

Rules of the Wynnstay Group Approved
Company Share Option Plan
AGM 21 March 2023

RULES OF THE WYNNSTAY GROUP PLC COMPANY SHARE OPTION SCHEME

1. DEFINITIONS

1.1. In these Rules the following words and expressions shall have the following meanings:-

“Announcement Date”	the date, on which the annual or half-yearly results of the Company are announced.
“Appropriate Period”	the meaning given in Paragraph 26(3) of Schedule 4.
“Approval Date”	the date on which the Scheme is approved by HMRC under Schedule 4 ITEPA 2003.
“Associated Company”	has the same meaning as in paragraph 35 of Schedule 4.
“Auditors”	the auditors for the time being of the Company (acting as experts and not as arbitrators).
“Board”	the Board of Directors of the Company or, except in Rule 11.4, a duly constituted committee thereof.
“Company”	Wynnstay Group plc (registered no. 2704051).
“Constituent Company”	the Company and any other company of which the Company has control and which is for the time being nominated by the Board to be a Constituent Company.
“Control”	for the purposes of the CSOP code in accordance with Section 719 of ITEPA 2003.
“CSOP Code”	has the meaning given to it in Section 521(3) ITEPA 2003.
“Dealing Day”	a day on which the Stock Exchange is open for the transaction of business.
“Date of Grant”	the date on which an Option is, was, or is to be granted under the Scheme.
“the Directors”	the board of directors of the Company from time to time or a duly constituted committee of such directors.
“Eligible Employee”	any director of any Constituent Company who is required to devote to his duties not less than 25 hours per week (excluding meal breaks), or any employee (other than one who is a director) of any Constituent Company, provided that the director or employee is not precluded by paragraph 9 of Schedule 4 from participating in the Scheme.
“Group Member”	the Company or any of its subsidiaries.
“HMRC”	Her Majesty’s Revenue and Customs.

Rules of the Wynnstay Group Approved
Company Share Option Plan
AGM 21 March 2023

“ITEPA 2003”	The Income Tax (Earnings and Pensions) Act 2003.
“Key Feature”	a provision of the scheme which is necessary in order to meet the requirements of Schedule 4.
“Market Value”	<p>[on any day] the average of the middle market quotations of a Share as derived from the Daily Official List of The Stock Exchange for the 3 immediately preceding Dealing Days (provided that if the Dealing Days do not fall within the period specified in Rule 2, only such days as do fall within that period will be taken into account in arriving at the Market Value).</p> <p>[On any day] the market value of a Share determined in accordance with the provisions of Part VIII of the Taxation of Chargeable Gains Act 1992 and agreed for the purposes of the Scheme with HMRC Shares and Assets Valuation on or before that day.</p>
“Option”	a right to subscribe for Shares granted (or to be granted) in accordance with the Rules of this Scheme.
“Option Holder”	an individual to whom an Option has been granted or his personal representatives.
“Performance Condition”	any objective conditions imposed on the exercise of an Option under Rule 2.9.
“Personal Data”	any personal information that could identify the Option holder held by the Company which is necessary for the administration of the Plan.
“Schedule 4”	Schedule 4 ITEPA 2003.
“Scheme”	the employee share option scheme constituted and governed by these rules as from time to time amended.
“Share”	an ordinary £0.25 share in the capital of the Company which satisfies the conditions specified in paragraphs 16-20 inclusive of Schedule 4.
“Specified Age”	for the purposes of Section 524 ITEPA 2003 the specified age is 65.
“Subscription Price”	the price at which each Share subject to an Option may be acquired on the exercise of that Option determined in accordance with Rule 2.8.
“Subsisting Option”	an Option granted under this Scheme or a share option granted under any other CSOP scheme established by the Company (or any Associated Company) and approved under Schedule 4 and which, in either case, has neither lapsed nor been exercised.
“Tax Liability”	in relation to an Option-holder, any liability of the Option-holder’s Employer to account to HMRC (or other tax authority) for any amount of, or representing, income tax or NIC, which may arise

Rules of the Wynnstay Group Approved
Company Share Option Plan
AGM 21 March 2023

upon the acquisition of Shares pursuant to the exercise of an Option.

