Minimum Contribution; or
- (d) treat any applications for a five year Option as an application for a three year Option.

#### **3.2 Applications modified**

If scaling down is necessary each application will be deemed to have been modified or withdrawn in accordance with the method chosen under this Rule 3 and the Company will complete or amend, as appropriate, each Savings Contract proposal to reflect any reduction in Monthly Contributions. The Company will then grant Options under Rule 4, but the period of 30 days in Rule 4.2 will be increased to 42 days.

### **4 GRANT OF OPTIONS**

#### **4.1 Option grant**

Subject to Rule 3, Options will be granted by the Company to each Eligible Employee who has applied for an Option over the largest whole number of Shares that can be acquired at the Option Price with the Savings Contract Repayment related to their respective applications. An Option will be granted so that it constitutes a binding contract between the Company and the Participant.

There will be no payment for the grant of an Option.

#### **4.2 Time of grant**

Subject to Rule 3.2, Options will be granted within 30 days after the date on which the Option Price is determined or, if the Option Price is determined over three consecutive Dealing Days, within 30 days after the earliest of those Dealing Days.

#### **4.3 Notification of grant**

A Participant will be notified of the grant of an Option and may be issued with a confirmation of the grant of their Option specifying the details of the Option, including whether or not the Shares which may be acquired may be subject to any Restrictions and, if so, details of the Restrictions will be given. Alternatively, a Participant may be advised where that information can be accessed, or be given the opportunity to obtain such details electronically.

#### **4.4 Options personal to Participants**

An Option may not, nor may any rights in respect of it, be transferred, assigned, charged or otherwise disposed of to any Person, except that on the death of a Participant an Option may be transmitted to the Participant's personal representatives.

#### **4.5 Approvals and consents**

The grant of an Option will be subject to obtaining any approval or consent required under any applicable regulations or enactments.

### **5 PLAN LIMITS**

#### **5.1 The 10% in 10 years limit**

The number of Shares which may be allocated, as defined in Rule 5.3, under the Plan on any day shall not, when added to the aggregate of the number of Shares which have been allocated in the previous 10 years under the Plan and any other Employees' Share Scheme adopted by the Company, exceed that number of Shares that represents 10% of the ordinary share capital of the Company in issue immediately prior to that day.

#### **5.2 Exclusions from the limits**

In calculating the limit in Rule 5.1, any Shares where the right to acquire them was released or lapsed without being exercised will be disregarded. Partnership shares awarded under any share incentive plan operated by the Company which meets the requirements of Schedule 2 of ITEPA will also be disregarded.

#### **5.3 Meaning of allocated**

References to "allocated" Shares mean, in the case of any share option plan, the placing of unissued shares under option and, in relation to other types of Employees' Share Scheme, means the issue and allotment of Shares or transfer of Shares out of treasury (including any issue and allotment of Shares, or transfer of Shares out of treasury, to any trustees to satisfy the exercise of any option, award or contractual right granted under any Employees' Share Scheme unless such Shares are already treated as allocated under this Rule 5.3).

#### **5.4 Adjustment to Shares to be taken into account**

Where Shares which have been issued under the Plan or any other Employees' Share Scheme of the Company are to be taken into account for the purposes of the limit in Rule

5.1 and a Variation has taken place between the date of issue of those Shares and the date on which the limit is to be calculated, then the number of Shares taken into account for the purposes of the limit will be adjusted in the manner the Board considers appropriate to take account of the Variation.

## **6 RIGHTS OF EXERCISE AND LAPSE OF OPTIONS**

### **6.1 General rules for exercise**

Except as provided in Rules 6.2 and 6.4, an Option may only be exercised by a Participant while he is a full time director or employee of a Constituent Company or an Associated Company.

