

Certified Copy 26th March 2019

Signed _____
Chairman

Wynnstay Group plc

Rules of the Wynnstay Performance Share Plan



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Rules of the Wynnstay Performance Share Plan.

Approved at a general meeting of shareholders on 26th March 2019

1. Interpretation

The following definitions and rules of interpretation apply in the Plan.

1.1 Definitions

Acceptance Notice: a document in a form approved by the Committee that the Award Holder must sign and return to the Company as a condition of the Release of a Non-Option Award.

Acquiror: a person who obtains Control of the Company either alone or together with persons Acting in Concert.

Acting in Concert: has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers.

Adoption Date: the date of the approval of the Plan by the Company's shareholders.

AIM: the Alternative Investment Market of the London Stock Exchange or any successor body thereto.

AIM Rules: the rules for companies dealing on AIM as published by the London Stock Exchange or any successor body thereto.

Award: any of the following:

- (a) a Conditional Share Award;
- (b) a Forfeitable Share Award;
- (c) a Market Value Option;
- (d) a Nil Cost Option;
- (e) a Nominal Cost Option; and
- (f) a Jointly-Owned Share Award.

Award Certificate: a certificate or agreement setting out the terms of an Award, in accordance with rule 2.3.

Award Holder: an individual who holds an Award or, where applicable, that individual's personal representatives.

Base Salary: on the date in question, the basic annual salary of an Employee under his contract of employment with his Employer Company excluding, for the avoidance of doubt, any of the following:

- (a) benefits in kind;
- (b) bonuses;

- (c) share options and any other share incentive award; and
- (d) employer's pension contributions.

Business Day: a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business.

Clawback Amount: an amount of value determined in accordance with rule 11.

Closed Period: has the same meaning as in the Market Abuse Regulation.

Committee: the remuneration committee of the board of directors of the Company, appointed by that board to carry out its functions under the Plan.

Company: Wynnstay Group plc incorporated and registered in England and Wales with number company number 02704051.

Conditional Share Award: a right to acquire for no cost a specified number of Shares on the Release Date.

Control: shall be as defined in section 719 of ITEPA 2003 and the expression **change of Control** shall be construed accordingly.

Co-owner: the joint owner of Shares, with an Award Holder, under a Jointly-Owned Share Award, being the Nominee.

Dealing Day: a day on which the London Stock Exchange is open for business.

Dilutive Shares: on any date, all shares of the Company which:

- (a) have been issued, or transferred out of treasury, on the exercise of options granted, or in satisfaction of any other awards made, under any Share Incentive Plan (including the Plan) during the ten years ending on (and including) that date; and
- (b) remain capable of issue, or transfer out of treasury, under any Existing Award.

For the avoidance of doubt, Shares subject to Transfer Only Awards are not Dilutive Shares.

Discretionary Dilutive Shares: Dilutive Shares which:

- (a) were acquired under; or
- (b) remain subject to Existing Awards granted under,

any Share Incentive Plan (including the Plan) under which awards:

- (a) are made at the discretion of the Committee or any other grantor; and
- (b) do not have to be offered to all, or substantially all, employees who are eligible to participate.

Dividend Equivalent: has the meaning set out in rule 4.

Employee: any individual who is an employee (including an executive director) of a Group Company.

Employer Company: the Award Holder's employer or former employer as applicable.

Employer NICs: any secondary class 1 (employer) NICs (or the equivalent in any jurisdiction) that any Employer Company is liable to pay (or reasonably believes it is liable to pay) as a result of any Taxable Event (or which it would be liable to pay in the absence of an election referred to in rule 22.4) and which may be lawfully recovered from the Award Holder.

Employment Period: the period that starts on the Grant Date and ends on such date as the Committee may specify, not being earlier than the third anniversary of the Grant Date.

Exercise Date: in relation to an Option, the date on which it is exercised.

Exercise Notice: a document in a form approved by the Committee that the Award Holder must sign and return to the Company in order to exercise an Option.

Exercise Price: the price at which each Share subject to a Market Value Option or Nominal Cost Option may be acquired on the exercise of that Option.

Existing Award: an option or any other right or award under which shares in the Company may be acquired or received, granted under any Share Incentive Plan (including the Plan).

Forfeitable Share Award: an award of Shares which are subject to forfeiture, as set out in rule 7.

Good Leaver Reason: ceasing to be an Employee by reason of:

- (a) permanent disability or incapacity due to ill-health or injury;
- (b) Retirement;
- (c) Redundancy;
- (d) the Employer Company ceasing to be a Group Company;
- (e) the transfer of the business that employs the Award Holder to a person that is not a Group Company; or
- (f) any other exceptional circumstance that the Committee acting in its absolute discretion considers to be analogous to the foregoing.

Grant Date: the date on which an Award is, was, or is to be granted.

Grantor: any person other than the Company who, pursuant to an agreement or other arrangement with the Company, has agreed to grant or (as the case may require) has granted an Award to acquire Shares from him.

Group: the Company and any Subsidiary from time to time.

Group Company: any member of the Group.

HMRC: Her Majesty's Revenue & Customs.

Holding Period: the period that starts on the Release Date and ends on such date as the Committee may specify.

ITEPA 2003: the Income Tax (Earnings and Pensions) Act 2003.

Jointly-Owned Share Award: an award whereby the beneficial interest in Shares is held jointly by the Award Holder and the Nominee, on the terms of a Joint Ownership Agreement.

Joint Ownership Agreement: an agreement setting out the terms of a Jointly-Owned Share Award.

London Stock Exchange: London Stock Exchange plc or any successor body thereto.

Market Abuse Regulation: Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse.

Market Value: such value as the Committee shall determine it to its satisfaction in accordance with the applicable provisions of Part VIII of the Taxation of Chargeable Gains Act 1992.

Market Value Option: an Option to acquire Shares of which the Exercise Price is not less than the Market Value of a Share on its Grant Date.

NICs: National Insurance contributions.

Nil Cost Option: an Option to acquire Shares for no payment.

Nominal Cost Option: an Option to acquire Shares for payment of an Exercise Price equal to their nominal value.

Nominee: a person (including a trustee) nominated by the Committee to hold Shares on behalf of the Award Holder subject to the rules.

Nominee Agreement: a document in a form approved by the Committee and executed by the Nominee, the Award Holder and the Company that sets out the terms on which the Nominee holds Shares.

Non-Option Award: any of the following:

- (a) a Conditional Share Award;
- (b) a Forfeitable Share Award; or
- (c) a Jointly-Owned Share Award.

Option: a Market Value Option, a Nil Cost Option or a Nominal Cost Option.

Performance Condition: a condition that complies with rule 3 and:

- (a) must be satisfied before an Award can be Released;
- (b) is linked to the achievement of challenging performance over a period of at least three years and has the intention of enhancing shareholder value; and
- (c) is specified in the Award Certificate under rule 2.3.

Performance Measurement Date: the date on which the Committee determines that any Performance Condition on the Release of the Award has been satisfied, unless an earlier event occurs to cause the Award to lapse or be Released. This date may not be:

- (a) earlier than the first day after the end of the Performance Period; or

(b) later than the tenth anniversary of the Grant Date.

For the avoidance of doubt, an Award may have more than one Performance Measurement Date.

Performance Period: the period over which performance is measured to determine whether a Performance Condition has been achieved, which shall not be less than three years.

Plan: the employee share plan constituted and governed by these rules, as amended from time to time.

Redundancy: has the meaning given by the Employment Rights Act 1996.

Release: means

- (a) in relation to an Option, that it becomes exercisable in accordance with rule 12;
- (b) in relation to a Conditional Share Award, that the Award Holder is entitled to beneficial ownership of the Shares subject to the Award in accordance with rule 8;
- (c) in relation to a Forfeitable Share Award, that the Shares subject to the Award cease to be subject to forfeiture in accordance with rule 7; and
- (d) in relation to a Jointly-Owned Share Award, the date on which the Award Holder can enforce his rights under the Joint Ownership Agreement to acquire the Co-Owner's interest in the Shares in accordance with rule 8.

