

Harroise

HEADLAM GROUP PLC

RULES OF
THE HEADLAM GROUP SHARESAVE SCHEME ~~2012~~

H M Revenue & Customs Ref: SRS109110 / XY1100000144507

Approved by H M Revenue & Customs: 18 October 2012

HM Revenue & Customs were notified of this Scheme on 18 October 2012 and it is a Schedule 3 SAYE option scheme

This is a copy of the rules of The Headlam Group Sharesave Scheme ~~2012~~ as produced to the Annual General Meeting of Headlam Group plc (the "Company") held on 15 June 2012 ~~and~~ amended by resolution of the Remuneration Committee passed on 24 May 2018 for the purposes of the General Data Protection Regulation and, following approval by shareholders at the Annual General Meeting of the Company on [21 May 2021] amended by resolution of the Board on 3 March 2021.

THE HEADLAM GROUP SHARESAVE SCHEME 2012

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PART A: INTERPRETATION AND ADMINISTRATION

~~This Scheme is an employees' share scheme approved by shareholders of the Company by ordinary resolution passed on 15 June 2012, approved by resolution of the Directors of the Company passed on 3 September 2012.~~

1. DEFINITIONS AND INTERPRETATION

1.1 In this Scheme:-

"3 year Option"	means an Option linked to a 3 year Savings Contract
"5 year Option"	means an Option linked to a 5 year Savings Contract
"Acquisition Cost"	means in relation to the exercise of an Option, an amount equal to the product of:- (a) the maximum number of Shares in respect of which that Option could then be exercised (or, where relevant, such lesser number as is specified in the Notice of Exercise); and (b) the Exercise Price of such Shares
"Announcement"	means the preliminary announcement to the London Stock Exchange of the results of the Company for any period or, failing that preliminary announcement, the publication of the results of the Company for any period
"Applicant"	means a person who, in response to an Invitation, submits an Application
"Application"	means an application for the grant of an Option made in accordance with Rule 7
"Application Date"	means in relation to any Invitation, such date (being not less than 14 nor more than 21 days after the Invitation Date) as shall be determined by the Directors to be the last day on which an Application may be submitted
"Associated Company"	means any company which, in relation to the Company, is an associated company as that term is defined in paragraph 47 of Schedule 3
"Bonus Date"	means the repayment date for a Savings Contract in relation to a:- (a) 3 year Option; or (b) 5 year Option
"Companies Act"	means the Companies Act 2006
"Company"	means Headlam Group plc (registered in England <u>and Wales</u> no 460129)
"Control"	has the meaning given in section 719 of ITEPA
"Daily Official List"	means the Daily Official List of the London Stock Exchange

"Data Processing"	has the meaning set out in the applicable Data Protection Legislation
"Data Protection Legislation"	means any law, statute, declaration, decree, directive, legislative enactment, order, ordinance, regulation, rule or other binding provision or restriction (as amended, consolidated or re-enacted from time to time) in any jurisdiction which relates to the protection of individuals with regards to the processing of personal data, including Regulation EU 2016/679 of the European Parliament and of the Council of 27 April 2016 <u>as incorporated into UK law</u> and any code of practice or guidance published by the UK Information Commissioner's Office (or any successor body) from time to time
"Date of Approval"	means the date on which this Scheme is formally approved by HMRC under Schedule 3
"Date of Grant"	means the date on which an Option is granted in accordance with Rule 10.2
"Dealing Day"	means a day on which the London Stock Exchange is open for business
"Directors"	means the board of directors of the Company or a duly constituted committee of the directors
"Eligible Employee"	means:- <ul style="list-style-type: none"> (a) at the Date of Grant, any Employee or Full-time Director :- <ul style="list-style-type: none"> (i) who has been continuously employed by one or more Participating Companies throughout the period of 5 years ending with the Date of Grant (or such other period immediately preceding that date as the Directors may from time to time determine, not being more than 5 years); and (ii) whose earnings in respect of such office or employment are (or would be if there were any) general earnings to which section 15 of ITEPA applies (earnings for a year when employee is resident in the UK); or (b) any Employee or <u>executive</u> director of any Participating Company who is nominated by the Directors as an Eligible Employee for the purposes of this Scheme <p>provided that no person shall be eligible to participate in this Scheme if he is precluded by virtue of paragraph 10 of Schedule 3⁴</p>
"Employee"	means an employee of any Participating Company
"Employee's Savings Contract"	means the Savings Contract entered into by an Eligible Employee or an Optionholder in connection with the grant to him

⁴ ~~Before 17 July 2013, Employees or Full-Time Directors with a "material interest" in a close company were also prohibited from participating.~~

of an Option (and any reference to "**his Savings Contract**" shall be construed accordingly)

"Exercise Price"	means the price per Share payable on the exercise of an Option
"FCA"	means the Financial Conduct Authority in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000, or its successors from time to time
"Full-time Director"	means a director of any Participating Company who is required to work at least 25 hours per week (excluding meal breaks), disregarding holiday entitlement
"Grantor"	means the Company or such other person (including a Trustee) as intends to grant or has granted an Option
"Group"	means the Company and any company which is for the time being a Subsidiary
"HMRC"	means Her Majesty's Revenue & Customs
"Independent Advisers"	means the auditors for the time being of the Company or such other firm of registered auditors or other independent advisers as the Directors may decide
"Invitation"	means an invitation to apply for an Option issued in accordance with Rule 5
"Invitation Date"	means the date on which an Invitation is issued in accordance with Rule 5
"ITEPA"	means the Income Tax (Earnings and Pensions) Act 2003
"Key Feature"	means a provision of this Scheme which is necessary in order for the requirements of Parts 2 to 7 of Schedule 3 to be met in relation to this Scheme
"London Stock Exchange"	means the London Stock Exchange plc <u>or any successor to that company</u>
"Market Value"	means:- (a) if on any Invitation Date, Shares are admitted to the Official List, the average of the <u>closing</u> middle-market quotations of a Share as derived from the Daily Official List for the 3 consecutive Dealing Days last preceding the Invitation Date; or (b) if the Shares are not admitted to the Official List, the market value of a Share on the Invitation Date as determined in accordance with Part VIII of TCGA and agreed in advance with HMRC Shares and Assets Valuation
	PROVIDED THAT if any Share is subject to a Restriction the Market Value of such Share is to be determined as if it was not subject to the Restriction
"Notice of Exercise"	means a notice of exercise of an Option as mentioned in Rule 16.2