### **6.2 Timing of exercise**

Subject to Rules 6.3, 6.6 and 7, an Option can be exercised at any time for a period of six months following the earliest of:

- (a) the applicable Bonus Date;
- (b) the Participant ceasing to be a full time director or employee of a Constituent Company or an Associated Company:
  - (i) by reason of injury, disability, Redundancy or Retirement;
  - (ii) by reason of a relevant transfer within the meaning of TUPE;
  - (iii) if the Participant is a director or employee of an Associated Company, that 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 CTA 2010); or
  - (iv) by reason of the business or part of the business in respect of which the Participant was an Eligible Employee being transferred to a Person who is not an Associated Company and the transfer is not a relevant transfer within the meaning of TUPE; and
- (c) the Participant ceasing to be a full time director or employee of a Constituent Company or an Associated Company in circumstances other than those set out in Rule 6.2(b) above, provided that the Date of Grant in respect of the Option was more than 3 years before the date of the cessation.

### **6.3 Prohibition on exercise**

No Option can be exercised when prohibited by, or in breach of, any law or regulation with the force of law or when prohibited by, or in breach of, any rule of an investment exchange on which Shares are listed or traded or any provision of a personal dealing code adopted by the Company.

### **6.4 Death**

Any Option held by a Participant who dies can be exercised by his personal representatives within 12 months of the date of the Participant's death unless death occurs on or within 6 months after the Bonus Date, when an Option can be exercised by his personal representatives within 12 months of the Bonus Date.

## 6.5 Corporate events

A Participant may exercise the Option any time within the periods specified for the exercise of Options in Rules 7.1 to 7.6.

## 6.6 Lapsing of Options

Except in the case of a Participant's death when an Option will lapse on the expiry of the relevant twelve months period referred to in Rule 6.4, an Option will lapse on the earliest of:

- (a) the expiry of six months from the Bonus Date;
- (b) the date on which the Participant ceases to be a full time director or employee of a Constituent Company or an Associated Company in any circumstances other than those referred to in Rule 6.2(b);
- (c) the expiry of six months from the Participant ceasing to be a full time director or employee of a Constituent Company or an Associated Company in any of the circumstances referred to in Rule 6.2(b);
- (d) the expiry of the six months from the passing of the resolution referred to in Rule 6.2(c);
- (e) the Participant's right to continue making savings contributions lapsing under the provisions of the Savings Contract other than on death or for the purpose of exercising an Option;
- (f) the expiry of the respective periods specified in Rules 7.1 to 7.6, except where an Option is released in consideration of the grant of a New Option under Rule 8; and
- (g) the Participant being deprived of the legal or beneficial ownership of the Option by operation of law, or doing or omitting to do anything which causes him to be so deprived or being declared bankrupt.

## 6.7 Cessation of Plan related employment

For the purposes of this Rule 6, a Participant will not be treated as ceasing to be an employee or full time director of a Constituent Company until he is no longer employed by the Company or any Associated Company. For the avoidance of doubt, a Participant on maternity leave, paternity leave, parental leave, adoption leave or shared parental leave shall not be treated as ceasing to be an employee or full time director until such date on which she/he no longer has a statutory or contractual right to return to work.

# 7 TAKEOVERS AND OTHER CORPORATE EVENTS

## 7.1 General offers

Subject to Rules 7.4 and 7.5, if any Person (or any group of Persons acting in concert):

- (a) makes a general offer to acquire the whole of the issued share capital of the Company (except for any capital already held by the Person making the offer or any Person connected with him) which is made on a condition such that, if it is satisfied, the offeror will have Control of the Company; or

- (b) makes a general offer to acquire all the shares in the Company (except for any capital already held by the Person making the offer or any Person connected with him) which are of the same class as the Shares,

the Board shall within 7 days (or such longer period as the Board may decide) after becoming aware of that event notify every Participant of it and, subject to Rule 6.6 and Rule 8.3, any Option may be exercised within one month after the date the offeror will have Control of the Company or acquires all the shares in the Company (as described above) or such longer period as the Board may permit, provided such period is not, in any event, later than 6 months after such Person has obtained Control of the Company or such offer has become wholly unconditional (as appropriate). To the extent that it is not exercised within the relevant period an Option shall lapse at the end of that period.