Releasable Number: has the meaning given in rule 19.1.

Release Date: is the date on which Release takes place and is determined in rule 8.3.

Relevant Restriction: a restriction stated in an Award Certificate that applies to Shares issued or transferred pursuant to the Award.

Retirement: cessation of employment in circumstances determined by the Committee (in its reasonable discretion provided that, for the avoidance of doubt, the Committee shall not be obliged to exercise its discretion in favour of the Award Holder) to be retirement.

Rollover Period: the period determined by the Acquiror during which an Award Holder can release an Award as set out in rule 20.

Share Incentive Plan: any arrangement to provide Employees with Shares.

Shares: £0.25 ordinary shares in the Company (subject to rule 21).

Subsidiary: a subsidiary as defined in section 1159 of the Companies Act 2006.

Tax Authority: HMRC or, where relevant, its equivalent in another jurisdiction.

Taxable Event: any event or circumstance that gives rise to a liability for the Award Holder to pay income tax and NICs or either of them (or their equivalents in any jurisdiction) in respect of:

- (a) the Award, including its Release, exercise, assignment or surrender for consideration, or the receipt of any benefit in connection with it;
- (b) any Shares (or other securities or assets):

- i. earmarked (as defined in Part 7A of ITEPA 2003) or held to satisfy the Award;
 - ii. acquired on Release or exercise of the Award;
 - iii. acquired as a result of holding the Award; or
 - iv. acquired in consideration of the assignment or surrender of the Award;
- (c) any securities (or other assets) acquired or earmarked as a result of holding Shares (or other securities or assets) mentioned in paragraph (b);
- (d) entering into an election under section 430 or 431 of ITEPA 2003; or
- (e) any amount due under PAYE in respect of securities or assets within paragraph (a) to paragraph (d), including any failure by the Award Holder to make good such an amount within the time limit specified in section 222 of ITEPA 2003.

Tax Liability: the total of:

- (a) any income tax and primary class 1 (employee) NICs (or their equivalents in any jurisdiction) for which any Employer Company is or may be liable to account (or reasonably believes it is or may be liable to account) as a result of any Taxable Event; and
- (b) unless the Employer Company, or the Company on behalf of the Employer Company, directs otherwise under rule 22.5 any Employer NICs (or similar liability in any other jurisdiction) that any Employer Company is or may be liable to pay (or reasonably believes it is or may be liable to pay) as a result of any Taxable Event and that can be recovered lawfully from the Award Holder.

Transfer Only Award: an Award which the Committee has designated can be satisfied only by the transfer of Shares, other than treasury shares. An Award is not a Transfer Only Award if it can be satisfied using Shares which have been issued to a person who holds those Shares in a fiduciary capacity for the purposes of a Share Incentive Plan.

Year: a financial year of the Company as defined in section 390 of the Companies Act 2006.

- 1.2 Rule headings shall not affect the interpretation of the rules.
- 1.3 A **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).
- 1.4 A reference to a **company** shall include any company, corporation or other body corporate, wherever and however incorporated or established.
- 1.5 Unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular.
- 1.6 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.

- 1.7 A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time.
- 1.8 A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 1.9 A reference to **writing** or **written** includes fax and email.
- 1.10 A reference to the Plan or to any other agreement or document referred to in the Plan is a reference to the Plan or such other agreement or document as varied or novated (in each case, other than in breach of the provisions of the Plan) from time to time.
- 1.11 References to rules are to rules of the Plan.
- 1.12 Any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.

2. Grant of Awards

- 2.1 Subject to the rules, the Committee may grant an Award (or authorise any Grantor to grant an Award) to any Employee it chooses during:
- (a) the period of 42 days after the Adoption Date;
 - (b) any period of 42 days immediately following the end of a Closed Period; and
 - (c) any other period in which the Committee has decided to grant an Award due to exceptional circumstances which justify such a decision.
- 2.2 The Committee may not grant Awards, and may not authorise any Grantor to grant Awards:
- (a) during a Closed Period;
 - (b) at any time where such grant would be in breach of the AIM Rules; or
 - (c) after the tenth anniversary of the Adoption Date.
- 2.3 The Committee shall grant an Award (or authorise any Grantor to grant an Award) by executing (and/or authorising a Grantor to execute) an Award Certificate in a form approved by the Committee. Each Award Certificate shall (without limitation):
- (a) state the Grant Date of the Award;
 - (b) state the number and class of the Shares in relation to which the Award is granted;
 - (c) state the type of Award;
 - (d) state whether the Award is a Transfer Only Award;

- (e) if the Award is a Market Value Option or Nominal Cost Option, state the Exercise Price;
- (f) if the Award is a Forfeitable Share Award:
 - (i) state the identity of the Nominee; and
 - (ii) state the terms on which the Nominee is required to deal with any dividends paid on the Shares in accordance with rule 7.6;
- (g) if the Award is not a Forfeitable Share Award, not a Jointly-Owned Share Award and not an Option:
 - (i) state whether Dividend Equivalents will apply to the Award; and
 - (ii) if they do, state the terms of the Dividend Equivalents;
- (h) if the Award is an Option, state the date when it will lapse, assuming that no event occurs to cause it to lapse earlier. This date may not be later than the tenth anniversary of the Grant Date;
- (i) specify the Performance Conditions set under rule 3, any other conditions to which the Award is subject and the Performance Period;
- (j) specify the Employment Period;
- (k) specify the Holding Period;
- (l) state whether the Tax Liability will include Employer NICs;
- (m) include a statement that the Award is subject to the rules (which shall be incorporated in the Award Certificate by reference);
- (n) state any Relevant Restriction;
- (o) state that the Acceptance Notice or Exercise Notice shall include the terms required by rule 11.9 and rule 22; and
- (p) include summaries of rule 16 and rule 22.

2.4 If the Company makes a Jointly-Owned Share Award, the Committee will arrange for the Shares subject to the Award to be allotted and issued, or transferred, to the Co-owner to be held in accordance with the terms of the Joint Ownership Agreement.

2.5 If the Company makes a Forfeitable Share Award, the Committee will arrange for the Shares subject to the Award to be allotted and issued, or transferred, to the Nominee to be held in accordance with rule 7.

3. Performance Condition

3.1 On the Grant Date of any Award, the Committee shall specify one or more appropriate Performance Conditions for the Award.

- 3.2 The Committee may vary or substitute any Performance Condition, provided that any varied or substituted Performance Condition shall be (in the reasonable opinion of the Committee):
- (a) a fairer measure of performance than the original Performance Condition, as judged at the time of the variation;
 - (b) no more difficult to satisfy than the original Performance Condition was at the Grant Date; and
 - (c) not materially easier to satisfy than the original Performance Condition was at the Grant Date, unless the variation of the Performance Condition has been approved in advance by the Company in general meeting.
- 3.3 Rule 3.2 shall not permit the general waiver by the Committee of Performance Conditions on:
- (a) cessation of employment;
 - (b) the occurrence of any event permitting the Release of Awards under rule 19; or
 - (c) the exchange of Awards for New Awards under rule 20.
- 3.4 The Committee shall determine whether, and to what extent, the Performance Condition has been satisfied:
- (a) on the Performance Measurement Date, which shall be as soon as reasonably possible after the end of the Performance Period;
 - (b) as soon as reasonably possible following the death of an Award Holder in order to apply the reduction required by rule 17.3(b) or rule 18.3(b); or
 - (c) in order to determine the Releasable Number in accordance with rule 19.1.
- 3.5 The Committee shall notify the Award Holder within a reasonable time after the Committee becomes aware of the relevant information:
- (a) whether (and, if relevant, to what extent) the Performance Condition has been satisfied;
 - (b) of any subsequent change in whether, or the extent to which, the Performance Condition has been satisfied;
 - (c) when that Performance Condition has become incapable of being satisfied, in whole or in part; and
 - (d) of any variation or substitution of that Performance Condition under rule 3.2.
- 3.6 If the Committee considers that a Performance Condition has become incapable of being satisfied, in whole or in part, that Award, or the appropriate part of it, shall lapse immediately.