"Official List"	means the official list of the FCA
"Option"	means a right to acquire Shares granted in accordance with, and subject to, the rules of this Scheme
"Option Certificate"	means a certificate evidencing the grant of an Option as mentioned in Rule 10.5
"Optionholder"	means a person who has been granted an Option or, if that person has died and where the context requires, his Personal Representatives
"Ordinary Share Capital"	means the issued ordinary share capital of the Company other than <u>capital the holders of which have a right to a dividend at a fixed-rate preference shares but have no other right to share in the Company's profits</u>
"Participating Company"	means the Company and any other company which is for the time being a Subsidiary to which the Directors have resolved that this Scheme shall extend for the time being
"Personal Data"	has the meaning set out in the applicable Data Protection Legislation
"Personal Representatives"	means the personal representatives of an Optionholder, being either:- <ul style="list-style-type: none"> (a) the executors of his will; or (b) if he dies intestate, the duly appointed administrator(s) of his estate who have produced to the Company evidence of their appointment as such
"Related Company"	means a company which, in relation to the Company, is an "associated company" as that term is defined in paragraph 35(4) of Schedule 3
"Relevant Savings Body"	means the Savings Body which is a party to an Employee's Savings Contract
"Repayment Value"	means the aggregate amount of all the monthly savings contributions payable under an Employee's Savings Contract, together with the amount of such bonus (if any) as would be due on the Bonus Date
"Restriction"	has the same meaning as in paragraph 48(3) of Schedule 3
"Savings Body"	means the bank or building society operating an SAYE Scheme which is for the time being approved by the Directors for the purposes of this Scheme
"Savings Contract"	means a savings contract entered into under an SAYE Scheme, <u>within the meaning of paragraph 48(1) of Schedule 3</u>
"SAYE Code"	has the meaning given in section 516(3) of ITEPA
"SAYE Scheme"	means a certified SAYE savings arrangement within the meaning of section 703 of the Income Tax (Trading and Other Income) Act 2005 which has been approved by HMRC for the purposes of Schedule 3

"Schedule 3"	means Schedule 3 to ITEPA
"Schedule 3 SAYE Option Scheme"	means a SAYE option scheme which is taken to be a Schedule 3 SAYE option scheme for the purposes of the SAYE Code
"Scheme"	means the Headlam Group Sharesave Scheme 2012 as set out in these rules as amended from time to time pursuant to Rule 22
"Shares"	means fully-paid ordinary shares in the capital of the Company which satisfy the requirements of paragraphs 18-20 (inclusive) and 22 of Schedule 3
"Subscription Option"	means a right to subscribe for new Shares granted in accordance with, and subject to, the rules of this Scheme
"Subsidiary"	means any company which is for the time being a subsidiary (as defined in section 1159 of the Companies Act) of the Company and under the Control of the Company
"TCGA"	means the Taxation of Chargeable Gains Act 1992
"Trust"	means the Headlam Employees' Share Trust constituted by a deed dated 16 June 1999 (or any other trust established by the Company for the benefit of employees of members of the Group)
"Trustee"	means the trustee(s) for the time being of a Trust

1.2 References to Shares in respect of which an Option subsists at any time are to be read and construed as references to the Shares over which the Option is then held (and in respect of which it has not then lapsed and ceased to be exercisable).

1.3 Words and expressions used in this Scheme and in the ancillary documents which are not defined in Rule 1 have the meanings they bear for the purposes of the SAYE Code.

1.4 Any reference to any enactment includes a reference to that enactment as from time to time modified, extended or re-enacted.

1.5 Any reference to the exercise of an Option includes a reference to the exercise of an Option in respect of a lesser number of Shares than the maximum permitted under Rule 16.1.

1.6 Words denoting the masculine gender shall include the feminine.

1.7 Words denoting the singular shall include the plural and vice versa.

1.8 References to rules are to the rules of this Scheme and no account shall be taken of the rule headings which are for ease of reference only.

2. ADMINISTRATION

2.1 The Directors may from time to time make and vary such rules and regulations which are consistent with the rules of this Scheme and establish such procedures for its administration and implementation as they think fit.

2.2 If any question, dispute or disagreement arises as to the interpretation of this Scheme or of any rules, regulations or procedures relating to it or as to any question or right arising from or related to this Scheme, the decision of the Directors shall (except as regards any matter required to be determined by the Independent Advisers) be final and binding upon all persons.

- 2.3** In any matter in which they are required to act in connection with this Scheme, the Independent Advisers shall be deemed to be acting as experts and not as arbitrators and the Arbitration Act 1996 shall not apply.
- 2.4** The Company shall bear the costs of the administration and implementation of this Scheme.

PART B: ISSUE OF INVITATIONS AND GRANT OF OPTIONS

3. ELIGIBILITY

The Directors on behalf of, and with the consent of, the Grantor may, at their discretion issue (or procure the issue of) Invitations to all persons who are, or at the intended Date of Grant may be, Eligible Employees.

4. TIMING OF INVITATIONS

4.1 Invitations may be issued during the periods of:-

4.1.1 42 days following the ~~Date~~day on which the Scheme is most recently approved by the shareholders of Approval the Company;

4.1.2 42 days beginning with the fourth Dealing Day following an Announcement; or

at any other time but only if, in the opinion of the Directors, the circumstances are exceptional.

4.2 If the Company is restricted by statute, order or regulation (including any regulation, order or requirement imposed on the Company by the London Stock Exchange, the FCA or any other regulatory authority) from issuing Invitations within any period as mentioned in Rule 4.1, Invitations may be issued at any time during the period of 42 days beginning with the date on which all restrictions are removed.