- 1.2** Where the context so admits the singular shall include the plural and vice versa and the masculine shall include the feminine. Headings are inserted for ease of reference only and shall be ignored in construing the plan.
- 1.3** Any reference in the Scheme to any enactment includes a reference to that enactment as from time to time modified, extended or re-enacted.
- 1.4** Words and expressions used in this Plan (and any ancillary documents) and not defined in Rule 1.1 shall have the meaning ascribed to them in the CSOP Code.

2. GRANT OF OPTIONS

- 2.1** Subject to the following provisions of this rule, the Directors shall have an absolute discretion as to the selection of persons to whom an Option is granted by the Company.
- 2.2** An Option may be granted at any time after the Approval Date but shall not be granted to any person unless they are an Eligible Employee.
- 2.3** An Option shall not be granted to any person at any time when he has, or has within the preceding 12 months had a Material Interest, as defined in paragraphs 10 and 11 of Schedule 4 ITEPA 2003, in a Close Company being either the Company or a company which has control of the Company or is a member of a consortium which owns such a company.
- 2.4** The Company shall issue to each Option Holder an option certificate or statement in such form (not inconsistent with these rules) as the Board may from time to time prescribe, each such certificate or statement shall specify:-
- the Date of Grant of the option;
 - the number and class of Shares over which the option is granted;
 - the Subscription Price;
 - the full terms of any objective performance conditions and any other conditions of exercise as the Board has determined.
- 2.5** The grant of options shall be made under seal or in such other manner to take effect in law as a deed.
- 2.6** No amount shall be paid in respect of the grant of an Option.
- 2.7** An Option may not be transferred, assigned or charged and any purported transfer, assignment or charge shall cause the Option to lapse forthwith. Each option certificate shall carry a statement to this effect. This Rule 2.7 does not apply to the transmission of an Option on the death of an Option holder to his personal representatives.
- 2.8** i) The Subscription Price shall not be less than the nominal value of a Share.

Rules of the Wynnstay Group Approved
Company Share Option Plan
AGM 21 March 2023

ii) Subject to Rule 6, the Subscription Price shall not be less than the Market Value of a Share on the day the Option was granted pursuant to Rule 2.1.

2.9 The exercise of an option may be conditional on the satisfaction of objective performance conditions which will be determined at the Date of Grant in accordance with Rule 2.2(iv). After an Option has been granted, the Board, acting fairly and reasonably, may, in appropriate circumstances, amend a Performance Condition provided that:-

- an event or events have occurred in consequence of which the Board reasonably considers that the existing Performance Condition should be amended to ensure that,
 - the objective criteria against which performance is to be measured will be a fairer measure of performance; and
 - it will afford a more effective incentive to the Option-holder; and
 - any such amended Performance Condition shall be no more difficult to satisfy than the original Performance Condition when first set.

2.10 In accepting the grant of an Option, the Option-holder shall agree and consent to:-

- the collection, use, processing and transfer by any member of the Group or other party involved in the administration of the plan, of his Personal Data;
- the transferring of Personal Data between all parties interested in the administration of the plan for the purposes of implementing, administering and managing this plan and the grant of Options and their exercise;
- the use of Personal Data by any such person for such purposes; and
- the transfer to and retention of Personal Data by third parties for or in connection with such purposes

3. LIMITATIONS ON GRANTS

3.1 The Market Value of Shares subject to an Option granted to an Eligible Employee, when aggregated with the Market Value of shares subject to Subsisting Options granted to the same individual, cannot exceed £30,000 or such other limit as is specified in paragraph 6 of Schedule 4 on the Grant Date.

3.2 Any Option granted to an Eligible Employee when aggregated with Subsisting Options granted to the same individual will be limited and take effect so that the Market Value of the Shares subject to that Option and all Subsisting Options shall not exceed £30,000, or such other limit as is specified in paragraph 6 of Schedule 4 on the Grant Date.

3.3 For the purposes of this Rule 3 the Market Value of shares is to be calculated as at the time when the options relating to them were granted or at any earlier time or times as agreed in accordance with paragraph 6 of Schedule 4.

3.4 No Options shall be granted pursuant to Rule 2 above if such grant would result in the aggregate of,

Rules of the Wynnstay Group Approved
Company Share Option Plan
AGM 21 March 2023

- the number of Shares over which Subsisting Options have been granted under this Scheme; and
- the number of Shares which have been issued on the exercise of Options granted under this Scheme; and
- the number of Shares over which Subsisting Options have been granted under any other share option scheme during the period of 10 years ending on the relevant Date of Grant; and
- the number of Shares which have been issued pursuant to any other employee share scheme (including a share option scheme) during the period of 10 years ending on the relevant Date of Grant exceeding 25% of the number of shares then in issue.