4. Dividend Equivalents

- 4.1 On the Grant Date of any Award (other than an Option, a Jointly-Owned Share Award or a Forfeitable Share Award) the Committee may specify that Dividend Equivalents apply to the Award.
- 4.2 A Dividend Equivalent is a right to receive a payment on the Release Date.
- 4.3 The payment is equivalent to the dividends that would have been paid during the period between the Grant Date and the Release Date on the number of Shares in relation to which the Award is Released.
- 4.4 The Committee shall specify in the Award Certificate:
- (a) whether the Dividend Equivalent shall be paid in cash or additional Shares; and
 - (b) whether the calculation of the Dividend Equivalent should assume that dividends paid on the Shares were reinvested in further Shares.

5. Overall grant limits

- 5.1 The Company may not grant an Award if that grant would result in the total number of Dilutive Shares exceeding 10% of the issued share capital of the Company.
- 5.2 The Company may not grant an Award if that grant would result in the total number of Discretionary Dilutive Shares exceeding 5% of the issued share capital of the Company.
- 5.3 The Committee may redesignate a Transfer Only Award as not being a Transfer Only Award, in which case the Shares subject to that Award will be Dilutive Shares. The Committee may not do this if the consequence would be to break the limits in either rule 5.1 or rule 5.2.

6. Individual grant limits

- 6.1 The Company may not grant an Award to any Employee if that grant would result in the aggregate Market Value of Shares subject to Awards made to that Employee in that Year exceeding 100% of the Employee's Base Salary as at the proposed Grant Date.
- 6.2 For the purposes of rule 6.1, the Market Value of an Award shall be measured as at its Grant Date.
- 6.3 For the avoidance of doubt, Transfer Only Awards are included for the purposes of rule 6.1.

7. Forfeitable Share Awards

- 7.1 On or as soon as practicable after the Grant Date of a Forfeitable Share Award, the proposed Award Holder shall sign an Acceptance Notice and a Nominee Agreement which shall give effect to the following provisions of this rule 7. If the Award Holder fails to sign and return the Acceptance

Notice and Nominee Agreement to the Company within 30 days after the Grant Date, the Award Holder shall forfeit for no consideration all interest in the Forfeitable Shares.

- 7.2 The Forfeitable Shares shall be registered in the name of the Nominee until the end of the Holding Period.
- 7.3 An Award Holder who attempts to transfer, assign, charge or otherwise dispose of the beneficial interest in the Forfeitable Shares before the Release Date (except where rule 11, rule 18, rule 19 or rule 20 apply) shall forfeit for no consideration all interest in the Forfeitable Shares.
- 7.4 The Award Holder may not transfer, assign, charge or otherwise dispose of the beneficial interest in the Forfeitable Shares during the Holding Period except:
- (a) with the permission of the Committee;
 - (b) in order to raise sufficient funds to pay a Tax Liability in relation to the Forfeitable Shares; or
 - (c) where rule 11, rule 19 or rule 20 apply.
- 7.5 If the Committee decides in accordance with rule 3.6 that the Award is subject to a Performance Condition that has become incapable of being satisfied, in whole or in part, the Award Holder shall forfeit for no consideration all interest in the Forfeitable Shares, or the appropriate proportion of them.
- 7.6 Dividends paid on the Forfeitable Shares where the record date occurs before the Release Date shall be dealt with in one or more of the following ways, as specified by the Committee in the Award Certificate:
- (a) paid by the Company to the Award Holder whenever the Company pays dividends on Shares generally, if so mandated by the Nominee;
 - (b) retained by the Nominee, held on the same terms as the Forfeitable Shares and paid to the Award Holder on the Release Date;
 - (c) invested by the Nominee in further Shares which the Nominee shall hold on the same terms as the Forfeitable Shares; or
 - (d) waived by the Nominee.
- 7.7 Dividends paid on the Forfeitable Shares where the record date falls after the Release Date shall be mandated by the Nominee to be paid to the Award Holder.
- 7.8 The Nominee shall not exercise voting rights on the Forfeitable Shares at any general meeting of members of the Company that occurs before the Release Date.

The Nominee shall seek the Award Holder's directions as to how to exercise its voting rights at any general meeting of members of the Company that occurs after the Release Date and shall comply with those directions.

- 7.9 If the Company makes an offer conferring any rights on its members to acquire (for payment) additional securities in a Group Company, the Nominee shall comply with any direction from the Award Holder concerning the exercise or sale of any rights or securities attributable to the Forfeitable Shares. However, the Nominee shall not be required to exercise any such rights unless:
- (a) the Award Holder has paid the full amount payable (if any) on exercise; or
 - (b) the Award Holder has authorised the Nominee to sell sufficient of the rights, nil paid, to pay the full amount to acquire the balance of such rights.

If no such direction is received at least seven Dealing Days before the last day on which such rights may be exercised, the Nominee shall take no action in relation to those rights.

The Nominee shall hold any additional shares or securities so acquired on the same terms as the Forfeitable Shares.

- 7.10 The Nominee shall comply with any direction from the Award Holder concerning a release of Awards in accordance with rule 20.
- 7.11 The words "forfeit for no consideration" mean that the Award Holder's beneficial interest in the Forfeitable Shares ceases to exist and the Award Holder receives no consideration for the cessation of the beneficial interest.

8. Release Date

- 8.1 The Committee shall specify in the Award Certificate the Employment Period, the Performance Period and the Holding Period.
- 8.2 As soon as reasonably practicable after the end of the Performance Period, the Committee will determine the extent to which the Performance Conditions have been satisfied. The date of that determination is the Performance Measurement Date and (subject to rule 8.3, rule 8.4 and rule 9.1), the Awards will be Released on the Release Date or lapse accordingly, in whole or in part.
- 8.3 The Release Date shall be the later of the Performance Measurement Date, and the first Dealing Day following the end of the Employment Period. However, if that date falls in a Closed Period, the Release Date will be the first Dealing Day following the end of that Closed Period.
- 8.4 It shall be a condition of Release of every Non-Option Award that the Award Holder agrees to the provisions of rule 11 and rule 22 by signing an Acceptance Notice.

9. Suspension of Awards

- 9.1 Subject to rule 9.2, an Award shall not be Released, and an Award Holder may not exercise an Option, at any time:
- (a) while disciplinary proceedings by any Group Company are underway against the Award Holder; or
 - (b) while any Group Company is investigating the Award Holder's conduct and may as a result begin disciplinary proceedings.
- 9.2 The Company shall not unfairly frustrate a valid Release of an Award or exercise of an Option by the inappropriate application of any provision of rule 9.1.
- 9.3 For the avoidance of doubt, and subject to rule 8.3, rule 8.4 and rule 18, an Award that was not Released on its expected Release Date due to the application of rule 9.1 shall be Released if the Committee so determines following the conclusion of the disciplinary proceedings or investigation. The Release Date of that Award shall be the date of the Committee's determination, or, if that date falls in a Closed Period, the first Dealing Day following the end of that Closed Period.
- 9.4 An Award Holder who gives or receives notice of termination of employment before the Release Date (whether or not lawful) may not exercise an Option at any time while the notice remains effective.
- 9.5 No Award shall be Released during a period when the Award Holder is on notice of termination of employment (whether or not lawful). An Award that would otherwise have been Released during such a period shall instead be Released when and if the notice ceases to be effective.