5. INVITATIONS

5.1 Invitations shall be in writing or by ~~email~~any form of electronic mail and may be in the form of notices, advertisements, circulars or otherwise for the general attention of Employees and to which Employees' attention is drawn by notices issued with pay and salary advice slips.

5.2 Each Invitation shall:-

5.2.1 be in the ~~same~~similar terms as all other Invitations issued on the same occasion;

5.2.2 invite the recipient to apply for one or more (as the Directors shall specify) 3 year Option and/or 5 year Option;

5.2.3 specify the form and manner in which the recipient may apply for an Option and the Application Date;

5.2.4 identify the Savings Body;

5.2.5 state the minimum amount of monthly savings contribution which may be made under a Savings Contract (which shall not be less than £5, or any other minimum amount specified in the HM Treasury specifications for certified savings arrangements in force at the relevant time, nor more than £10, or any other amount specified in paragraph 25(3)(b) of Schedule 3 at the relevant time) or, if the Directors so determine, such other minimum amount as is permitted under the terms of the relevant Savings Contract);

5.2.6 state the maximum amount of monthly savings contribution which may be made by an Optionholder (being such sum as is mentioned in Rule 9.2);

5.2.7 state the bonus amount, if any, (expressed as a multiple of the monthly savings contributions) that would be due on the Bonus Date for a Savings Contract linked to a 3 year Option or 5 year Option; and

5.2.8 if the Directors so determine, include a statement that if it becomes necessary to scale-back Applications pursuant to Rule 8, scaling-back shall, in the first instance, apply to every Application for a monthly savings contribution of equal to or greater than an amount, £x, specified by the Directors and set out in the Invitation, where £x is less than or equal to

either (a) £50 or (b) such other amount as may be specified by HMRC in published guidance from time to time,

and shall otherwise be in such form as the Grantor may determine.

5.3 On any occasion on which Invitations are issued, the Directors may in their discretion (and acting with the consent of the Grantor where appropriate) determine and announce a maximum number of Shares in respect of which Options will be granted in response to Applications made pursuant to the Invitations issued on that occasion.

6. THE EXERCISE PRICE

6.1 Subject to Rule 6.2 and any adjustment in accordance with Rule 21, the Exercise Price shall be determined by the Directors but shall be not less than 80% (rounded up to the nearest whole penny) of Market Value.

6.2 The Exercise Price shall be the same in relation to all Options granted on the same occasion and, in relation to Subscription Options, shall not (except as mentioned in sub-paragraph (c) of Rule 21.1) be less than the nominal value of a Share.

7. APPLICATIONS FOR OPTIONS

7.1 Any person to whom an Invitation has been issued may apply for an Option by submitting an Application (which may be in electronic form) to the person specified in the Invitation.

7.2 The Application shall:-

7.2.1 be received at the address stipulated in the Invitation not later than the Application Date;

7.2.2 specify the amount of the savings contributions proposed to be paid each month under the Employee's Savings Contract (or, if more than one, each such Savings Contract) and authorise the Applicant's employer (from time to time) to deduct such amount (or such lesser amount as may be determined pursuant to Rule 8) from the Applicant's pay;

7.2.3 if the terms of the Invitation so permit, indicate whether or not the Applicant applies for one or more 3 year Option and/or one or more 5 year Option;

7.2.4 include or be accompanied by an application for a Savings Contract linked to each such Option in a form approved by the Relevant Savings Body;

7.2.5 authorise the transfer and processing of the Applicant's Personal Data for the purposes of this Scheme's administration;

7.2.6 be duly completed and signed by the Applicant;

7.2.7 otherwise comply with any terms and conditions specified in the Invitation;

7.2.8 be subject to the Applicant being an Eligible Employee at the Date of Grant; and

7.2.9 be otherwise in such form as the Directors may determine.

7.3 Subject to Rule 8, the total number of Shares in respect of which any Application shall be deemed to be made shall be the whole number of Shares for which the Acquisition Cost payable would be as nearly as may be equal to, but not exceed, the amount which would be the Repayment Value of the Employee's Savings Contract if the amount of each of the contributions payable under that Savings Contract (or under each such Savings Contract) was equal to the maximum amount specified by the Applicant in his application.