## 7.2 **Compulsory acquisition**

Subject to Rules 7.4 and 7.5, in the event that any Person becomes bound or entitled to acquire shares in the Company under sections 979 to 985 of the Companies Act 2006, the Board shall as soon as practicable, notify every Participant of that event and, subject to Rule 6.6 and Rule 8.3, any Option may be exercised at any time when that Person remains so bound or entitled, but to the extent that it is not exercised within that period an Option shall lapse at the end of that period.

## 7.3 **Scheme of arrangement**

Subject to Rules 7.4 and 7.5, in the event that under section 899 of the Companies Act 2006 a court sanctions 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 to which the Option relates; or (ii) all the shares, or all the shares of that same class, which are held by a class of shareholder identified otherwise than by reference to their employment or directorships or their participation in a Schedule 3 Plan, the Board shall, as soon as practicable, notify every Participant of that event and, subject to Rule 6.6 and Rule 8.3, any Option may be exercised within six months after such court sanction, but to the extent that it is not exercised within that period an Option shall lapse at the end of that period.

## 7.4 **Shares ceasing to be Schedule 3 shares**

If, a Relevant Event occurs which results in a change of Control and the Shares then no longer satisfy the requirements of Part 4 of Schedule 3, Options may be exercised within the period of 20 days following the change of Control. If an Option is not exercised during this period, it will lapse on the expiry of 20 days following the change of Control.

## 7.5 **Anticipatory exercise**

If the Board reasonably expects a Relevant Event to occur, it may make arrangements permitting Options to be exercised for a period of 20 days ending with the Relevant Event.

If the Board makes arrangements for the exercise of Options under this Rule 7.5:

- (a) unless the Board determines otherwise, any Option not exercised in accordance with those arrangements will lapse on the date of the Relevant Event; and
- (b) if the Relevant Events does not occur within 20 days of the date of the purported exercise, the Option shall not be treated as having been exercised.

## 7.6 Voluntary winding up

In the event that the Company passes a resolution for voluntary winding up the Board shall, as soon as practicable, notify every Participant of that event and, subject to Rule 6.6, any Option may be exercised within six weeks after the passing of the resolution for the winding up, but to the extent that it is not exercised within that period an Option shall lapse at the end of that period.

## 8 EXCHANGE OF OPTIONS

### 8.1 If any company (**Acquiring Company**):

- (a) obtains Control of the Company as a result of making a general offer to acquire:
  - (i) the whole of the issued ordinary share capital of the Company which is made on condition such that if it is satisfied the Acquiring Company will have Control of the Company; or
  - (ii) all the shares in the Company which are of the same class as the Shares, in either case ignoring any Shares which are already owned by it or a member of the same group of companies; or
- (b) obtains Control of the Company in pursuance of a compromise or arrangement sanctioned by the court under section 899 of the Companies Act 2006; or
- (c) becomes entitled to acquire Shares under sections 979 to 985 of the Companies Act 2006,

any Participant may, at any time within the Appropriate Period, by agreement with the Acquiring Company, release any Option which has not lapsed (**Old Option**) in consideration of the grant to him/her of an Option (**New Option**) which (for the purposes of paragraph 39 of Schedule 3) is equivalent to the Old Option but relates to shares in a different company (whether the Acquiring Company itself or some other company falling within paragraph 18(b) or (c) of Schedule 3).

### 8.2 The New Option

The New Option will not be regarded as equivalent to the Old Option unless the conditions set out in paragraph 39(4) of Schedule 3 are satisfied, but so that the provisions of the Plan will for this purpose be construed as if:

- (a) the New Option were an option granted under the Plan at the same time as the Old Option;
- (b) references to Shares were references to the shares over which the New Option is granted;
- (c) references to the Company were references to the different company mentioned in Rule 8.1 except for the purposes of the definition of "Constituent Company" where "Company" shall retain its original meaning; and
- (d) Rule 12.2 were omitted.