10. Circumstances in which malus and clawback can apply

- 10.1 Rule 10 applies in relation to an Award if:
- (a) either or both rule 10.2 and rule 10.3 apply; and
 - (b) rule 10.4 applies.
- 10.2 This rule 10.2 applies in relation to an Award if the Committee, at its discretion, determines that any of the following circumstances exist:
- (a) the Award Holder has participated in or was responsible for conduct which resulted in significant losses to a Group Company;
 - (b) the Award Holder has failed to meet appropriate standards of fitness and propriety;
 - (c) the Company has reasonable evidence of fraud or material dishonesty by the Award Holder;

- (d) the Company has become aware of any material wrongdoing on the part of the Award Holder;
- (e) the Award Holder has acted in any manner which in the opinion of the Committee has brought or is likely to bring any Group Company into material disrepute or is materially adverse to the interests of any Group Company;
- (f) there is a breach of the Award Holder's employment contract that is a potentially fair reason for dismissal;
- (g) the Award Holder is in breach of a fiduciary duty owed to any Group Company;
- (h) an Award Holder who has ceased to be an Employee was in breach of their employment contract or fiduciary duties in a manner that would have prevented the grant or Release of the Award had the Company been aware (or fully aware) of that breach, and of which the Company was not aware (or not fully aware) until after both:
 - (i) the Award Holder's ceasing to be an Employee; and
 - (ii) the time (if any) when the Committee decided to permit the Release of the Award or the exercise of the Option; or
- (i) there was a material error in:
 - (i) determining whether the Award should be made;
 - (ii) determining the size and nature of the Award; or
 - (iii) assessing the extent to which any Performance Condition was satisfied on the Performance Measurement Date.

10.3 This rule 10.3 applies in relation to an Award if the Committee, at its discretion, determines that either of the following circumstances exist:

- (a) a Group Company mis-stated any financial information (whether or not audited) for any part of any Year that was taken into account in:
 - (i) determining whether the Award should be made;
 - (ii) determining the size and nature of the Award; or
 - (iii) assessing the extent to which any Performance Condition was satisfied on the Performance Measurement Date; or
- (b) a Group Company or business unit that employs or employed the Award Holder, or for which the Award Holder is responsible, has suffered a material failure of risk management.

10.4 This rule 10.4 applies in relation to an Award if the Committee, at its discretion, determines that, if the circumstances mentioned in rule 10.2 or rule 10.3 had existed, and the Committee had been fully aware that they existed:

- (a) at the Grant Date, or
- (b) in the case of an Award that has already been Released, at the Release Date,

then:

- (a) the Committee would not have granted the Award;
- (b) the Committee would have granted the Award in relation to a smaller number of Shares;
or
- (c) in the case of an Award that has already been Released:
 - (i) it would not have been Released at all, or
 - (ii) it would have been Released in relation to a smaller number of Shares.

10.5 If the Committee makes a determination in relation to an Award under rule 10, it must do so within three years of its becoming aware of the circumstances mentioned in rule 10.2 or rule 10.3.

11. Operation of malus and clawback

11.1 This rule 11 applies to an Award if rule 10 applies to the Award.

11.2 If at the date of the determination under rule 10.4, the Award has not yet been Released or, in the case of an Option, it has not yet been exercised, the Committee may determine to cancel the Award or reduce it by such number of Shares as the Committee considers to be fair and reasonable, taking account of all circumstances that the Committee considers to be relevant.

11.3 If at the date of the determination under rule 10.4, the Award has been Released or, in the case of an Option, it has been exercised, the Committee may determine a Clawback Amount in relation to the Award.

11.4 The Clawback Amount shall be such amount as the Committee considers to be fair and reasonable, taking account of all circumstances that the Committee considers to be relevant, but shall not be more than:

- (a) in relation to an Option that has been exercised, the greater of:
 - (i) the Market Value of the Shares measured on the date the Option was exercised,
and
 - (ii) the Market Value of the Shares measured on the date of the determination
minus the Exercise Price;
- (b) in relation to a Non-Option Award, the greater of:
 - (i) the Market Value of the Shares measured on the Release Date, and
 - (ii) the Market Value of the Shares measured on the date of the determination.

- 11.5 If the Award Holder has paid or is liable to pay any income tax or NICs in relation to the Award or the Shares and which cannot be recovered from or repaid by the Tax Authority (whether directly or indirectly), the Committee may in its discretion decide to reduce the Clawback Amount to take account of this amount. In deciding whether to reduce the Clawback Amount, the Committee shall take account of such factors it thinks fit, which may include market practice, corporate governance rules and guidelines, and the expectations of shareholders.
- 11.6 For the avoidance of doubt, the Committee is not obliged to determine a Clawback Amount in relation to any particular Award, even if the Committee does determine a Clawback Amount in relation to other Awards to the same or other Award Holders which had the same Grant Date or Release Date.
- 11.7 The Award Holder shall reimburse the Company for the Clawback Amount, in any way acceptable to the Committee, on or as soon as possible after the Committee determines a Clawback Amount in relation to the Award. If the Award Holder fails to reimburse the Company within 30 days after the determination, the Company shall obtain reimbursement from the Award Holder in any (or any combination) of the following ways:
- (a) by reducing or cancelling any Options that the Award Holder has not exercised;
 - (b) by reducing or cancelling any Non-Option Awards that have not yet been Released;
 - (c) by reducing or cancelling any cash bonus payable to the Award Holder by any Group Company;
 - (d) by reducing or cancelling any future or existing award made or option granted to the Award Holder under any other Share Incentive Plan or bonus scheme operated by any Group Company (other than a Schedule 2 SIP or a Schedule 3 SAYE option scheme, as those terms are defined in ITEPA 2003);
 - (e) by requiring the Award Holder to make a cash payment to a Group Company;
 - (f) by requiring the Award Holder to transfer Shares to the Nominee for no consideration;
 - (g) by causing any Shares or interest in Shares held by the Nominee on behalf of the Award Holder to be forfeited for no consideration, with the consequence that the Award Holder no longer has any beneficial interest in those Shares; or
 - (h) by reducing the Award Holder's Base Salary.
- 11.8 If the Award Holder participates in another Share Incentive Plan or bonus scheme operated by a Group Company, and that other scheme contains a provision that has a similar effect to this rule 11, the Committee may give effect to that provision in any of the following ways:
- (a) By reducing or cancelling any Options that the Award Holder has not exercised.
 - (b) By reducing or cancelling any Non-Option Awards that have not yet been Released.

11.9 It is a condition of the Release of an Award and the exercise of an Option that the Award Holder irrevocably agrees to the terms of rule 11, and the Committee may make it a condition of the Release of an Award or the exercise of an Option that the Award Holder signs an Acceptance Notice or Exercise notice to confirm the same.

12. Exercise of Options

12.1 An Award Holder may not exercise an Option before the earliest of:

- (a) its Release Date;
- (b) the time when it becomes exercisable under rule 17; and
- (c) the time when it becomes exercisable under rule 19.

12.2 An Award Holder may only exercise an Option to the extent that the relevant Performance Condition is achieved and any other condition stated in the Award Certificate is satisfied.

12.3 An Award Holder may not exercise an Option at a time when its exercise is prohibited by, or would be a breach of, the Market Abuse Regulation, the AIM Rules or any other law or regulation with the force of law, or other rule, code or set of guidelines (such as a personal dealing code adopted by the Company).

12.4 An Award Holder may not exercise an Option without having signed the Exercise Notice and made any arrangements, or entered into any agreements, that may be required and are referred to in rule 11 and rule 22.

13. Manner of exercise of Options

13.1 An Award Holder who exercises an Option in part must exercise it over at least 25% of the number of Shares over which the Option was granted or, if fewer, the number of Shares over which the Option is then exercisable.

13.2 The Award Holder shall exercise an Option by giving an Exercise Notice to the Company setting out the number of Shares over which the Award Holder wishes to exercise the Option. If that number exceeds the number over which the Option may be validly exercised at the time, the Company shall:

- (a) treat the Option as exercised only in respect of that lesser number; and
- (b) refund any excess amount paid to exercise the Option or meet any Tax Liability.

13.3 The Exercise Notice shall be accompanied by both of the following:

- (a) in relation to a Market Value Option or Nominal Cost Option payment of an amount equal to the Exercise Price multiplied by the number of Shares specified in the notice;
- (b) any payment required under rule 22,

unless the Award Holder has entered into binding alternative arrangements to secure the payment of those amounts which are satisfactory to the Committee.