7.4 If no Application is received by the Application Date, an Invitation shall be deemed to have been declined.

8. ACCEPTANCE AND SCALING-DOWN OF APPLICATIONS

- 8.1** Subject to the following provisions of this Rule 8, each Application shall be accepted to the extent of the total number of Shares in respect of which it is deemed to be made (as mentioned in Rule 7.3).
- 8.2** If the total number of Shares in respect of which Applications have been made on any occasion would result in any of the limits in Rules 5.3 or 14 being exceeded, the number of Shares in respect of which each Application is accepted shall be reduced in accordance with the following provisions of this Rule 8.
- 8.3** If the Invitation included a statement as mentioned in Rule 5.2.8, and subject to Rules 8.7 and 8.8, the number of Shares in respect of which each Application is treated as having been made shall be determined on the basis that the amount of monthly savings contribution under the Savings Contract is reduced to the amount so specified.
- 8.4** If, after the application of Rule 8.3, the total number of Shares for which Applications are deemed to have been made on that occasion exceeds any of the limits in Rules 5.3 or 14, the number of Shares in respect of which each Application shall be accepted shall be reduced:-
- 8.4.1** the reduction shall be as nearly as may be on a proportionate basis, to the extent necessary to ensure that none of the limits in Rules 5.3 or 14 is exceeded and the amount of monthly savings contributions to be made under the Savings Contracts linked to each such Application shall be reduced accordingly; but
 - 8.4.2** the number of Shares for which any Application shall be accepted shall not be reduced below the number for which the Acquisition Cost payable would be as nearly as may be equal to, but not exceed, the Repayment Value of the Employee's Savings Contract linked to that Option if the monthly savings contributions under each such Savings Contract were £5 or such other minimum amount per month specified in the Invitation (the "**Minimum Number of Shares**").
- 8.5** The provisions of Rule 8.4 shall, if necessary, be applied repeatedly until either none of the limits in Rules 5.3 and/or 14 will be exceeded or the number of Shares for which each Application would be accepted is reduced to the Minimum Number of Shares.
- 8.6** If, notwithstanding the provisions of Rules 8.2 to 8.5 (inclusive) any one or more of the limits in Rules 5.3 and 14 would still be exceeded, the selection of Applications for acceptance shall be made by the Directors on the basis that each Application (after adjustment as mentioned above) has an equal chance of selection for acceptance.
- 8.7** If, on any occasion, an Applicant has applied for more than one 3 year Option or 5 year Option, as the case may be, in applying the provisions of this Rule 8 the number of Shares in respect of which Applications have been received from such Applicant for all such 3 year Options (or, as the case may be, all such 5 year Options) shall first be aggregated and treated as if a single Application for such an Option had been received in respect of the aggregate number of such Shares.
- 8.8** Having, in the case of an Applicant who has applied for more than one 3 year Option (or, as the case may be, more than one 5 year Option) identified the maximum aggregate number of Shares in respect of which such Applications may be accepted (the "**Maximum Number of Shares**"):-
- 8.8.1** the Maximum Number of Shares shall be divided by the number of Options for which such Applicant had applied;
 - 8.8.2** the monthly contributions to be made under each Savings Contract for which an Application has been made shall be identified; and
 - 8.8.3** such Applications shall be deemed to have been made, and shall be accepted, on that basis

PROVIDED THAT if in consequence the amount of monthly contributions to be made under any such Savings Contract would be less than the minimum amount specified pursuant to Rule 5.2.5, the

number of Savings Contracts for which Applications shall be deemed to have been made, and shall be accepted, shall be reduced so as to ensure that the monthly contributions to be made in each case is not less than that minimum amount.

8.9 As soon as reasonably practicable after the Application Date, the Directors (acting with the consent of the Grantor where appropriate) shall:-

8.9.1 determine the maximum number of Shares in respect of which each Application may be accepted; and

8.9.2 cause each Application for a Savings Contract to be submitted to the Relevant Savings Body.

9. INDIVIDUAL LIMIT ON PARTICIPATION

9.1 The aggregate amount of an Eligible Employee's monthly savings contributions under his Savings Contract, when added to the aggregate amount of his monthly savings contributions under any other Savings Contracts, may not at any time exceed the sum specified in Rule 9.2.

9.2 The sum mentioned in Rule 9.1 is:-

9.2.1 £500 (or such other maximum amount per month as may be specified from time to time in paragraph 25(3)(a) of Schedule 3); or

9.2.2 such lesser amount (not exceeding such other maximum amount per month specified from time to time in paragraph 25(3)(a) of Schedule 3) as may be specified from time to time in such Savings Contract or the Invitation issued in relation to such Savings Contract

EXCEPT THAT if on any occasion the Grantor shall determine for these purposes a sum (the "**new limit**") which is less than the maximum aggregate of the monthly contributions applicable on any previous occasion, that determination shall be made without prejudice to any Option previously granted to an Optionholder or to any Employee's Savings Contract previously entered into by any Optionholder if the aggregate monthly savings contributions payable by that Optionholder under such Savings Contract would thereby exceed the new limit.

10. GRANT OF OPTIONS

10.1 Subject to the following provisions of this Rule 10, Options shall be granted within the period of 30 days beginning with the first of the days by reference to which the Exercise Price is determined on any occasion.

10.2 The Grantor (or, if the Grantor is the Company, the Directors) shall pass a resolution granting an Option to acquire the whole number of Shares for which the Acquisition Cost payable would be as nearly as possible equal to, but not exceed, the amount which would be the Repayment Value of the Employee's Savings Contract to each Applicant who is an Eligible Employee. The Date of Grant shall be the date of such resolution.

10.3 If, on any occasion, it is necessary to reduce the number of Shares in respect of which any Applications are accepted, the reference in Rule 10.1 to a period of "30" days shall be read as if it were in reference to "42" days.

10.4 No payment shall be required for the grant of an Option.

10.5 As soon as reasonably practicable after the Date of Grant, the Grantor shall issue to each Optionholder (or procure the issue of) an Option Certificate in such form as it may determine (which may be an electronic form) which specifies:-

10.5.1 the Grantor;

10.5.2 the Date of Grant;

- 10.5.3** the maximum number of Shares in respect of which the Option is granted;
- 10.5.4** the Exercise Price; and
- 10.5.5** whether or not the Shares which may be acquired by the exercise of the Option are subject to any Restrictions and, if so, details of the Restrictions.²

10.6 No Option shall be granted before the date on which this Scheme ~~is~~was approved by HMRC pursuant to Schedule 3.

10.7 No Option may be granted after ~~15 June 2022~~[21 May] 2031 (being 10 years after the Scheme was most recently approved by shareholders of the Company) but any rights of Optionholders then subsisting shall remain in force.

11. DATA PROTECTION

11.1 To the satisfaction and under the direction of the Directors, all operations of the Scheme and each Option shall include or be supported by appropriate agreements, notifications and arrangements in respect of Data Processing in connection with the Scheme, in order to secure:

11.1.1 the Group's reasonable freedom to operate the Scheme and for connected purposes; and

11.1.2 compliance with all data protection requirements applicable from time to time, including under the Data Protection Legislation and any relevant practices and policies of the Group.

11.2 Relevant Employees and each Optionholder shall be made aware of applicable provisions in respect of Personal Data made under Rule 11.1 and of any related information or disclosure, as may be required or appropriate. This shall be done by way of such communications and measures as may be decided on the direction of the Directors, and if necessary with the agreement of any independent joint data controller that will be party to those communications and measures.

