



N BROWN GROUP PLC

SAVINGS-RELATED SHARE OPTION SCHEME 2021

RULES

[Approved by shareholders in a general meeting on 6 July 2021]

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N BROWN GROUP PLC

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RULES

1. DEFINITIONS AND INTERPRETATION

1.1 In this Plan the following words and expressions shall have the following meanings (unless the context requires otherwise):

"Adoption Date" means the date on which the Plan is approved by shareholders in general meeting;

"Any Other Plan" means any plan (other than the Plan) adopted or operated by the Company which provides for the acquisition of Shares by or on behalf of employees or directors of the Company or any Group Company;

"Associated Company" has the meaning that the expression bears in paragraph 47 of Schedule 3;

"Board" means the board of directors for the time being of the Company or a committee thereof duly authorised for the purposes of the Plan;

"Bonus" means in relation to any Savings Contract, such bonus (if any) as is payable pursuant to it;

"Bonus Date" means the earliest date at which a bonus is payable under the Savings Contract or, where no bonus is payable, the maturity date of the relevant Savings Contract;

"Company" means N Brown Group plc;

"Constituent Company" means the Company or any subsidiary (within the meaning in section 1159 Companies Act 2006) and which has been nominated by the Board to participate in the Plan from time to time;

"Control" has the meaning given to it by Section 719 of ITEPA and "Controlled" shall have a similar meaning;

"Date of Grant" means the date on which an Option was or is to be granted under Rule 4;

"Dealing Code" means the rules and regulations adopted by the Company or which apply to the Company and which govern dealing in Shares, interests in Shares, options or rights over Shares or interests in Shares;

"Group" means the Company and any other company which is for the time being Controlled by the Company or which is an Associated Company and **"Group Company"** shall be construed accordingly;

"HMRC" means HM Revenue and Customs;

"Invitation" means an invitation to apply for an Option made under Rule 3;

"ITTOIA" means the Income Tax (Trading and Other Income) Act 2005;

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

"Market Value" means, in relation to any Share on any date, market value as determined in accordance with Part VIII of the Taxation of Chargeable Gains Act 1992 and:

- (a) in the case of any Share which at the relevant time is admitted to the Official List and to trading on the London Stock Exchange, shall be deemed to be the middle market quotation of that Share as derived from the Daily Official List of the London Stock Exchange plc for the dealing day immediately preceding that date, or if the Board so decides, an amount equal to the arithmetic average of the closing middle market quotations of a Plan Share (derived on the same basis) for up to five Dealing Days immediately preceding that date, and
- (b) in any other case, the price agreed by HMRC as being the market value of a Share on the relevant date

provided that the market value of any Shares subject to a Restriction is to be determined as if they were not subject to the Restriction;

"Non-UK Company Reorganisation Arrangement" has the meaning given to that expression in paragraph 47A of Schedule 3;

"Official List" means the Official List of the UK Listing Authority;

"Option" means a right (for the time being subsisting) to acquire Shares granted or to be granted in accordance with the Plan;

"Option Period" means in relation to any Option, the Period commencing on the Bonus Date and ending six calendar months thereafter;

"Option Price" means the price at which each Share subject to an Option may be acquired on the exercise of that Option being, subject to Rule 9, not less than the greater of:

- (a) the nominal value of a Share; and
- (b) 80% (or such other percentage as shall be specified in paragraph 28 of Schedule 3) of the Market Value of a Share on the day the Invitation was made;

"Participant" means a director or employee of a Group Company (or the personal representative of any director or employee who has died) to whom an Option has been granted which has not yet lapsed;

"Plan" means N Brown PLC Savings-Related Share Option Scheme 2021 as constituted by these Rules;

"Qualifying Employee" means any director who devotes substantially the whole of his/her time to the business of a Constituent Company (being at least 25 hours per week excluding meal breaks) or any employee in each case of a Constituent Company and whose earnings meet (or would meet if there were any) the requirements set out in paragraphs 6(2)(c) of Schedule 3;

"Qualifying Period" means such period, if any, (not exceeding five years or such other period then specified in paragraph 6(2)(b) of Schedule 3) as the Board may from time to time stipulate as the Qualifying Period;

"Redundancy" means redundancy within the meaning of the Employment Rights Act 1996;

"Restriction" means a provision included in any contract, agreement, arrangement or condition to which any of subsections (2) to (4) of section 423 ITEPA would apply if references in those sections to employment-related securities were references to Shares;

"Rules" means these rules as from time to time amended;

"Savings Contract" means a savings contract under a certified SAYE savings arrangement within the meaning of section 703(1) of the ITTOIA and approved by HMRC for the purposes of Schedule 3;

"Schedule 3" means Schedule 3 to the ITEPA;

"Schedule 3 SAYE Option Scheme" has the meaning which it has for the purposes of section 516 ITEPA;

"Share" means a fully paid ordinary share of the Company complying with the conditions of paragraphs 18 to 20 (inclusive) and 22 of Part 4 of Schedule 3;

"Treasury Shares" means treasury shares within the meaning of section 724(5) of the Companies Act 2006;

"Trust" means any trust established by the Company or any Group Company for the benefit of employees of the Group;

"Trustee" means the trustee or trustees for the time being of the Trust; and

"UK Listing Authority" means the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000.