### 8.3 **Internal reorganisations**

In the event that:

- (a) an offer (as referred to in Rule 7.1) is made or a compromise or arrangement (as referred to in Rule 7.3) is proposed which is expected to result in the Company becoming Controlled by a new company (**New Company**); and
- (b) at least 75% of the shares in the New Company are expected to be held by substantially the same Persons who immediately before the offer or proposal was made were shareholders in the Company; and
- (c) the Board and the New Company agree that this Rule should apply

then an Option shall not become exercisable under Rule 7.1 or Rule 7.3 but shall be automatically surrendered within the Appropriate Period in consideration for the grant of a New Option which, for the purposes of paragraph 39(4) of Schedule 3, is equivalent to the Old Option but relates to shares in the New Company and Rule 8.2 other than Rule 8.2(d) will apply.

## 9 **EXERCISE OF OPTIONS**

### 9.1 **Exercise in whole or in part**

An Option may be exercised in whole or in part. If an Option is exercised in part, the unexercised portion of the Option will automatically lapse.

### 9.2 **Manner of exercise**

An Option may be exercised by the Participant giving notice of exercise to or at the direction of the Company in a form approved by the Board and as required by the Savings Body. For the avoidance of doubt, the effective date of exercise of an Option will be the date that the Company has received both the notice of exercise and the funds equal to the Exercise Price representing the repayment under the Participant's related Savings Contract. If an Option is exercised in part, the unexercised part will lapse.

### 9.3 **Monies available for exercise**

The Exercise Price payable on exercise of an Option cannot exceed the amount of the repayment made (including any interest or any bonus) under the Participant's related Savings Contract. For this purpose, the repayment under the Savings Contract will exclude the repayment of any Monthly Contribution the date of payment of which falls more than one month after the date on which the repayment is made.

### 9.4 **Issue or transfer of Shares**

Subject to Rule 9.5, Shares will be allotted or transferred to a Participant (or his nominee) pursuant to the exercise of an Option within 30 days following the effective exercise of the Option.

### 9.5 **Consents**

The delivery of any Shares under the Plan will be subject to obtaining any necessary approval or consent.

## 9.6 **Ranking of Shares**

Shares acquired by a Participant under the Plan will rank equally in all respects with the Shares then in issue, except that they shall not rank for any right attaching to them by reference to a record date preceding the date on which the Shares are transferred to the Participant.

## 9.7 **Listing**

If the Shares are listed on the London Stock Exchange or any other Recognised Stock Exchange, the Company will apply for listing of any Shares issued under the Plan before or as soon as practicable after their allotment.

## 10 **ADJUSTMENT OF OPTIONS**

### 10.1 **Variation of equity share capital**

If there is a Variation in the equity share capital of the Company:

- (a) the number and/or the nominal value of Shares over which an Option is granted;
- (b) the Option Price; and
- (c) where an Option has been exercised but on the date of the Variation no Shares have been delivered pursuant to that exercise, the number of Shares which may be delivered and the price at which they may be acquired,

will be adjusted in the manner the Board determines so that (as nearly as may be without involving fractions of a Share or an Option Price calculated to more than two decimal places) the Exercise Price will remain unchanged.

### 10.2 **Nominal value of Shares**

Apart from under this Rule 10.2, no adjustment under Rule 10.1 can reduce the Option Price to less than the nominal value of a Share. Where an Option subsists over both issued and unissued Shares, an adjustment may only be made if the reduction of the Option Price in respect of both the issued and the unissued Shares can be made to the same extent. Any adjustment made to the Option Price of Options over unissued Shares will only be made if and to the extent that the Board is authorised to:

- (a) capitalise from the reserves of the Company a sum equal to the amount by which the nominal value of the Shares in respect of which the Option is exercisable exceeds the adjusted Exercise Price; and
- (b) apply that sum in paying up the Shares

so that on exercise of the Option the Board will capitalise that sum and apply it in paying up the Shares.

### 10.3 **Notifying Participants of adjustments**

The Board will take the steps it considers necessary to notify Participants of any adjustment made under Rule 10 and may call in, cancel, endorse, issue or re-issue any certificate as a result of that adjustment.