12. RELATIONSHIP WITH CONTRACT OF EMPLOYMENT

12.1 The grant of an Option does not form part of the Optionholder's entitlement to remuneration or benefits pursuant to his contract of employment.

12.2 The existence of a contract of employment between any person and the Company or any present or past Subsidiary or Associated Company does not give that person any right or entitlement to have an Option granted to him in respect of any number of Shares nor any expectation that an Option might be granted to him, whether subject to any conditions or at all.

12.3 The rights and obligations of an Optionholder under the terms of his contract of employment with the Company or any present or past Subsidiary or Associated Company shall not be affected by the grant of an Option or his participation in this Scheme.

12.4 Neither the existence of this Scheme nor the fact that an individual has on any occasion been granted an Option shall give such individual any right, entitlement or expectation that he has or will in future have any such right, entitlement or expectation to participate in this Scheme by being granted an Option on any other occasion.

12.5 The rights or opportunity granted to an Optionholder on the making of an Option shall not give the Optionholder any rights or additional rights to compensation or damages in consequence of either:-

12.5.1 the Optionholder giving or receiving notice of termination of his office or employment; or

²~~The requirement to state whether or not there are (and give details of) Restrictions on Shares only applies for Options granted on/after 17 July 2013.~~

12.5.2 the loss or termination of his office or employment with the Company or any present or past Subsidiary or Associated Company for any reason whatsoever,

whether or not the termination (and/or giving of notice) is ultimately held to be wrongful or unfair.

12.6 An Optionholder shall not be entitled to any compensation or damages for any loss or potential loss which he may suffer by reason of being unable to acquire or retain Shares, or any interest in Shares, pursuant to the exercise of an Option in consequence of:-

12.6.1 the Optionholder giving or receiving notice of termination of his office or employment (whether or not the termination (and/or giving of notice) is ultimately held to be wrongful or unfair);

12.6.2 the loss or termination of his office or employment with the Company or any present or past Subsidiary or Associated Company for any reason whatsoever (whether or not the termination is ultimately held to be wrongful or unfair); or

12.6.3 for any other reason.

13. NON-TRANSFERABILITY OF OPTIONS

13.1 During his lifetime, only the person to whom an Option is granted may exercise that Option.

13.2 An Option shall immediately lapse and cease to be exercisable if the Optionholder:-

13.2.1 transfers or assigns it (other than to his Personal Representatives), mortgages, charges or otherwise disposes of it;

13.2.2 is adjudged bankrupt or an interim order is made because he intends to propose a voluntary arrangement to his creditors under the Insolvency Act 1986;

13.2.3 makes or proposes a voluntary arrangement under the Insolvency Act 1986, or any other scheme or arrangement in relation to his debts, with his creditors or any section of them; or

13.2.4 is not, nor ceases for any other reason (except on death) to be the legal or beneficial owner of the Option.

14. COMPANY LIMITS (INSTITUTIONAL) ON THE GRANTING OF SUBSCRIPTION OPTIONS

10% in 10 year limit for all schemes

14.1 The number of new Shares in respect of which Subscription Options may be granted on any day, when added to the number of new Shares issued or which remain issuable pursuant to rights to subscribe for Shares granted under this Scheme and any other employees' share scheme of the Company in the period of 10 years preceding that day, shall not exceed 10% of the ordinary shares of the Company in issue on that day.

14.2 For the purposes of this Rule 14, references to rights to subscribe for new Shares shall:-

14.2.1 exclude any Options or rights to subscribe for new Shares which have in fact been, or will be, satisfied by the transfer of Shares by an existing shareholder (other than the Company itself); and

14.2.2 if required in accordance with guidance issued by the Investment Association of British Insurers, include references to rights to acquire Shares issued or to be ~~issued~~transferred out of treasury.

14.3 In determining the above limits, "year" means a calendar year.

14.4 For the avoidance of doubt:-

- 14.4.1** if new Shares have been issued to a Trustee for the purpose of satisfying Options (or rights to acquire Shares or awards over Shares under any other employees' share scheme of the Company), such Shares shall be taken into account for these purposes only when they are made subject to, or used to satisfy, an Option (or a right to acquire Shares or award made under any other employees' share scheme of the Company);
- 14.4.2** Options (or rights to acquire Shares or awards over Shares under any other employees' share scheme of the Company) to be satisfied by a transfer of Shares by a Trustee shall not be counted for the purposes of this Rule 14 where those Shares were existing Shares purchased by the Trustee in the market;
- 14.4.3** Options (or rights to acquire Shares or awards over Shares under any other employees' share scheme of the Company) that have lapsed shall not be counted for the purposes of this Rule 14; and
- 14.4.4** "Bonus Award Shares" under The Headlam Group Co-Investment Plan 2008 purchased in the market (or otherwise acquired at their market value at the time of acquisition) with an amount, or all, of the net annual bonus (after deduction of income tax and employees' National Insurance Contributions) of a participant in that ~~Plan~~ plan or, with funds otherwise provided by the participant shall be left out of account for the purposes of this Rule 14.

PART C: EXERCISE OF OPTIONS

15. EXERCISE OF OPTIONS

General rule

- 15.1** Subject to the following provisions of this Rule 15 and Rules 18, 19 and 20, an Option shall only be exercisable within the period of 6 months after the Bonus Date. If the Option is not then exercised, it shall lapse and cease to be exercisable at the end of that period.

Reaching specified age without retiring

- ~~15.2 For Options granted before 17 July 2013 if, before an Option has lapsed or otherwise been exercised the Optionholder attains age 65 but continues to be an Employee, he may exercise the Option, to the extent permitted by Rule 16.1.2, during the period of 6 months commencing on his attaining age 65.~~

- 15.2 *[No longer used].*

Employment in Associated Company at Bonus Date

- 15.3** If, at the Bonus Date, an Optionholder holds an office or employment in a company which is not a Participating Company, but is an Associated Company, then the Optionholder may exercise an Option within the period of 6 months after the Bonus Date. If the Option is not then exercised, it shall lapse and cease to be exercisable at the end of that period.