1.2 In these Rules, save where the context requires otherwise, references to any issue or prospective issue of Shares by the Company to an individual in relation to any option shall include a transfer of Treasury Shares pursuant to section 727(1)(b) of the Companies Act 2006.

1.3 In these Rules (unless the context requires otherwise):

(a) reference to the singular includes the plural, (and vice versa), reference to any gender include all genders, and reference to persons includes bodies corporate, unincorporated associations and partnerships (whether or not any of them have a separate legal personality);

(b) reference to a statute or a statutory provision includes reference to:

(i) any order, regulation, statutory instrument or other subsidiary legislation at any time made under it for the time being in force (whenever made); and

(ii) any modification, amendment, consolidation, re-enactment or replacement of it or provision of which it is a modification, amendment, consolidation, re-enactment or replacement.

1.4 References in these Rules to a rule, clause or paragraph are, unless otherwise stated, references to a rule, clause or paragraph of these Rules.

1.5 The contents list and headings in these Rules are inserted for ease of reference only and do not affect the construction or interpretation of these Rules.

1.6 References in these Rules to "month" shall be deemed to be references to a calendar month.

2. LIMITS OF PLAN AND OTHER RESTRICTIONS

2.1 Overall Plan Limits

An Option may not be granted if the result of granting the Option would be that the number of Shares that could be allocated under Option under the Plan when aggregated with the number of Shares that have already been allocated or could be allocated under any option or award under Any Other Plan (whether or not discretionary) in the preceding ten year period would exceed ten (10) per cent of the Company's issued ordinary share capital at that time.

For the purposes of this Rule:

- (a) Shares are allocated if they have been, or the Board intends that they will be, newly issued or transferred from Treasury (directly or indirectly) to satisfy an award or option or other right to Shares, provided that Shares will cease to be allocated to the extent that:
 - (i) the awards or other rights to which they related have lapsed, or are satisfied or intended to be satisfied with existing Shares and/or cash; and/or;
 - (ii) institutional guidelines no longer require Shares transferred from Treasury to be included in the limits;
- (b) any Shares issued on the exercise of an option or the vesting of other rights of an employee under the Plan and/or Any Other Plan shall be taken into account once only (when the option is granted or the right awarded) and shall not be counted again towards the limit when the option is exercised or other rights vest;
- (c) there shall be disregarded any Shares which the Trustee has purchased, or determined they will purchase, in order to satisfy the exercise of an Option under the Plan or an option or award under Any Other Plan; and
- (d) if Shares are issued by the Company to any the Trustee for the purpose of enabling the Trustee to transfer such Shares to beneficiaries of the Trust in satisfaction of options or awards granted under the Plan or Any Other Plan and such Shares have been taken into account for the purposes of this Rule 2 on the grant of such options, such Shares shall not be taken into account again upon their issue to the Trustee.

2.2 Time Period for issue of Invitations and grant of Options

- (a) Subject to Rule 2.2(b), an Invitation may only be issued during the period of forty-two days immediately following:
 - (i) approval of the Plan by shareholders in general meeting; or
 - (ii) a closed period within the meaning in the Market Abuse Regulation (EU Regulation 596/2014).

- (b) Notwithstanding Rule 2.2(a), the Board may issue Invitations outside the periods specified in Rule 2.2(a) in circumstances which the Board consider sufficiently exceptional to justify the issue of Invitations at that time.
- (c) Notwithstanding Rules 2.2(a) and 2.2(b), an Invitation may not be issued if issuing such Invitation would be prohibited by any Dealing Code. Where the issue of Invitations is prohibited by any Dealing Code, Invitations may be issued during the period of forty-two days beginning with the date when such issue is no longer prohibited.

Provided always that where Market Value is determined by reference to dealing days, no Invitation to apply for the grant of Options shall be made unless the relevant dealing days referred to in the definition of Market Value and relevant to that Invitation also fall within the appropriate period of forty-two days.

2.3 No grant after 10 years

No Option shall be granted at a date more than 10 years after the Adoption Date without further authorisation by the Company in general meeting.