## **11 ADMINISTRATION**

### **11.1 Notices**

Any notice or other communication in connection with the Plan will be in writing and may be given:

- (a) by personal delivery; or
- (b) by sending it by post:
  - (i) in the case of a company to its registered office and marked to the attention of the Company Secretary; and
  - (ii) in the case of an individual to his last known address, or, where he is a full time director or employee of a Constituent Company or an Associated Company, either to his last known address or to the address of the place of business at which he performs the whole or substantially the whole of the duties of his office or employment; or
- (c) by sending it by facsimile, email or any form of electronic transfer acceptable to the Company to:
  - (i) in the case of a company, the facsimile number, email address or other number or address that the company notifies; and
  - (ii) in the case of an individual to his last known facsimile number or email address, or where he is a full time director or employee of a Constituent Company or an Associated Company, to his workplace facsimile number or email address.

### **11.2 When notice is given**

Any notice under Rule 11.1 will be given:

- (a) if delivered, at the time of delivery;
- (b) if posted, at 10.00 am on the second business day after it was put into the post; or
- (c) if sent by facsimile, email or any other form of electronic transfer at the time of despatch.

In proving service of notice it will be sufficient to prove that delivery was made or that the envelope containing it was properly addressed, prepaid and posted or that the facsimile message, email or other form of electronic transfer was properly addressed and despatched as appropriate.

### **11.3 Replacement option certificates**

If any option certificate (or other document or documents evidencing grant as appropriate) is worn out, defaced or lost, it may be replaced on the evidence that the Company requires being provided.

#### **11.4 Shares to satisfy Options**

Unless specified otherwise by the Board on or before the Date of Grant, an Option may be satisfied by:

- (a) the issue of Shares; and/or
- (b) the transfer of treasury Shares; and/or
- (c) the transfer of Shares (other than the transfer of treasury Shares).

#### **11.5 Administration of the Plan**

The Plan will be administered by the Board. The Board has full authority, consistent with the Plan, to administer the Plan, including authority to interpret and construe any provision of the Plan and to adopt any regulations for administering the Plan and any documents it thinks necessary or appropriate. The Board's decision on any matter concerning the Plan will be final and binding on all Participants.

#### **11.6 Costs of introducing and administering the Plan**

The costs of introducing and administering the Plan will be borne by the Company. However, the Company may require any Subsidiary of the Company to enter into an agreement which obliges that Subsidiary to reimburse the Company for any costs borne by the Company, directly or indirectly, in respect of the Subsidiary's officers or employees. The Company may also enter into a similar agreement with any Constituent Company or Associated Company which is not a Subsidiary of the Company.

### **12 AMENDMENTS**

#### **12.1 The Board's power to amend the Plan**

Subject to the provisions of Rules 12.2 and 12.3, the Board can at any time amend any of the provisions of the Plan in any respect.

#### **12.2 Shareholders' approval**

No amendment to the advantage of Participants will be made under Rule 12.1 to the definitions of "Eligible Employee", "Option Price" and "Variation", or to the limit on the number of Shares which may be issued under the Plan, the rights attaching to Options and Shares, or the terms of this Rule 12 without the prior approval by ordinary resolution of the members of the Company in general meeting unless the amendment is:

- (a) minor and to benefit the administration of the Plan;
- (b) to take account of any changes in legislation; or
- (c) to obtain or maintain favourable taxation, exchange control or regulatory treatment for the Company, a Subsidiary of the Company or an Associated Company or any Participant.

### 12.3 **Amendments to the disadvantage of Participants**

No amendment to the material disadvantage of Participants shall be made under Rule 12.1 unless:

- (a) the Board shall have invited every relevant Participant to indicate whether or not he/she approves the amendment; and
- (b) the amendment is approved by a majority of those Participants who have given such an indication.

### 12.4 **Notice of amendments**

Participants will be given written notice of any amendments to the Plan made under Rule 12.1 as soon as reasonably practicable after they have been made.

### 12.5 **Prohibited amendment**

No amendment will be made to the Plan if, as a result of the amendment, it would cease to be an Employees' Share Scheme.