Scheme-related employment ends

- 15.4** Subject to Rule 15.8, if an Optionholder ceases to be an Employee by reason of:-

- 15.4.1** injury or disability (evidenced to the satisfaction of the Directors);
- 15.4.2** dismissal by reason of redundancy (within the meaning of the Employment Rights Act 1996); or
- 15.4.3** retirement³

then (without prejudice to any rights the Optionholder has under the Employee's Savings Contract to make independent arrangements with the Savings Body to continue to make contributions following cessation of his employment):-

- (a) his Option may be exercised, to the extent permitted by Rule 16.1.2, during the period of 6 months commencing on the date on which the Optionholder ceases to be an Employee;
- (b) to the extent not exercised, the Option shall lapse and cease to be exercisable at the end of the relevant 6 month period; and
- (c) an Option may not in any event be exercised more than 6 months after the Bonus Date.

- 15.5** Subject to Rule 15.8, if an Optionholder ceases to be an Employee by reason of:-

- 15.5.1** if the Optionholder holds office or is employed by a company which is a Related Company, that company ceasing to be a Related Company by reason of a change of control (as determined in accordance with sections 450 and 451 of the Corporation Tax Act 2010);

³ ~~Before Finance Act 2013, retirement under the Scheme applied on reaching either age 65 or any other age at which the Optionholder was bound to retire in accordance with the terms of his contract of employment.~~

15.5.2 the fact that the office or employment by virtue of which he is eligible to participate in this Scheme relates to a business or part of a business which is transferred to a person which is not an Associated Company where the transfer is not a relevant transfer within the meaning of the Transfer of Undertakings (Protection of Employment) Regulations 2006; or

15.5.3 a relevant transfer within the meaning of the Transfer of Undertakings (Protection of Employment) Regulations 2006,

then, without prejudice to any rights the Optionholder has under the Employee's Savings Contract to make independent arrangements with the Savings Body to continue to make Contributions following cessation of his employment:-

- (a) his Option may be exercised, to the extent permitted by Rule 16.1.2, during the period of 6 months commencing on the date on which the Optionholder ceases to be an Employee;
- (b) to the extent not then exercised, the Option shall lapse and cease to be exercisable at the end of the relevant 6 month period; and
- (c) an Option may not in any event be exercised more than 6 months after the Bonus Date.

Death of Optionholder

15.6 If an Optionholder dies, his Personal Representatives may exercise an Option:-

15.6.1 if the Optionholder dies before the Bonus Date, to the extent permitted by Rule 16.1.2, at any time during the period of 12 months commencing on the date of his death; or

15.6.2 if the Optionholder dies within the period of 6 months after the Bonus Date, at any time during the period of 12 months commencing on the Bonus Date

and, if it is not then exercised, the Option shall lapse and cease to be exercisable at the end of the relevant 12 month period. For the avoidance of doubt, the 12 month exercise period referred to in this Rule 15.6 is a fixed period regardless of any other exercise provision in this Scheme, other than in the case of a voluntary winding-up.

Cessation of scheme-related employment in other circumstances

15.7 Subject to Rule 15.8, if at any time an Optionholder ceases to be an Employee otherwise than as mentioned in Rules 15.4, 15.5 or 15.6, any Option which he holds shall lapse and cease to be exercisable upon cessation.

Time when scheme-related employment ends

15.8 No Optionholder shall be treated for the purposes of Rules 15.4, 15.5, 15.7 or 15.12 as ceasing to be an Employee until he no longer holds any office or employment in a Participating Company or any Related Company.

Early repayment of contributions

15.9 If an Optionholder obtains repayment of the contributions under a Savings Contract, the relevant Option shall immediately cease to be exercisable unless such Option is then exercisable by reason of this Rule 15 or Rules 17, 18 or 19.

No exercise more than 6 months after Bonus Date

15.10 Except as provided in Rule 15.6, no Option shall be capable of being exercised later than 6 months after the Bonus Date.

Exercise once only

- 15.11** An Option may be exercised once only. If, on exercise, an Option is not exercised to the maximum extent permitted by Rules 16.1.1 and 16.1.2, it shall lapse and cease to be exercisable in respect of the balance of the Shares over which it was granted.

Additional requirements

- 15.12** No Option may be exercised by (or by the Personal Representatives of) any Optionholder who is (or at the date of his death was) not an Employee (unless the Option is or was at the date of his death exercisable pursuant to Rules 15.3, 15.4, 15.5, 15.6, 17, 18, 19 and 20).

16. MANNER OF EXERCISE OF AN OPTION

- 16.1** An Option may only ever be exercised in respect of the following number of Shares:-

16.1.1 if the Option is exercisable pursuant to Rule 15.1, 15.3 or 15.6.2, the maximum number of Shares over which it subsists; -or

16.1.2 if the Option is exercisable pursuant to Rules ~~1.145.2~~, 15.4, 15.5, 15.6.1, 17, 18 or 19:-

- (a) the number of Shares for which the Acquisition Cost payable is most nearly equal to, but does not exceed, the aggregate amount of contributions paid under the Employee's Savings Contract (excluding the amount of any monthly contribution, the due date of payment of which, is more than one calendar month after the date on which repayment is made under the Employee's Savings Contract); and
- (b) the amount of any bonus and interest received or due under the Employee's Saving Contract as at that date; or
- (c) (if less) the maximum number of Shares in respect of which the Option subsists; or

16.1.3 in either case, such lesser number of Shares as the Optionholder specifies in his Notice of Exercise **PROVIDED THAT** an Optionholder who exercises his Option in respect of a lesser number of Shares accordingly may not subsequently exercise his Option in respect of the balance of Shares (which will immediately lapse and cease to be exercisable).