- 13.4 The Exercise Notice shall contain or be accompanied by:
- (a) (if the Option is exercised before the end of the Holding Period), the Nominee Agreement; and
 - (b) any documents relating to arrangements or agreements required under rule 11 and rule 22.
- 13.5 Any Exercise Notice shall be invalid:
- (a) to the extent that it is inconsistent with the Award Holder's rights under these rules and the Award Certificate;
 - (b) if any of the requirements of rule 13.2, rule 13.3 or rule 13.4 are not met; or
 - (c) if any payment referred to in rule 13.3 is made by a cheque that is not honoured on first presentation or that fails in any other manner to transfer the expected value to the Company.

The Company may permit the Award Holder to correct any defect referred to in rule 13.5 (but shall not be obliged to do so). The date of any corrected Exercise Notice shall be the date of the correction rather than the original notice date for all other purposes of the Plan.

14. Settlement of Awards

- 14.1 This rule 14 is subject to rule 15.
- 14.2 The Company shall allot and issue Shares (or, as appropriate, procure their transfer) to the Nominee within 30 days after:
- (a) the Release of a Conditional Share; or
 - (b) the valid exercise of a Nil Cost, Nominal Cost or Market Value Option.
- 14.3 Shares allotted and issued in accordance with rule 14.2 shall rank equally in all respects with the other shares of the same class in issue at the date of allotment, except for any Relevant Restriction or any rights determined by reference to a date before the date of allotment.
- 14.4 Shares transferred in accordance with rule 14.2 shall be transferred free of any lien, charge or other security interest, other than any Relevant Restriction, and with all rights attaching to them, other than any rights determined by reference to a date before the date of transfer.
- 14.5 If the Shares are listed or traded on any stock exchange, the Company shall apply to the appropriate body for any newly issued Shares allotted in accordance with rule 14.2 to be listed or admitted to trading on that exchange.

- 14.6 During the Holding Period, the Award Holder may not transfer, assign, charge or otherwise dispose of the beneficial interest in the Shares Released (including any Shares acquired on the exercise of an Option) except:
- (a) with the permission of the Committee;
 - (b) in order to raise sufficient funds to pay a Tax Liability in relation to the Shares so Released;
 - (c) in order to raise sufficient funds to pay the Exercise Price of a Market Value Option or Nominal Cost Option;
 - (d) where he ceases to be an Employee; or
 - (e) where rule 11, rule 19 or rule 20 apply.

It shall be a condition of Release of every Non-Option Award that the Award Holder agrees to the provisions of rule 11 and rule 22 by signing an Acceptance Notice.

15. Alternative methods of settlement of Awards

- 15.1 Instead of delivering the number of Shares specified in the relevant Exercise Notice, the Company may settle the exercise of a Nominal Cost Option or Market Value Option in any of the ways specified in rule 15.2 to rule 15.6. If the Option is exercised during the Holding Period, references to the transfer or allotment of Shares to the Award Holder shall be construed as references to the transfer or allotment of Shares to the Nominee to be held on behalf of the Award Holder.
- 15.2 The Company may settle the Option by procuring the transfer of sufficient Shares to deliver the gain net of the Exercise Price in the following manner:
- (a) deduct the Exercise Price from the Market Value of a Share on the Exercise Date;
 - (b) multiply the result by the number of Shares specified in the relevant Exercise Notice;
 - (c) divide by the Market Value of a Share on the Exercise Date;
 - (d) round down to the nearest whole number and procure the transfer of that number of Shares to the Award Holder, together with a cash payment of the rounding amount; and
 - (e) refund the amount of any payment the Award Holder has made in respect of the Exercise Price.
- 15.3 The Company may settle the Option by procuring the transfer of sufficient Shares to deliver the gain net of the Exercise Price and the Tax Liability in the following manner:
- (a) deduct the Exercise Price from the Market Value of a Share on the Exercise Date;
 - (b) multiply the result by the number of Shares specified in the relevant Exercise Notice;
 - (c) deduct the Tax Liability;
 - (d) divide by the Market Value of a Share on the Exercise Date;

- (e) round down to the nearest whole number and procure the transfer of that number of Shares to the Award Holder, together with a cash payment of the rounding amount;
- (f) refund the amount of any payment the Award Holder has made in respect of the Exercise Price and the Tax Liability; and
- (g) settle the Tax Liability on the Award Holder's behalf.

15.4 The Company may settle the Option by allotting and issuing sufficient Shares to deliver the gain net of the Exercise Price in the following manner:

- (a) deduct the nominal value of a Share from the Exercise Price;
- (b) deduct the result from the Market Value of a Share on the Exercise Date;
- (c) multiply the result by the number of Shares specified in the relevant Exercise Notice;
- (d) divide by the Market Value of a Share on the Exercise Date;
- (e) round down to the nearest whole number and allot and issue that number of Shares to the Award Holder, together with a cash payment of the rounding amount; and
- (f) refund the amount of any payment the Award Holder has made in respect of the Exercise Price, minus the nominal value of the Shares so issued.

15.5 The Company may settle the Option by allotting and issuing sufficient Shares to deliver the gain net of the Exercise Price and the Tax Liability in the following manner:

- (a) deduct the nominal value of a Share from the Exercise Price;
- (b) deduct the result from the Market Value of a Share on the Exercise Date;
- (c) multiply the result by the number of Shares specified in the relevant Exercise Notice;
- (d) deduct the Tax Liability;
- (e) divide by the Market Value of a Share on the Exercise Date;
- (f) round down to the nearest whole number and allot and issue that number of Shares to the Award Holder, together with a cash payment of the rounding amount;
- (g) refund the amount of any payment the Award Holder has made in respect of the Exercise Price and the Tax Liability, minus the nominal value of the Shares so issued; and
- (h) settle the Tax Liability on the Award Holder's behalf.

15.6 If the Award Holder consents, the Company may settle the Option in cash in the following manner:

- (a) take the Market Value of a Share on the Exercise Date and deduct the Exercise Price;
- (b) multiply the result by the number of Shares specified in the relevant Exercise Notice;
- (c) deduct the Tax Liability and pay the resulting amount to the Award Holder; and

- (d) refund the amount of any payment the Award Holder has made in respect of the Exercise Price and Tax Liability.
- 15.7 Instead of delivering the number of Shares subject to a Nil Cost Option or Conditional Share Award, the Company may settle the Award in either of the manners specified in rule 15.8 or rule 15.9.
- 15.8 The Company may settle the Award by procuring the transfer of sufficient Shares to the Nominee to deliver the gain net of the Tax Liability in the following manner:
 - (a) multiply the number of Shares in relation to which the Award has been Released by the Market Value of a Share on the Release Date;
 - (b) deduct the Tax Liability;
 - (c) divide by the Market Value of a Share on the Release Date;
 - (d) round down to the nearest whole number and procure the transfer of that number of Shares to the Nominee to be held on behalf of the Award Holder, together with a cash payment of the rounding amount;
 - (e) refund the amount of any payment the Award Holder has made in respect of the Tax Liability; and
 - (f) settle the Tax Liability on the Award Holder's behalf.
- 15.9 If the Award Holder consents, the Company may settle the Award in cash in the following manner:
 - (a) multiply the number of Shares in relation to which the Award has been Released by the Market Value of a Share on the Release Date;
 - (b) deduct the Tax Liability and pay the resulting amount to the Award Holder; and
 - (c) refund the amount of any payment the Award Holder has made in respect of the Tax Liability.