3. INVITATIONS TO APPLY FOR OPTIONS

3.1 Eligibility for grant

- (a) Subject to the limitations and conditions contained in the Plan and unless prohibited by law, the Board may from time to time make Invitations to:
 - (i) every person who is at the date on which the Invitation is made a Qualifying Employee and who will have been such for a minimum of the Qualifying Period at the Date of Grant and who has not given or been given notice to terminate his or her employment with the Group; and
 - (ii) such further persons, who are at the date on which the Invitation is made directors or employees of any Constituent Company as the Board may decide provided that the Board shall not be obliged to make any Invitations to any or all of such further directors or employees.
- (b) Notwithstanding anything else in these Rules:
 - (i) no person shall be invited to apply for an Option unless he is, on the date of the Invitation, a director or employee of a Constituent Company. Each Invitation shall be deemed to be made on the date on which it is issued regardless of the date of receipt by the Participant;
 - (ii) no Option shall be granted to any person who is not, on the Date of Grant, a director or employee of any Constituent Company. Any Invitation shall lapse if before the relevant Date of Grant the person to whom it has been made ceases to be a director or employee of a Constituent Company.

3.2 Terms of Invitation

Invitations to apply for the grant of Options shall be on such terms, being similar terms so as not to discriminate between employees and directors (consistent with the Rules and with paragraphs 7 and 8 of Schedule 3) and in such form as the Board may from time to time determine.

3.3 Invitation: information required

The application method for an Option shall take such form as is determined by the Board. An Invitation shall specify:

- (a) the date by which an application must be made, being the period of not less than 14 days after the issue of the Invitation;
- (b) the Option Price at which Shares may be acquired on the exercise of the Option or the method by which the Option Price will be determined and notified to invitees;
- (c) the minimum monthly contribution which may be made under the Savings Contract which shall not be such as to cause any infringement of the limits applicable under Rule 3.5 or the foregoing requirement for Invitations to be on similar terms;
- (d) the maximum monthly contribution which may be made under the Savings Contract but so that any maximum so specified shall not be such as to cause any infringement of the limits applicable under Rule 3.5 or the foregoing requirement for Invitations to be on similar terms;
- (e) whether an applicant must enter into a three year or a five year Savings Contract or may choose either;
- (f) where applicable, whether for the purpose of determining the number of Shares over which the Option is to be granted, the repayment under the Savings Contract linked to the Option must be taken as including the maximum bonus payable thereunder, the minimum bonus payable thereunder or no bonus, or whether the recipient of the Invitation may choose any of these;
- (g) whether or not the Shares may be subject to any Restriction and, if so, the details of any such Restriction; and

may specify a maximum number of Shares over which Options may be granted in response to all acceptances of Invitations made on that occasion.

3.4 Invitation: acceptance procedure

An Invitation shall be open for acceptance (by the return of the application form specified in Rule 3.4(b)) for a period of not less than 14 days after the date of the Invitation, and any application shall only be valid if:

- (a) it specifies the monthly contributions (being a multiple of £1 and within the limits prescribed by the Plan and, if appropriate, the Invitation) which the Participant wishes to make under the Savings Contract; and
- (b) it is accompanied by a duly completed application for a Savings Contract of the type (or one of the types if the Participant may choose which one or more types he wishes to save under) specified by the Board in the Invitation. The Savings Contract shall be in such form as the Board may determine from time to time (including electronic form); and
- (c) in a case where the Participant has a choice as to the type of Savings Contract he/she wishes to take out, it specifies which type of Savings Contract the Participant wishes to take out.

Such acceptance shall constitute the Participant's authority to the Board to complete or amend the Savings Contract application so as to show such monthly savings contribution as shall equal the amount specified on the application form, or such lower amount as shall be determined under Rule 4.3 and shall constitute the Participant's acceptance of and agreement to be bound by the Rules (as altered from time to time).

3.5 Minimum and maximum contributions

The minimum monthly contribution which may be made by a Participant at any one time under a Savings Contract entered into in connection with the Plan must be between £5 and £10 (or such other minimum and maximum amounts specified by HM Treasury for this purpose or Schedule 3) and the maximum monthly contribution (when aggregated with contributions under any other Schedule 3 SAYE Option Scheme) shall be £500 (or such other sum as shall equal the maximum for the time being specified in or for the purposes of paragraph 25 of Schedule 3).

3.6 Non-transferability of Invitations

Any Invitation to participate shall be personal to the Participant and shall not be transferred, assigned, pledged, charged or otherwise disposed of by a Participant to any person.