- 16.2** An Option shall be exercised by the Optionholder giving written notice (which may be in electronic form) to the Company or to such person at such address as may from time to time be notified to Optionholders by the Grantor which:-

16.2.1 is given or is stated to take effect at any time when the Option is exercisable;

16.2.2 states that the Option is being exercised in respect of all the Shares in respect of which it is then capable of being exercised or otherwise specifies the number of Shares in respect of which the Option is being exercised in accordance with Rule 16.1;

16.2.3 unless the Directors otherwise permit, is accompanied by the Option Certificate relating to that Option (though failure to do so will not invalidate the Option provided that it is delivered within a reasonable time thereafter);

16.2.4 is accompanied by the Acquisition Cost (by cash or cheque made payable to the Company, or in the event that Shares are delivered by the Trustee, to the Trustee) or a duly completed application to the Relevant Savings Body for payment of the Repayment Value of the Employee's Savings Contract; and

16.2.5 is in such form and accompanied by such documents as the Directors may determine.

- 16.3** Subject to Rule 16.6, within the period of 30 days beginning with the date on which the Grantor receives the Acquisition Cost, the Grantor shall issue, transfer or procure the issue or transfer of the

number of Shares over which the Option is then exercised and as soon as reasonably practicable thereafter:-

16.3.1 issue, or procure the issue of, a definitive share certificate or such other acknowledgement of shareholding as is prescribed from time to time in respect of the Shares so allotted or transferred; and

16.3.2 if at that time Shares of the same class are listed on the Official List, procure that Shares allotted to the Optionholder are admitted to the Official List.

16.4 If the amount received by the Grantor is greater than the Acquisition Cost of the Shares in relation to which the Optionholder has served a Notice of Exercise, the Grantor shall procure repayment of the excess amount to the Optionholder.

16.5 The Grantor may, if the Optionholder so requests in writing, allot and issue or transfer some or all of the Shares to:-

16.5.1 a nominee of the Optionholder (provided that beneficial ownership of the Shares vests in the Optionholder);

16.5.2 an account manager (or his nominee) of an individual savings account on terms that the Shares shall be in the beneficial ownership of the Optionholder notwithstanding that title to such Shares shall be vested in the account manager or his nominee or jointly in one of them and the Optionholder; or

16.5.3 the trustee or manager of a defined contribution pension scheme registered within the meaning of section 150(2) of the Finance Act 2004 (which may include a stakeholder pension scheme)

and for the purposes of Rule 16.5.2, the terms 'account manager' and 'individual savings account' shall have the meanings they bear in the Individual Savings Account Regulations 1998 (SI 1998/1870).

16.6 The allotment or transfer of any Shares under this Scheme shall be subject to the Company's Articles of Association and to any necessary consents of any governmental or other authorities (whether in the United Kingdom or elsewhere) under any enactments or regulations from time to time in force. It shall be the responsibility of the Optionholder to comply with any requirements to be fulfilled in order to obtain or obviate the necessity of any such consent.

16.7 Shares allotted or transferred under this Scheme shall be equal in all respects to other Shares then issued, except for any rights attaching to the other Shares by reference to a record date preceding the date of the allotment or transfer of the Shares acquired on the exercise of the Option.

PART D: CORPORATE TRANSACTIONS

17. RECONSTRUCTION

17.1 If the court sanctions a compromise or arrangement pursuant to section 899 or 901F of the Companies Act applicable to or affecting:-

17.1.1 all the Ordinary Share Capital or all the shares of the same class as the Shares; or

17.1.2 all the shares, or all the shares of that same class, which are held by a class of shareholders identified otherwise than by reference to their employment or directorships or their participation in a Schedule 3 SAYE Option Scheme,

the Optionholder shall be entitled to exercise his Option, to the extent permitted by Rule 16.1.2:-

- (a) subject to Rule 17.1.2(b), during the period of 6 months commencing on the date on which the court sanctions the compromise or arrangement; or
- (b) if in consequence of a person obtaining Control of the Company as a result of a compromise or arrangement, the shares in the Company to which the Option relates no longer meet the requirements of Part 4 of Schedule 3, no later than 20 days after the day on which a person obtains Control as a result of such compromise or arrangement, notwithstanding that the Shares no longer meet those requirements

PROVIDED THAT to the extent not exercised, the Option shall lapse and cease to be exercisable at the end of the relevant period.

17.2 In addition to Rule 17.1, an Option which is exercised during the period of 20 days ending with the date (for the purposes of this Rule 17.2, the "**Relevant Date**") on which the court sanctions a compromise or arrangement as referred to in Rule 17.1, is to be treated as if it had been exercised in accordance with Rule 17.1 **PROVIDED THAT** any such exercise in anticipation of such court sanction shall be treated as having had no effect if the Relevant Date does not fall within the period of 20 days beginning with the date on which the Option is exercised.

18. WINDING-UP

18.1 If notice is given to the holders of Shares of a resolution for the voluntary winding-up of the Company (except for the purposes of a compromise or arrangement sanctioned by the court pursuant to section 899 or 901F of the Companies Act), notice of the same shall be given by the Directors to all Optionholders. Each Optionholder shall be entitled to exercise his Option, to the extent permitted by Rule 16.1.2, at any time within the period of 6 months commencing on the date on which the resolution is passed and the Option will be deemed for the purpose of determining the right of that Optionholder to participate in any distribution to shareholders (but for no other purpose whatsoever) to have been exercised immediately before the passing of that resolution.

18.2 All Options shall immediately lapse and cease to be exercisable upon the commencement of a winding-up of the Company.