16. Lapse of Awards

- 16.1 An Award Holder may not transfer or assign, or create any charge or other security interest over an Award (or any right arising under it). An Award shall lapse if the Award Holder attempts to do any of those things. However, this rule 16.1 does not prevent the transmission of an Award to an Award Holder's personal representatives on the death of the Award Holder.
- 16.2 An Award shall lapse on the earliest of the following:
 - (a) any attempted action by the Award Holder falling within rule 7.3 or rule 16.1;
 - (b) when the Committee decides in accordance with rule 3.6, to the extent that the Performance Condition has become wholly or partly incapable of being met;
 - (c) any date on which the Award shall lapse, as specified in the Award Certificate;

- (d) to the extent necessary to give effect to any reduction or cancellation under clause 11;
- (e) if an Award Holder ceases to be an Employee before the end of the Employment Period (whether or not following notice) for any reason other than a Good Leaver Reason or death, the date the Award Holder ceases employment;
- (f) to the extent required by rule 7.4, rule 17 or rule 18, the date the Award Holder dies or ceases employment;
- (g) the first anniversary of the Award Holder's death;
- (h) the end of the 90-day period, if rule 17.4 or rule 17.6 applies;
- (i) if the Award Holder ceases to be an Employee after the end of the Employment Period, 90 days after the later of:
 - (i) the date of so ceasing; and
 - (ii) the Release Date;
- (j) the time specified for the lapse of the Award under rule 19 if any part of that rule 19 applies;
- (k) If the Committee so determines under clause 21.3; or
- (l) when the Award Holder becomes bankrupt under Part IX of the Insolvency Act 1986, applies for an interim order under Part VIII of the Insolvency Act 1986, proposes or makes a voluntary arrangement under Part VIII of the Insolvency Act 1986, takes similar steps, or is similarly affected, under laws of any jurisdiction that correspond to those provisions of the Insolvency Act 1986.

17. Termination of employment (Options)

17.1 Rule 17 applies to Options and not, for the avoidance of doubt, any Non-Option Award.

17.2 If an Award Holder:

- (a) dies while an Employee; or
- (b) ceases to be an Employee (whether or not following notice) due to a Good Leaver Reason

before the end of the Employment Period, the Option shall lapse immediately in respect of a number of Shares. That number is calculated in accordance with the formula $N \times (X/Y)$ where:

- (a) N = the number of Shares in relation to which the Option was originally granted, less any Shares in respect of which it has already been exercised or has lapsed;
- (c) X = the number of days between the date of death or cessation and the end of the Employment Period; and
- (d) Y = the number of days in the Employment Period.

- 17.3 The personal representatives of a deceased Award Holder may exercise the Option over a number of Shares during the period ending 12 months after the death. If the Option is not exercised, it will lapse at the end of that period. That number of Shares shall be determined as follows:
- (a) take the number of Shares that remain after part of the Option has lapsed under rule 17.2;
 - (b) if the Award Holder dies during the Performance Period, the Committee shall apply a further reduction to reflect the likelihood as at the date of death of the Performance Condition not being achieved by the end of the Performance Period and the Option shall lapse to that extent; and
 - (c) if the Award Holder dies after the end of the Performance Period, the number shall be equal to the number of Shares that the Award Holder could have acquired on exercising the Option immediately before the death.

- 17.4 This rule 17.4 applies if an Award Holder ceases to be an Employee before the Release Date due to due to a Good Leaver Reason or death. An Award Holder who so ceases to be an Employee may exercise the remainder of the Option (after the application of rule 17.2 and subject to achieving the Performance Condition) during the 90-day period beginning on the earlier of:
- (a) the Release Date; and
 - (b) the date on which the Option becomes exercisable under rule 19.

If the Option is not exercised during the relevant 90-day period, it will lapse at the end of that period.

- 17.5 This rule 17.5 applies if an Award Holder ceases to be an Employee after the end of the Employment Period but before the Release Date for any reason other than death or a Good Leaver Reason.

The Committee may in its absolute discretion permit the Award Holder to exercise the remainder of the Option (after the application of rule 17.2) during the 90-day period beginning on the earlier of:

- (a) the Release Date; and
- (b) the date on which the Option becomes exercisable under rule 19.

If the Option is not exercised during the relevant 90-day period, it will lapse at the end of that period.

Any decision by the Committee to grant permission under this rule 17.5 shall be made in the 90-day period following the cessation of employment and if the Committee does not make such a decision within that period, the Option will lapse immediately and in accordance with rule 16. The Award Holder may not exercise the Option before the Committee makes such a decision.

- 17.6 An Award Holder who ceases to be an Employee on or after the Release Date may exercise the Option during the 90-day period following the date of cessation.

- 17.7 The Committee shall notify the relevant Award Holder of any decision made under rule 17, including any decision not to permit the exercise of an Option, within a reasonable time after making it.
- 17.8 If the relevant Award Certificate specifies different Performance Periods or Employment Periods for different parts of an Option, each part of that Option shall be treated as a separate Option for the purposes of rule 17.
- 17.9 An Award Holder who continues to be an employee or director of any Group Company shall not be regarded as ceasing to be an Employee.

18. Termination of employment (Non-Option Awards)

- 18.1 Rule 18 applies to Non-Option Awards and not, for the avoidance of doubt, any Options.
- 18.2 If an Award Holder:
- (a) dies while an Employee; or
 - (b) ceases to be an Employee (whether or not following notice) due to a Good Leaver Reason
- before the end of the Employment Period, the Award shall lapse immediately in respect of a number of Shares. That number is calculated in accordance with the formula $N \times (X/Y)$ where:
- (c) N = the number of Shares in relation to which the Award was originally granted, less any Shares in respect of which it has already been Released or has lapsed;
 - (d) X = the number of days between the date of death or cessation and the end of the Employment Period; and
 - (e) Y = the number of days in the Employment Period.

- 18.3 If the Award Holder dies before the Release Date, the Award will be Released to the Award Holder's personal representatives in respect of a number of Shares determined by the Committee as follows:
- (a) take the number of Shares that remain after applying rule 18.2; and
 - (b) apply a further reduction to reflect the extent to which the Performance Condition was not achieved at the date of death.

The Award will be settled in accordance with rule 14 as soon as practicable following the death.

- 18.4 This rule 18.4 applies if an Award Holder ceases to be an Employee before the Release Date due to a Good Leaver Reason.

The remainder of the Award (after the application of rule 18.2 and subject to achieving the Performance Condition) will be Released on the earlier of:

- (a) the Release Date; and

(b) the date on which the Award is Released under rule 19.

18.5 This rule 18.5 applies if an Award Holder ceases to be an Employee after the end of the Employment Period but before the Release Date for any reason other than death or a Good Leaver Reason.

The Committee may in its absolute discretion determine that the remainder of the Award (after the application of rule 18.2 and subject to achieving the Performance Condition) shall be Released on the earlier of:

(a) the Release Date; and

(b) the date on which the Award is Released under rule 19.

Any decision by the Committee to permit Release under this rule 18.5 shall be made in the 90-day period following the cessation of employment and if the Committee does not make such a decision within that period, the Award will lapse immediately and in accordance with rule 16.

18.6 The Committee shall notify the relevant Award Holder of any decision made under rule 18, including any decision to permit the Release of an Award, within a reasonable time after making it.

18.7 If the relevant Award Certificate specifies different Performance Periods or Employment Periods for different parts of an Award, each part of that Award shall be treated as a separate Award for the purposes of rule 18.

18.8 An Award Holder who continues to be an employee or director of any Group Company shall not be regarded as ceasing to be an Employee.

19. Takeovers and liquidations

19.1 The **Releasable Number** of Shares in relation to an Award is the number of Shares that the Committee shall determine as follows:

(a) If the change of Control occurs during the Employment Period, multiply the number of Shares in relation to which the Award was originally granted, less any Shares in respect of which it has already been Released (or, in the case of an Option, has already been exercised) or has lapsed, by X/Y where:

(i) X = the number of days between the Grant Date and the date (or expected date) of the change of Control; and

(ii) Y = the number of days in the Employment Period.

(b) If the change of Control occurs during the Performance Period, apply a further reduction to reflect the likelihood as at the date (or expected date) of the change of Control of the Performance Condition not being achieved by the end of the Performance Period.