4. GRANT OF OPTIONS

4.1 Timing of grant

- (a) Subject to the remaining provisions of this Rule 4, the Board shall grant Options to Participants from whom valid acceptances have been received and who are at the Date of Grant still directors or employees of any Constituent Company provided that no Option shall be granted more than 30 days following the first day used to determine Market Value. Options are granted by the Company in a manner approved by the Board.
- (b) In the event of applications being scaled down in the manner set out in Rule 4.3, the 30 day period referred to in Rule 4.1(a) and during which Options may be granted may be extended to a maximum of 42 days following the first day used to determine Market Value. Options are granted by the Company.

4.2 Number of Shares over which Option granted

The number of Shares over which an Option shall (subject to the Rules) be granted to an accepting Participant on a particular occasion shall be the largest whole number of Shares which can be subscribed at the Option Price out of sums payable under the Savings Contract on the Bonus Date (having regard to any specification by the Board as mentioned in Rule 3.3 and any application of Rule 4.3).

4.3 Scaling back mechanism

If valid applications for Options are received over an aggregate number of Shares such that if Options over those Shares were granted, the limits specified in Rule 2 or any limitation imposed pursuant to Rule 3.3 would be exceeded, then the Board shall take the following steps successively to the extent necessary to eliminate the excess:

- (a) first, where applicable, the repayment under the Savings Contract shall be taken as including the minimum bonus instead of the maximum bonus;

- (b) secondly, where applicable, the repayment under the Savings Contract shall be taken as including no bonus;
- (c) thirdly, each application for a five year contract shall be deemed to be an application for a three year contract; and then
- (d) the excess over £5 (or such other minimum savings amount specified from time to time by HM Treasury), or such greater amount as the Board may determine, of the proposed monthly contributions of the applicants shall be reduced pro rata to the extent necessary.

If each of the above steps has been taken to the maximum extent and there remains an excess, a ballot shall be held by the Board to determine which Participants will be granted Options, such ballot to be supervised by the auditors of the Company. The Board shall return the relevant proposal form to any Participant whose acceptance is excluded under any such ballot.

4.4 Notification of grant

As soon as reasonably practicable after the grant of an Option, the Company shall notify the Participant of the grant of the Option, notifying him/her of the Date of Grant, the number of Shares over which an Option has been granted, the Option Price, and the Bonus Date, being the date on which the Option will ordinarily become exercisable.

4.5 Non-transferability of Option

Each Option shall be exercisable only by the Participant to whom it is granted and may not be transferred, assigned, pledged, charged or otherwise disposed of by a Participant to any person (other than his/her personal representatives). Any purported transfer, assignment, pledge, charge or disposal shall cause the Option to lapse immediately. Each Option certificate shall carry a statement to this effect.

5. EXERCISE OF OPTIONS

5.1 Manner of exercise

Options shall be exercised by completing such process as the Board may specify from time to time in respect of such number of Shares as the Participant shall specify and accompanied by evidence of the termination of the Savings Contract linked to the Option and payment in full for the Shares. Shares subscribed on the exercise of an Option may be paid for with monies not exceeding the amount of the total repayments (including any bonus or interest) under the related Savings Contract and if on the exercise of any Option such repayments shall be insufficient for the Option to be exercised in full, then the number of Shares in respect of which the Option may be exercised shall be reduced to the largest whole number of Shares which can be subscribed at the relevant price per Share out of such repayments.

5.2 Period for exercise

- (a) Save as provided in Rules 6, 7 and 8, an Option may only be exercised within the Option Period save that where Rule 6.1(a) applies, an Option may be exercised after the expiry of the Option Period in accordance with the provisions of Rule 6.1(a).
- (b) An Option may not be exercised:
 - (i) at any time when such exercise is restricted by any Dealing Code; nor

- (ii) by a Participant at any time if at that time he is not, save as provided in Rule 6, a director or employee of any Group Company.

5.3 Lapse of Options

- (a) An Option or part thereof which shall not have been exercised by the expiry of the Option Period shall, except where Rule 6.1(a) applies, automatically lapse.
- (b) Where, before an Option has become capable of being exercised, the Participant gives notice to permanently stop paying monthly contributions under the Savings Contract made in connection with the Option, or is deemed under its terms to have given such notice, or makes an application for repayment of the monthly contributions paid under it, the Option may no longer be exercised at all.

5.4 Result of exercise of Option

- (a) Transfer of Shares within 30 days

Subject to the obtaining of any necessary consent and to the terms of any such consent and subject to receipt by the Company of the appropriate payment by way of acquisition of the Shares, within 30 days of valid exercise by the Participant of the Option in accordance with these Rules, the Board on behalf of the Company shall issue or procure the transfer to the Participant of the number of Shares in respect of which the Option has been exercised.

The Company shall pay or procure the payment of all stamp duty or stamp duty reserve tax payable on or in respect of the transfer of Shares to a Participant.