3.5 For the purposes of Rule 3.1, the Market Value of shares shall be calculated as at the time the options in relation to those shares were granted or such earlier time as may have been agreed in writing with HMRC.

4. EXERCISE OF OPTIONS

4.1 Subject to Rule 5 below any Option which has not lapsed may be exercised in whole or in part at any time following the earliest of the following events:-

- the third anniversary of the Date of Grant;
- the death of the Option Holder;
- the Option Holder ceasing to be a director or employee of any Constituent Company by reason of injury, disability or redundancy within the meaning of the Employment Rights Act 1996.

4.2 An Option shall lapse on the earliest of the following events:-

- the tenth anniversary of the date of the grant
- the first anniversary of the Option Holder's death
- six months following the Option Holder ceasing to be a director or employee of any Constituent Company, other than by reason of his death
- unless a release has been effected under Rule 5.4, six months after the Option has become exercisable in accordance with Rule 5
- the Option Holder being adjudicated bankrupt.

5. TAKEOVERS AND LIQUIDATIONS

5.1 If any person obtains Control of the Company as a result of making,

- a general offer to acquire the whole of the issued share capital of the Company which is made on a condition such that if it is satisfied the person making the offer will have Control of the Company; or
- a general offer to acquire all the shares in the Company which are of the same class as the Shares, then any Subsisting Option may subject to Rule 5.4 below be exercised within six months of the time when the person making the offer has obtained Control of the Company and any condition subject to which the offer is made has been satisfied.

Rules of the Wynnstay Group Approved
Company Share Option Plan
AGM 21 March 2023

5.2 If under section 899 of the Companies Act 2006 the Court sanctions a compromise or arrangement proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, any Subsisting Option may subject to Rule 5.4 below be exercised within six months of the Court sanctioning the compromise or arrangement.

5.3 If any person becomes bound or entitled to acquire shares in the company under Section 979 to 982 of the Companies Act of 2006 any Subsisting Option may subject to Rule 8.4 below be exercised at any time when that person remains so bound or entitled.

5.4 If as a result of the events specified in Rules 5.1 or 5.2 a company has obtained Control of the Company, or if a company has become bound or entitled as mentioned in Rule 5.3 , the Option Holder may, by agreement with that other company (the “Acquiring Company”), within the Appropriate Period, release each Subsisting Option (the “Old Option”) for an option (the “New Option”) which satisfies the conditions that it,

- is over shares in the Acquiring Company or some other company falling within paragraph (b) or paragraph (c) of Paragraph 16 Schedule 4 which satisfy the conditions specified in Paragraphs 15 to 20 inclusive of Schedule 4;
- is a right to acquire such number of such shares as has on acquisition of the New Option an aggregate Market Value equal to the aggregate Market Value of the shares subject to the Old Option on its release;
- has a subscription price per share such that the aggregate price payable on the complete exercise equals the aggregate price which would have been payable on complete exercise of the Old Option; and
- is otherwise identical in terms to the Old Option,

the New Option shall, for all other purposes of this scheme, be treated as having been acquired at the same time as the Old Option.

Where any New Options are granted pursuant to this 5.4 , rules 4 , 5 , 6 7 , 8 , 9.1 and 9.3 to 9.6 shall, in relation to the New Options, be construed as if references to the Company and to the Shares were references to the Acquiring Company or, as the case may be, to the other company to whose shares the New Options relate, and to the shares in that other company, but references to Constituent Company shall continue to be construed as if references to the Company were references to Wynnstay Group plc.

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

5.6 For the purposes of this Rule 5 , other than Rule 5.4, 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.

5.7 The exercise of an Option pursuant to the preceding provisions of this rule 5 shall be subject to the provisions of rule 7 below.

Rules of the Wynnstay Group Approved
Company Share Option Plan
AGM 21 March 2023

5.8 Where, in accordance with Rule 5.4, Subsisting Options are released and New Options granted the New Options shall not be exercisable in accordance with Rule 5.1 , 5.2 and 5.3 above by virtue of the event by reason of which the New Options were granted.