- 19.2 Where the Committee is required by rule 19.1 to determine the Releasable Number, and the relevant Award Certificate specifies different Performance Periods or Employment Periods for different parts of an Award, the Committee shall treat each part of that Award as a separate Award.
- 19.3 If the Committee considers that a change of Control is likely to occur, the Committee may in its absolute discretion decide that:
- (a) all Awards shall be Released in relation to the Releasable Number of Shares; and
 - (b) an Award Holder may exercise all or any part of any Option (but not in respect of more than the Releasable Number of Shares) within a reasonable period to be specified by the Committee for that purpose and ending immediately before the Acquiror obtains Control of the Company. The Committee shall have discretion to determine that an Option that is not exercised by the end of that period shall lapse.

The Committee may decide that the Release of Awards and exercise of Options shall be conditional on the change of Control actually occurring and shall be treated as having no effect if the change of Control does not occur.

- 19.4 Rule 19.5, rule 19.6 and rule 19.7 apply if a change of Control occurs and the Acquiror declares that it is willing to make an agreement under rule 20.
- 19.5 The Committee may in its absolute discretion decide that an Award Holder may exercise all or any part of any Option (but not in respect of more than the Releasable Number of Shares) within a reasonable period to be specified by the Committee for that purpose. Any part of an Option that is not either exchanged under rule 20 or exercised by the end of that period shall lapse.
- 19.6 The Award Holder may at any time during the Rollover Period exchange the Award under rule 20.
- 19.7 The Committee has discretion to determine at any time before the end of the Rollover Period that some or all of any Awards that are not so exchanged shall lapse at the end of the Rollover Period.

If the Committee does not so determine, then any Non-Option Awards that are not so exchanged shall be Released in relation to the Releasable Number immediately following the end of the Rollover Period and lapse in relation to the balance.

- 19.8 If the Acquiror is not willing to make an agreement under rule 20:
- (a) all Awards shall be Released immediately following the change of Control in relation to the Releasable Number of Shares and lapse in relation to the balance; and
 - (b) an Award Holder may exercise all or any part of any Option (but not in respect of more than the Releasable Number of Shares) within the period of 30 days following the change of Control. Any part of an Option that is not exercised by the end of that period shall lapse.

19.9 If any person becomes bound or entitled to acquire Shares under sections 979 to 982 or 983 to 985 of the Companies Act 2006:

- (a) all Awards shall be Released in relation to the Releasable Number of Shares and lapse in relation to the balance; and
- (b) an Award Holder may exercise all or any part of any Option (but not in respect of more than the Releasable Number of Shares) at any time when the person remains so bound or entitled.

An Option that is not so exercised shall lapse at the end of the period during which that person is bound or entitled (unless it lapses earlier in accordance with rule 17 or is exchanged under rule 20).

19.10 If the court sanctions a compromise or arrangement under section 899 of the Companies Act 2006, the Committee may decide that:

- (a) all Awards shall be Released in relation to the Releasable Number of Shares; and
- (b) an Award Holder may exercise all or any part of any Option (but not in respect of more than the Releasable Number of Shares) within a reasonable period to be specified by the Committee for that purpose. The Committee shall have discretion to determine that an Option that is not exercised by the end of that period shall lapse.

19.11 If any Shares, in one or a series of transactions, are sold resulting in the buyer and persons Acting in Concert with the buyer together acquiring Control of the Company, but the buyer is a company and its shareholders and the proportion of its shares held by each of them following completion of the sale are substantially the same as the shareholders and their shareholdings in the Company immediately before the sale, the Committee may determine that this does not constitute a change of Control.

If the buyer offers to make such arrangements as the Committee, in its reasonable opinion, considers to be fair, for new awards to be offered under rule 20 in exchange for Awards, then the Committee may decide that any Awards that are not so exchanged shall lapse on such date as the Committee shall specify.

If the buyer does not offer to make arrangements that the Committee considers to be fair within 30 days after the buyer has acquired Control, then:

- (a) all Awards shall be Released on the 31st day following the buyer acquiring Control in relation to the Releasable Number of Shares and lapse in relation to the balance; and
- (b) an Award Holder may exercise all or any part of any Option (but not in respect of more than the Releasable Number of Shares) within the period starting 31 days and ending 90 days following the buyer acquiring Control. Any part of an Option that is not exercised by the end of that period shall lapse.

- 19.12 In rule 19 and rule 20, a person shall be deemed to have obtained Control of a company if that person, and others Acting in Concert with that person, have obtained Control of it together.
- 19.13 If the shareholders of the Company receive notice of a resolution for the voluntary winding up of the Company:
- (a) all Non-Option Awards shall be Released upon the passing of that resolution in relation to the Releasable Number of Shares and lapse in relation to the balance; and
 - (b) any Award Holder may exercise an Option in respect of the Releasable Number of Shares at any time before that resolution is passed, conditional upon the passing of that resolution, and if the Award Holder does not exercise the Option, it shall lapse when the winding up begins.
- 19.14 The Committee shall notify Award Holders of any event that is relevant to Awards under this rule 19 within a reasonable period after the Committee becomes aware of it.
- 19.15 For the avoidance of doubt, rule 19 is subject to rule 9.4 and rule 9.5.

20. Exchange of Awards

- 20.1 If the Acquiror is a company, each Award Holder may, by agreement with the Acquiror within the Rollover Period, surrender any Award (**Old Award**) in exchange for a replacement right (**New Award**).
- 20.2 A New Award shall be granted on such terms and in relation to such shares of such company as the Acquiror and the Award Holder may agree.
- 20.3 The Rollover Period is a period specified by the Acquiror within which Award Holders may agree to surrender their Awards.

21. Variation of share capital

- 21.1 This rule 21 applies where there is:
- (a) a variation of share capital; or
 - (b) an extraordinary distribution to shareholders.
- 21.2 In this rule 21:
- (a) A variation of share capital includes a capitalisation issue, rights issue, consolidation, subdivision or reduction of capital, a vendor placing with clawback, a vendor rights offer or a cash open offer. However, a scrip dividend is not a variation of share capital.
 - (b) An extraordinary distribution to shareholders includes a demerger or special dividend.

21.3 If notice is given to shareholders of the Company of a proposed extraordinary distribution, the Committee shall determine whether the interests of Award Holders would or might be substantially prejudiced by the proposed extraordinary distribution.

If the Committee does so decide, it may determine that:

- (a) some or all Awards shall be Released in relation to the Releasable Number of Shares; and
- (b) an Award Holder may exercise all or any part of any Option (but not in respect of more than the Releasable Number of Shares) within a reasonable period specified by the Committee for that purpose and ending immediately before the record date for the extraordinary distribution. The Committee shall have discretion to determine that an Option that is not exercised by the end of that period shall lapse.

The Committee may decide that the Release of Awards and exercise of Options shall be conditional on the extraordinary distribution actually occurring and shall be treated as having no effect if the extraordinary distribution does not occur.

The Releasable Number shall be determined in accordance with rule 19.1 as if the extraordinary distribution were a change of Control.

For the avoidance of doubt, if the Committee does not determine that Awards shall be Released and Options may be exercised, the Committee may nevertheless make an adjustment to the Awards under rule 21.4.

21.4 If a variation of share capital or an extraordinary distribution occurs and the Committee considers that it has affected the value of Awards, the Committee shall consider whether it is fair to adjust the terms of the Awards and, if so, the Committee shall make such adjustment as it considers appropriate to:

- (a) the number of Shares subject to the Award;
- (b) the class of Shares subject to the Award; and
- (c) subject to rule 21.5, the Exercise Price.

21.5 The Committee may not reduce the Exercise Price of an Option below the nominal value of a Share, if the Option will or may be satisfied by the issue of Shares, unless the Committee is able, and resolves, to capitalise from reserves an amount sufficient (when aggregated with the reduced Exercise Price payable) to pay up the Shares in full on the Option's exercise.

21.6 The Committee shall notify all affected Award Holders of any decision made under rule 21 within a reasonable time after making it.