- (b) Shares to rank *pari passu*

All Shares issued on exercise of Options shall on issue rank equally in all respects with the Company's existing Shares save that the Shares issued will not rank for any dividends or other distributions declared or recommended, the record date for which falls on or prior to the date when the Option is exercised. The Company shall (to the extent not already listed) make application for listing for the Shares so issued on all Stock Exchanges (if any) on which its other issued ordinary share capital is then listed with effect from the earliest possible date after the date of issue.

- (c) Board obligation to provide Shares

The Board shall at all times procure that there are sufficient Shares to satisfy the exercise of all Options granted under the Plan available by:

- (i) the maintenance of authorised but unissued share capital in the Company; and/or
- (ii) the holding of Treasury Shares; and/or
- (iii) entering into arrangements which, in the reasonable opinion of the Board, will enable the Company to procure the transfer of sufficient Shares to satisfy the exercise of Options.

6. CESSATION OF EMPLOYMENT

6.1 When exercise is permitted

(a) If a Participant dies at a time when he/she is either a director or employee of any Group Company or entitled to exercise that Option by virtue of Rule 6.1(b), the Option may (and must, if at all) be exercised by his/her personal representatives at any time after the date of death but not later than:

- (i) if the death occurred before the Bonus Date, 12 months after the date of death; or
- (ii) if the death occurred on or within six months after the Bonus Date, within 12 months after the Bonus Date,

and any Option not so exercised shall lapse;

(b) If a Participant ceases to be a director or employee of any Group Company:

(i) by reason of injury, disability, Redundancy or retirement then any Option may (and subject to Rule 6.1(a) must if at all) be exercised by the earlier of the expiry of six months after he/she so ceases and the expiry of the Option Period. Any Option not so exercised shall lapse.

(ii) by reason only:

(A) that his/her office or employment is in a company of which the Company ceases to have Control (as determined in accordance with sections 450 and 451 Corporation Tax Act 2010);

(B) of a relevant transfer within the meaning of the Transfer of Undertakings (Protection of Employment) Regulations 2006 or

(C) that his/her office or employment relates to a business or part of a business which is transferred to a person which is not an Associated Company of the Company where the transfer is not a relevant transfer within the meaning of the Transfer of Undertakings (Protection of Employment) Regulations 2006

then any Option may be exercised by the earlier of:

(D) the expiry of the period of six months after he/she so ceases; and

(E) the expiry of the Option Period,

and any Option not so exercised shall lapse;

(iii) for any reason other than a reason mentioned in Rules 6.1(a), 6.1(b)(i) or 6.1(b)(ii) more than three years after the Date of Grant of an Option, the option may (and subject to Rule 6.1(a) must, if at all) be exercised by the earlier of the expiry of the period of six months after he/she so ceases and the expiry of the Option Period and any Option not so exercised shall lapse; and

- (iv) for any reason other than a reason mentioned in Rules 6.1(a), 6.1(b)(i), 6.1(b)(ii) or 6.1(b)(iii), any Option shall automatically and immediately lapse.

6.2 Meaning of ceasing to be an employee

- (a) A Participant shall not be treated for the purposes of these Rules as ceasing to be an employee or director of a Group Company until such time as he/she is no longer a director or employee of the Company or any Associated Company (which for this purpose has the same meaning as that expression bears in paragraph 35 of Schedule 3) and a Participant (being a woman) who ceases to be such a director or employee by reason of pregnancy or confinement and who exercises her right to return to work under the Employment Rights Act 1996 before exercising an Option under the Plan shall be treated for the purposes of these Rules as not having ceased to be such a director or employee.
- (b) For the purposes of these Rules, where a Participant's contract of employment with the Group is terminated by a Group Company without notice the Participant's employment shall be deemed to cease on the date on which the termination takes effect, and where the said contract is terminated by notice given by a Group Company, the Participant's employment shall be deemed to cease on the date on which that notice expires.

6.3 Employees of an Associated Company

Subject to Rule 5.2(a) and 5.2(b)(i) if at the Bonus Date a Participant holds an office or employment in a company which is not a Constituent Company but which is an Associated Company of the Company, his/her Options may be exercised within six months of the Bonus Date.

6.4 Interaction of Rules

- (a) If an Option has become exercisable under Rule 6.1(b) and, during the period allowed for the exercise of the Option under Rule 6.1(b), the Participant dies, the period allowed for the exercise of the Option shall be the period allowed by Rule 6.1(a).
- (b) If an Option has become exercisable under Rule 6 and, during the period allowed for the exercise of the Option under Rule 6, the Option would have become exercisable under Rules 7 or 8 also (or vice versa), the period allowed for the exercise of the Option shall be the first to terminate of the period allowed by Rule 6 and the period allowed by Rule 7 or 8 (as the case may be).