### 12.6 **Overseas Eligible Employees**

The Board may adopt additional sections of the Plan applicable in any jurisdiction, under which Options may be subject to additional and/or modified terms and conditions, having regard to any securities, exchange control or taxation laws, regulations or practice, which may apply to the Participant, the Company or any Constituent Company. Any additional section must conform to the basic principles of the Plan and must not enlarge to the benefit of Participants the limits in Rule 2.9 or Rule 5. Any additional section and all Options granted under that section will be governed by and construed in accordance with the laws of England and Wales but will not form part of the Plan for the purposes of Schedule 3.

## 13 **EMPLOYMENT RIGHTS**

### 13.1 **Employment**

The rights and obligations of any Participant under the terms of his office or employment with the Company (or any member of the Group or former member of the Group) shall not be affected by being a Participant. Nothing in this Plan confers upon the Participant any right to continue in the employment of the Company (or any member of the Group or former member of the Group), or will affect the right the Company (or any member of the Group or former member of the Group) to terminate the employment of the Participant.

### 13.2 **Benefits not pensionable**

The value of any benefit realised under the Plan by Participants shall not be taken into account in determining any pension or similar entitlements.

### 13.3 **No consequential losses on termination**

Participants shall have no rights to compensation or damages from the Company, any member of the Group or any former member of the Group on account of any loss in respect of Options where such loss arises (or is claimed to arise), in whole or in part, from:

- (a) termination of office or employment with; or

(b) notice to terminate office or employment given by or to,

the Company, any member of the Group or any former member of the Group. This exclusion of liability shall apply however termination of office or employment, or the giving of notice, is caused and however compensation or damages may be claimed.

#### 13.4 **No consequential losses on transfer of employer**

Participants shall have no rights to compensation or damages from the Company, any member of the Group or any former member of the Group on account of any loss in respect of Options where such loss arises (or is claimed to arise), in whole or in part, from:

(a) any company ceasing to be a member of the Group; or

(b) the transfer of any business from a member of the Group to any Person that is not a member of the Group.

This exclusion of liability shall apply however the change of status of the relevant member of the Group, or the transfer of the relevant business, is caused, and however compensation or damages may be claimed.

#### 13.5 **No expectation of grant**

The granting of an Option on a particular basis or to a particular Participant in any year does not create any right or expectation of the grant of an Option on the same basis, or at all, or to any particular individual in that or any subsequent year.

### 14 **MISCELLANEOUS**

#### 14.1 **Termination of the Plan**

The Plan will terminate at the end of the Plan Period or at any earlier time by the passing of an appropriate resolution by the Board. Termination of the Plan will not affect the subsisting rights of Participants.

#### 14.2 **The Plan and funding the purchase of Shares**

Any Constituent Company may provide money to the trustees of any trust or any other Person to enable them or him to acquire Shares to be held for the purposes of the Plan, or enter into any guarantee or indemnity for those purposes, to the extent permitted by any applicable law.

#### 14.3 **Severability**

The invalidity or non-enforceability of one or more provisions of the Plan will not affect the validity or enforceability of the other provisions of the Plan.

#### 14.4 **Third parties**

No third party has any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Plan.

#### 14.5 **Data protection**

Each Participant consents to the collection, processing and transfer of his personal data for any purpose relating to the operation of the Plan. This includes:

- (a) providing personal data to any member of the Group and any third party such as trustees of any employee benefit trust, administrators of the Plan, registrars, brokers and any of their respective agents;
- (b) processing of personal data by any such member of the Group or third party;
- (c) transferring personal data to a country outside the European Economic Area (including a country which does not have data protection laws equivalent to those prevailing in the European Economic Area); and
- (d) providing personal data to potential purchasers of the Company, the Participant's employer or the business in which the Participant works.

#### 14.6 **Governing law**

The Plan shall be governed by and construed in accordance with the law of England and Wales and the Courts of England and Wales have exclusive jurisdiction to hear any dispute.