6. VARIATION OF SHARE CAPITAL

6.1 In the event of any variation of the share capital of the Company by way of capitalisation or rights issue, consolidation, subdivision or reduction of capital or otherwise, the number of Shares subject to any Option and the Subscription Price for each of those Shares shall be adjusted in such manner as the Auditors confirm in writing to be fair and reasonable provided that,

- the aggregate amount payable on the exercise of an Option in full is not increased;
- the Subscription Price for a Share is not reduced below its nominal value;
- no adjustment shall be made without the prior approval of HMRC; and
- following the adjustment the Shares continue to satisfy the conditions specified in paragraphs 15 to 20 inclusive of Schedule 4.

7. MANNER OF EXERCISE OF OPTIONS

7.1 No Option may be exercised by an individual at any time when he is precluded by paragraph 9 of Schedule 4 from participating in the Scheme.

7.2 No Option may be exercised at any time when the shares which may be thereby acquired do not satisfy the conditions specified in paragraphs 15 to 20 inclusive of Schedule 4.

7.3 An Option shall be exercised by the Option Holder giving notice to the Company in writing of the number of Shares in respect of which he wishes to exercise the Option accompanied by the appropriate payment and the relevant option certificate and shall be effective on the date of its receipt by the Company.

7.4 Shares shall be allotted and issued pursuant to a notice of exercise within 30 days of the date of exercise and a definitive share certificate issued to the Option Holder in respect thereof. Save for any rights determined by reference to a date preceding the date of allotment, such Shares shall rank equally in all respects with the other shares of the same class in issue at the date of allotment.

7.5 When an Option is exercised only in part, the balance shall remain exercisable on the same terms as originally applied to the whole Option and a new option certificate shall be issued accordingly by the Company as soon as possible after the partial exercise.

8. INDEMNITY AGAINST TAX LIABILITY

8.1 The Option-holder shall indemnify the Grantor and the Option-holder's Employer against any Tax Liability.

Rules of the Wynnstay Group Approved
Company Share Option Plan
AGM 21 March 2023

8.2 If a Tax Liability arises in any jurisdiction then, unless:-

- 8.2.1 within the period of 30 days beginning from the date of exercise of the option, the Option-holder's Employer is able to withhold the amount of the liability from payment of the Option-holder's remuneration;
- 8.2.2 the Option-holder has indicated (in a manner specified by the Company for that purpose) that he or she will pay to the Company the amount of the liability and the Option-holder does pay that amount to the Company within 14 days of being notified of the amount due; or
- 8.2.3 the Option-holder has authorised (in a manner specified by the Company for that purpose) the Grantor to sell (as agent for the Option-holder) such number of the shares acquired on exercise of the option to satisfy the Tax Liability (after deducting any expenses incurred in the sale of the shares),

the Grantor shall have the right to sell (as mentioned in 8.2.3 above) sufficient of the shares acquired on exercise of the option to satisfy the Tax Liability (after deducting any expenses incurred in the sale of the shares).

9. ADMINISTRATION AND AMENDMENT

9.1 The Scheme shall be administered by the Board whose decision on all disputes shall be final.

9.2 The Board may from time to time amend these Rules provided that:-

- no amendment may materially affect an Option Holder as regards an Option granted prior to the amendment being made;
- no amendment to a Key Feature may be made which would make the terms on which Options may be granted materially more generous or would increase the limit specified in Rule 3.1 without the prior approval of the Company in general meeting; and
- no amendment to a Key Feature shall have effect until approved by HMRC.

9.3 The cost of establishing and operating the Scheme shall be borne by the Constituent Companies in such proportions as the Board shall determine.

9.4 The Board may establish a committee consisting of not less than three Board members to whom any or all of its powers in relation to the Scheme may be delegated. The Board may at any time dissolve the Committee, alter its constitution or direct the manner in which it shall act.

9.5 Any notice or other communication under or in connection with the Scheme may be given by the Company either personally or by post to the secretary; items sent by post shall be prepaid and shall be deemed to have been received 72 hours after posting.

9.6 The Company shall at all times keep available sufficient authorised and un-issued Shares to satisfy the exercise to the full extent still possible of all Options which have neither lapsed nor been fully exercised, taking account of any other obligations of the Company to issue un-issued Shares.

Rules of the Wynnstay Group Approved
Company Share Option Plan
AGM 21 March 2023