7. CHANGE OF CONTROL AND RECONSTRUCTION

7.1 Exercise of Options

If:

- (a) any person or group of persons acting in concert obtains Control of the Company as a result of:
 - (i) making a general offer to acquire the whole of the issued ordinary share capital of the Company (whether or not including all or any relevant Treasury Shares within the meaning of section 974(6) of the Companies Act 2006) which is made on a condition such that if it is satisfied the person or group of persons will have Control of the Company; or

- (ii) a general offer to acquire all the issued Shares (whether or not including all or any relevant Treasury Shares within the meaning of section 974(6) of the Companies Act 2006),

(in either case, other than any Share already held by such person or persons or any connected persons, and for this purpose "connected person" shall have the same meaning which it has for the purposes of Schedule 3); or
- (b) any person becomes entitled or bound to acquire Shares under sections 979 to 982 (inclusive) or 983 to 985 (inclusive) of the Companies Act 2006; or
- (c) under section 899 of the Companies Act 2006 the court sanctions a compromise or arrangement applicable to or affecting
 - (i) all the ordinary share capital of the company or all the issued Shares; or
 - (ii) all the shares in the Company, or all the issued Shares, which are held by a class of shareholders identified otherwise than by reference to their employment or directorships or their participation in a Schedule 3 SAYE Option Scheme;

then the Board shall serve notice upon each Participant notifying him/her of such fact and a Participant may subject to Rule 5.2 (other than Rule 5.2(a)) exercise any Option or part of it which has not lapsed by (subject to Rule 6.1(a)) the earlier of the expiry of the Appropriate Period defined in Rule 7.5 and the expiry of the Option Period. Any Option which is not so exercised shall lapse unless Rule 7.4 applies.

7.2 Exercise on a Non-UK Reorganisation Arrangement

- (a) If the Company's shareholders become bound by a Non-UK Reorganisation Arrangement that is applicable to or affects:
 - (i) all the ordinary share capital of the Company or all the shares of the same class as the Shares to which the option relates; or
 - (ii) all the Shares, or all the shares of that same class, which are held by a class of shareholders identified otherwise than by reference to their employment or directorship or their participation in a Schedule 3 SAYE option scheme

then the Board shall serve notice upon each Participant notifying him/her of such fact and a Participant may subject to Rule 5.2 (other than Rule 5.2(a)) exercise any Option or part of it which has not lapsed by (subject to Rule 6.1(a)) the earlier of the expiry of the Appropriate Period defined in Rule 7.5 and the expiry of the Option Period. Any Option which is not so exercised shall lapse unless Rule 7.4 applies.

7.3 Further provisions on timing of exercise

- (a) If:
 - (i) an event specified in Rule 7.1(a) occurs; or
 - (ii) a change of Control occurs as a result of an event specified in Rules 7.1(b) or 7.1(c) or 7.2;

and, as a result of the change of Control, Shares will no longer satisfy the requirements of Part 4 of Schedule 3, Options may be exercised within the period of 20 days following the change of Control, at the end of which, if not so exercised, Options shall, subject to Rule 6.1(a), lapse.

- (b) If the Board reasonably expects an event with any of Rules 7.1(a) to 7.1(c) or 7.2 to occur, the Board may make arrangements permitting Options to be exercised for a period of 20 days ending with the relevant date (as such term is defined in paragraph 37 of Schedule 3) or the date on which the relevant person becomes bound or entitled to acquire shares in the Company as mentioned in Rule 7.1(b) (as the case may be). If an Option is exercised under this 7.3(b), it will be treated as having been exercised in accordance with Rule 7.1 or 7.2 as the case may be.

If the Board makes arrangements for the exercise of Options under this Rule 7.3(b) and the relevant date does not occur (or the person does not become bound or entitled to acquire shares in the Company) within 20 days of the date of purported exercise, the Option shall be treated as not having been exercised.