22. Tax liabilities

- 22.1 The Award Holder shall indemnify the Employer Company in respect of any Tax Liability.
- 22.2 The Acceptance Notice or Exercise Notice shall include the Award Holder's irrevocable agreement to:
- (a) pay the Tax Liability to the Employer Company; and
 - (b) enter into arrangements to the satisfaction of the Company or Employer Company to pay the Tax Liability.
- 22.3 If an Award Holder does not pay the Tax Liability within seven days of any Taxable Event the Company or Employer Company, as appropriate, may:
- (a) if the relevant Taxable Event is the exercise of an Option or the Release of an Award, and the Shares are readily saleable at the time, retain and sell such number of Shares on behalf of the Award Holder as is necessary to meet the Tax Liability, and any costs of sale; or
 - (b) deduct the amount of any Tax Liability from any payments of remuneration made to the Award Holder on or after the date on which the Tax Liability arose except that, in the case of NICs, the Employer Company may only withhold such amount as is permitted by the Social Security (Contributions) Regulations 2001 (*SI 2001/1004*).
- The Award Holder's obligations under rule 22.1 shall not be affected by any failure of the Company or Employer Company to withhold shares or deduct from payments of remuneration under this rule 22.3.
- 22.4 At the request of the Employer Company at any time before the Release of a Non-Option Award or the exercise of an Option, the Award Holder must elect, to the extent permitted by law, and using a form approved by HMRC, that the whole or any part of the liability for Employer NICs arising as a result of a Taxable Event shall be transferred to the Award Holder.
- 22.5 The Employer Company (or the Company on behalf of the Employer Company) may:
- (a) on the Grant Date, direct that the Tax Liability shall not include Employer NICs; or
 - (b) at any time after the Grant Date, but before the Non-Option Award is Released or the Option is exercised, release the Award Holder from any obligations in respect of Employer NICs under this rule 22, so that Employer NICs do not form part of the Tax Liability.
- 22.6 It is a condition of the Release of a Non-Option Award and exercise of an Option that the Award Holder enters into a joint election, under section 431(1) or 431(2) of ITEPA 2003, in respect of the Shares to be acquired on the Release of the Award or exercise of the Option, if required to do so by the Company or Employer Company, on or before the Release of the Award or exercise of the Option.

22.7 The Acceptance Notice or Exercise Notice shall include a power of attorney appointing the Company as the Award Holder's agent and attorney for the purposes of rule 22.3 and rule 22.6.

23. Relationship with employment contract

23.1 The rights and obligations of any Award Holder under the terms of an office or employment with any Group Company or former Group Company shall not be affected by being an Award Holder.

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

23.3 Award Holders and Employees shall have no rights to compensation or damages on account of any loss in respect of Awards or the Plan where this 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,

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

23.4 Award Holders and Employees shall have no rights to compensation or damages from any Group Company or any former Group Company on account of any loss in respect of Awards or the Plan where this loss arises (or is claimed to arise), in whole or in part, from:

- (a) any company ceasing to be a Group Company; or
- (b) the transfer of any business from a Group Company to any person that is not a Group Company.

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

23.5 An Employee shall not have any right to receive Awards, whether or not the Employee has previously been granted any.

24. Notices

24.1 Except as maintained in rule 24.3, any notice or other communication given under or in connection with the Plan shall be in writing and shall be:

- (a) delivered by hand or by prepaid first-class post or other next working day delivery service at the **Appropriate Address**;

For the purposes of this rule 24.1, the Appropriate Address means:

- (i) the Company's registered office, provided the notice is marked for the attention of the Company Secretary;
 - (ii) an Award Holder's home address; and
 - (iii) if the Award Holder has died, and notice of the appointment of personal representatives is given to the Company, any contact address specified in that notice.
- (b) sent by fax to the fax number notified in writing by the recipient to the sender; or
 - (c) sent by email to the **Appropriate Email Address**.

For the purposes of this rule 24.1, Appropriate Email Address means:

- (i) in the case of the Company, shareplans@wynnstay.co.uk (or such other alternative address as is notified to Award Holders from time to time); and
- (ii) in the case of an Award Holder who is permitted to access personal emails at work, the work email address.

24.2 Any notice or other communication given under this rule 24 shall be deemed to have been received:

- (a) if delivered by hand, on signature of a delivery receipt, or at the time the notice is left at the appropriate address;
- (b) if sent by prepaid first-class post or other next working day delivery service, at 9.00 am on the second Business Day after posting, or at the time recorded by the delivery service;
- (c) if sent by fax, at 9.00 am on the next Business Day after transmission; and
- (d) if sent by email, at 9.00 am on the next Business Day after sending.

24.3 This rule does not apply to:

- (a) the service of any Acceptance Notice or Exercise Notice; and
- (b) the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

25. Administration and amendment

25.1 The Committee shall administer the Plan.

25.2 The Committee may amend the Plan from time to time, but:

- (a) The Committee may not amend the Plan if the amendment:
 - (i) applies to Awards granted before the amendment was made; and
 - (ii) materially adversely affects the interests of Award Holders

except that an Award Holder whose Awards would be adversely affected may consent to the application of the amendment to those awards.

- (b) While Shares are admitted to the Official List maintained by the United Kingdom Listing Authority, the Committee may not make any amendment to the advantage of Award Holders if that amendment relates to:
 - (i) the definition of Employee;
 - (ii) rule 5 or clause 6; or
 - (iii) rule 21

without the prior approval of the Company in general meeting (except for minor amendments to benefit the administration of the Plan, to take account of a change in legislation, or to obtain or maintain favourable tax, exchange control or regulatory treatment for Award Holders or for a Group Company).

- 25.3 The cost of establishing and operating the Plan shall be borne by the Group Companies in proportions determined by the Committee.
- 25.4 Any decision under rule 10, rule 11, rule 17.5 or rule 18.5, and whether to consider making such a decision, shall be entirely at the discretion of the Committee.
- 25.5 The Committee shall determine any question of interpretation and settle any dispute arising under the Plan, including determining whether anything is material. In these matters, the Committee's decision shall be final.
- 25.6 In making any decision or determination, or exercising any discretion under the rules, the Committee shall act fairly and reasonably and in good faith.
- 25.7 The Company shall not be obliged to notify any Award Holder:
 - (a) if an Option is due to lapse; or
 - (b) when an Option is due to, or has, become exercisable.
- 25.8 The Company shall not be obliged to provide Award Holders with copies of any materials sent to the holders of Shares.
- 25.9 The Committee may establish sub-plans to operate in overseas territories (overseas sub-plans), provided that:
 - (a) all overseas sub-plans are subject to the limitations set out in rule 5 and clause 6;
 - (b) only Employees who are resident in (or otherwise subject to the tax laws of) the relevant territory are entitled to participate in any overseas sub-plan;

- (c) no Employee has an entitlement to awards under any overseas sub-plan greater than the maximum entitlement of an Employee under the Plan.

Any overseas sub-plan must be governed by rules similar to the rules of the Plan, but modified to take account of applicable tax, social security, employment, company, exchange control, trust or securities (or any other relevant) law, regulation or practice.

26. Third party rights

- 26.1 A person who is not a party to an Award shall not have any rights under or in connection with it as a result of the Contracts (Rights of Third Parties) Act 1999 except where these rights arise under any rule of the Plan for any Employer Company that is not a party to an Award.

This does not affect any right or remedy of a third party that exists, or is available, apart from the Contracts (Rights of Third Parties) Act 1999.

- 26.2 The rights of the parties to an Award to surrender, terminate or rescind it, or agree any variation, waiver or settlement of it, are not subject to the consent of any person that is not a party to the Award as a result of the Contracts (Rights of Third Parties) Act 1999.

27. Data protection

For the purpose of operating the Plan, the Company will collect and process information relating to Employees and Award Holders in accordance with the privacy notice which is on the Company intranet.

28. Governing law

The Plan and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.

29. Jurisdiction

- 29.1 Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with the Plan or its subject matter or formation (including non-contractual disputes or claims).

- 29.2 Each party irrevocably consents to any process in any legal action or proceedings under rule 29.1 being served on it in accordance with the provisions of the Plan relating to service of notices. Nothing contained in the Plan shall affect the right to serve process in any other manner permitted by law.