7.4 Exchange of Options

- (a) If a company (in this Rule 7 the "**Acquiring Company**") has acquired Control of the Company as a result of any of the events described in Rules 7.1(a), 7.1(c) or 7.2, or has become entitled or bound as mentioned in Rule 7.1(b), (such acquiring of Control or becoming entitled or bound being referred to in this Rule 7 as a "**Relevant Event**"), the Participant may by agreement with the Acquiring Company at any time within the Appropriate Period release his/her rights under the Plan (in this Rule 7 referred to as the "**Old Rights**") in consideration of the grant to him/her of rights (in this Rule 7 referred to as the "**New Rights**") which comply with Rule 7.4(b) and relate to shares in the Acquiring Company (or some other company which in relation to the Acquiring Company falls within paragraph (b) or paragraph (c) of paragraph 18 of Schedule 3).
- (b) The New Rights shall comply with each of the following requirements:
- (i) the shares to which they relate shall satisfy the conditions specified in relation to plan shares in paragraphs 18 to 20 (inclusive) and 22 of part 4 of Schedule 3;
 - (ii) the New Rights shall be exercisable in the same manner as the Old Rights and subject to the provisions of the Plan as it had effect immediately before the release of the Old Rights;
 - (iii) the total market value, immediately before the release, of the Shares which were subject to the Participant's Old Rights shall be substantially the same as the total market value immediately after the grant of the shares in respect of which the New Rights are granted to the Participant; and
 - (iv) the total amount payable by the Participant for the acquisition of shares in pursuance of the New Rights shall be substantially the same as the total amount that would have been payable for the acquisition of Shares in pursuance of the Old Rights,

and for the purposes of this Rule "market value" shall be determined in accordance with paragraph 39(8) of Schedule 3.

- (c) Any reference in Rules 5, 7, 8, 9, 10.1, 10.3 to 10.4 and 11 to "Option", "Shares", "Company" or "Board" shall in its application to any New Rights be deemed a reference to the New Rights, the shares to which the New Rights relate, the company in whose capital such shares are comprised or the Board as defined in Rule 1 but in relation to the Acquiring Company.
- (d) Rule 7.4(a) above is included in the Plan by virtue of paragraph 38 of Schedule 3.
- (e) If New Rights shall be granted to a Participant by reference to any Relevant Event, Rules 7.1(a), 7.1(b), 7.1(c) and 7.2 shall cease to apply by reference to that Relevant Event (but without prejudice to their application by reference to any other Relevant Event).

7.5 Meaning of "Appropriate Period"

In this Rule 7 the "**Appropriate Period**" means:

- (a) in a case falling within Rule 7.1(a) and where Rule 7.1(b) does not apply, the period of six months beginning with the time when the person making the offer has obtained Control of the Company and any condition subject to which the offer is made is satisfied;
- (b) in a case falling within Rule 7.1(b), the period during which the Acquiring Company remains bound or entitled as mentioned in that paragraph;
- (c) in a case falling within Rule 7.1(c), the period of six months beginning with the time when the court sanctions the compromise or arrangement; and
- (d) in a case falling within Rule 7.2, the period of six months beginning with the date on which the Non-UK Company Reorganisation Arrangement becomes binding on the shareholders affected by it.

7.6 Lapse after Relevant Event

Any Option which is not exercised or released pursuant to this Rule within the Appropriate Period following a Relevant Event (but not any New Rights granted by reference to that Relevant Event) shall (subject to Rule 7.1(a)) lapse.

8. WINDING UP OF THE COMPANY

Subject always to Rule 5 (other than Rule 5.2(a)) if at any time while any Option remains unexercised the Company passes a resolution for its voluntary liquidation, every Option shall be exercisable in whole or in part (provided that such Option has not by the time of such resolution lapsed and that exercise is not prohibited by Rule 5.2)(but not after the expiry of the Option Period). The Company shall give to each Participant holding any unexercised Option notice of the resolution and shall at the same time give him/her notice of his/her rights under this Rule 8. Subject to this, all Options shall, subject to Rule 6.1(a), lapse six months after the passing of the resolution.

9. VARIATION OF CAPITAL

9.1 Adjustment of Options

- (a) Subject to Rules 9.1(b) and 9.2, in the event of any variation of the share capital of the Company (whenever effected) by way of capitalisation, rights issue, sub-division, consolidation, reduction or otherwise, the Board may make such adjustments as it considers appropriate under Rule 9.1(b).
- (b) An adjustment made under this Rule 9.1(b) shall be to one or more of the following:
 - (i) the number of Shares in respect of which any Option granted under the Plan may be exercised;
 - (ii) the price at which shares may be acquired by the exercise of any such Option; and
 - (iii) where any such Option has been exercised but no Shares have been issued pursuant to such exercise, the number of Shares which may be so issued and the price at which they may be acquired.

9.2 Restrictions on Adjustment

- (a) No adjustment under Rule 9.1(b) above shall be made:
 - (i) as a result of which the aggregate amount payable on the exercise of an Option would be materially changed or increased beyond the expected repayment under the Savings Contract at the appropriate Bonus Date; nor
 - (ii) which would cause the Shares to cease to satisfy the conditions specified in paragraphs 18 to 20 (inclusive) and 22 of Part 4 of Schedule 3.
- (b) Any adjustment made under Rule 9.1(b) must (in particular) secure:
 - (i) that the total Market Value of the shares which may be acquired by the exercise of the Option is immediately after the variation or variations substantially the same as what it was immediately before the variation or variations; and
 - (ii) that the total price at which those shares may be acquired is immediately after the variation or variations substantially the same as what it was immediately before the variation or variations

and must comply with paragraph 28(3B) of Schedule 3.

9.3 Adjustments below nominal value

No adjustment shall have the effect of reducing the Option Exercise Price per Share to less than the nominal value of a Share unless the Board is authorised (and the Company is able) to capitalise from reserves a sum equal to the difference and to apply such sum in paying up the Shares.

9.4 Notification to Participants

As soon as reasonably practicable after making any adjustment under Rule 9.1(b), the Board shall give notice in writing of it to each Participant.

10. ALTERATIONS TO PLAN

10.1 General

Subject to this Rule 10, the Board may by resolution at any time and from time to time make any alteration to the Plan which it thinks fit.

10.2 Shareholder approval

None of the provisions mentioned in Rule 10.5 may be amended to the advantage of Participants or potential Participants without the prior approval of the Shareholders in general meeting except that minor amendments can be made without Shareholder approval if they are to benefit the administration of the Plan or are to take account of any change in legislation or statutory regulations or are to obtain or maintain favourable taxation, exchange control or regulatory treatment for the Company, or any Group Company or Participants or potential Participants

10.3 Alterations to key features

No alteration shall be made to any provision of the Plan if such amendment would mean that the Plan would cease to qualify as a Schedule 3 SAYE Scheme.

10.4 Amendments which adversely affect Participants

No alteration shall be made which would materially increase the liability of any Participant or which would materially decrease the value of any Participants' subsisting rights attached to any Option without in each case that Participant's prior written consent.

10.5 Shareholder approval

The provisions referred to in Rule 10.2 are:

- (a) the eligibility provisions;
- (b) the maximum limits of the Plan in Rule 2;
- (c) the basis for determining a Participant's entitlement to, and the terms of, Shares provided under the Plan;
- (d) the provisions of Rule 9; and
- (e) the provisions of this Rule 10

10.6 Notice of alteration

As soon as reasonably practicable after making any alteration under this Rule 10, the Board shall give notice in writing of it to each Participant.

11. MISCELLANEOUS

11.1 No employment rights

This Plan shall not form part of the contract of employment of any individual who participates in it. The rights and obligations of any individual under the terms of his/her office or employment with any Company participating in the Plan shall not be affected by his/her participation in the Plan or any right which he/she may have to participate in it.

An individual who participates in the Plan shall waive any and all rights to compensation or damages in consequence of the termination of his/her office or employment for any reason whatsoever (including unfair or wrongful dismissal) insofar as those rights arise or may arise from his/her ceasing to have rights under or being entitled to exercise any Option under the Plan as a result of such termination. No such participation, rights, or benefits shall be taken into account for the purposes of calculating the amount of benefits payable to any pension fund. Invitations made, and Options granted, under the Plan shall not constitute any representation or warranty that any benefit will accrue to any individual who is invited to participate or granted the Option.

11.2 Administration

The Plan shall in all respects be administered by the Board who may from time to time make and vary such rules and regulations for its conduct not inconsistent with these Rules and may from time to time establish such procedures for administration and implementation of the Plan as it thinks fit. In the event of any dispute or disagreement as to the interpretation of the Plan, or of any rule, regulation or procedure, or as to any question or right arising from or related to the Plan, the Board shall resolve such dispute or disagreement and the decision of the Board shall be final and binding upon all persons (subject to the written concurrence of the auditors of the Company having been obtained when so required by these Rules).

11.3 Notices

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

- (a) by personal delivery or by sending the same by post:
 - (i) in the case of a company, to its registered office; and
 - (ii) in the case of an individual, to his/her last known address, or where he/she is a director or employee of a company participating in the Plan, either to his/her last known address or to the address of the place of business at which he/she performs the whole or substantially the whole of the duties of his/her office or employment

and where a notice or other communication is given by first class post, it shall be deemed to have been received 48 hours after it was put into the post properly addressed and stamped; or

- (iii) by electronic communication to their usual business address for the time being notified for that purpose to the person giving the notice; or
- (iv) by such other method as the Board determines.

11.4 Participation by directors

Subject to the articles of association of the Company, a Participant who is a director of the Company may, notwithstanding his/her interest, vote on any board resolution concerning the Plan (other than in respect of his/her own participation in it) and may retain any benefits under the Plan.

11.5 Termination

The Board may at any time resolve to terminate the Plan in which case no further Options may be granted, but such termination shall not affect subsisting rights of Participants.

12. GOVERNING LAW

The Rules and the Plan shall in all respects be governed by and construed in accordance with the laws of England and the courts of England shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Plan. Any proceedings, suit or action arising out of this Plan shall be brought in such courts.