19. CHANGE OF CONTROL

19.1 Subject to Rule 20, if, as a result of either:-

19.1.1 a general offer to acquire the whole of the Ordinary Share Capital (whether excluding or including any Shares held in treasury but disregarding any of the Ordinary Share Capital already held by the offeror or person connected to the offeror) which is made on a condition such that if it is met or waived the person making the offer will have Control of the Company;
or

19.1.2 a general offer to acquire all the shares in the Company of the same class as the Shares (disregarding any shares already held by the offeror or a person connected to the offeror)

the Company shall come under the Control of another person or persons:-

- (a) the Grantor shall as soon as reasonably practicable thereafter notify every Optionholder accordingly;
- (b) the Optionholder shall be entitled to exercise his Option, to the extent permitted by Rule 16.1.2:-
 - (i) subject to Rule 19.1.2(b)(ii), within 6 months of the date when the person making the offer has obtained Control of the Company and any condition subject to which the offer is made has been satisfied or waived (but, other than in the circumstances referred to in Rule 15.6, in any event not more than 6 months after the Bonus Date); or
 - (ii) if, in consequence of the Company coming under the Control of such other person, the shares in the Company to which an Option relates no longer meet the requirements of Part 4 of Schedule 3, no later than 20 days after the day on which a person obtains such Control, notwithstanding that the shares no longer meet those requirements

PROVIDED THAT to the extent not exercised, the Option shall lapse and cease to be exercisable at the end of the relevant period for exercise as set out above and shall only remain in existence for the purpose of forming the subject of an offer (if any) made pursuant to Rule 20.1 and shall lapse on the expiry of the "appropriate period" as defined in Rule 20.2 if such offer is made but is not accepted by the Optionholder.

19.2 For the purposes of Rule 19.1:-

19.2.1 "connected" has the meaning given in section 718 ITEPA; and

19.2.2 it does not matter if the general offer is made to different shareholders by different means.

19.3 If, at any time any person becomes entitled or bound to acquire Shares under Sections 979 to 982 or 983 to 985 (inclusive) of the Companies Act, the Optionholder shall be entitled to exercise his Option, to the extent permitted by Rule 16.1.2:-

19.3.1 subject to Rule 19.4.2, at any time when that person remains so entitled or bound (but, other than in the circumstances referred to in Rule 15.6, not in any event more than 6 months after the Bonus Date); or

19.3.2 if, in consequence of a person who is so entitled or bound obtaining Control of the Company, the shares in the Company to which an Option relates no longer meet the requirements of Part 4 of Schedule 3, no later than 20 days after the day on which a person obtains such Control, notwithstanding that the shares no longer meet those requirements

PROVIDED THAT to the extent not exercised, the Option shall lapse and cease to be exercisable when that person ceases to be so entitled or bound and shall only remain in existence for the purpose of forming the subject of an offer (if any) made pursuant to Rule 20.1 and shall lapse on the expiry of the "appropriate period" as defined in Rule 20.2 if such offer is made but is not accepted by the Optionholder.

19.4 In addition to Rules 19.1 and 19.3, an Option which is exercised during the period of 20 days ending, as appropriate, with:-

19.4.1 the date (for the purposes of this Rule 19.4.1, the "**Relevant Date**") on which a person has obtained Control of the Company as a result of making the offer referred to in Rule 19.1 and any condition subject to which the offer is made has been met or waived; or

19.4.2 the date on which any person becomes entitled or bound to acquire Shares as mentioned in Rule 19.3

is to be treated as if it had been exercised in accordance with Rule 19.1 or 19.3 (as the case may be) **PROVIDED THAT** any such exercise in anticipation of, as appropriate:-

- (a) an event mentioned in Rule 19.1 occurring; or
- (b) a person becoming entitled or bound to acquire Shares as mentioned in Rule 19.3

shall be treated as having had no effect if, as appropriate:-

- (i) the Relevant Date does not fall within the period of 20 days beginning with the date on which the Option is exercised; or
- (ii) the person does not become entitled or bound to acquire Shares by the end of the period of 20 days beginning with the date on which the Option is exercised.

20. OPTION ROLLOVER

20.1 If any company (in this Rule referred to as the "acquiring company"):-

- 20.1.1** obtains Control of the Company as mentioned in Rule 19.1; or
- 20.1.2** obtains Control of the Company in pursuance of a compromise or arrangement sanctioned by the court made under section 899 or 901F of the Companies Act; or
- 20.1.3** becomes bound or entitled to acquire Shares under sections 979 to 982 or 983 to 985 (inclusive) of the Companies Act

an Optionholder may, at any time within the "appropriate period" (as defined in Rule 20.2), by agreement with the acquiring company, release his rights under his Option in consideration of the grant to him of rights to acquire shares in the acquiring company or any other company falling within sub-paragraphs (b) and (c) of paragraph 18 of Schedule 3 (read and construed as if references in those provisions to the Company were references to the acquiring company) **PROVIDED THAT:-**

- (a) such rights will be exercisable only in accordance with the provisions of this Scheme as it had effect immediately before the release of the rights referred to above (read and construed as mentioned in Rule 20.3);
- (b) the shares to which the new rights relate satisfy the provisions of paragraphs 18-20 (inclusive) and 22 of Schedule 3;
- (c) the total market value, immediately before such release, of the Shares over which the Option then subsists is substantially the same as the total market value, immediately after such grant, of the shares over which new rights are granted to the Optionholder and for these purposes, market value should be determined using a methodology ~~agreed~~ permitted by HMRC; ~~and~~
- (d) the total amount payable by the Optionholder for the acquisition of shares on exercise of the new rights is substantially the same as the total amount that would have been payable for the acquisition of Shares on exercise of the Option; ~~and~~
- (e) no further Options, other than the new rights released in exchange for existing Options within the appropriate period under Rules 20.1.3(a) to (d) above, can be granted under the Scheme.

20.2 In Rule 20.1 the "appropriate period" means:-

- 20.2.1** in a case falling within Rule 20.1.1, the period of 6 months beginning with the time when the person making the offer has obtained Control of the Company and any condition or conditions subject to which the offer is made has or have been satisfied or waived;

- 20.2.2** in a case falling within Rule 20.1.2, the period of 6 months beginning with the time when the court sanctions the compromise or arrangement; and
- 20.2.3** in a case falling within Rule 20.1.3, the period during which the acquiring company remains bound or entitled as mentioned in that Rule.
- 20.3** For the purposes mentioned in sub-clause 20.1.3(a) of the provisos to Rule 20.1, the provisions of this Scheme shall be read and construed as if:-
- 20.3.1** references to "the Company", except for the purposes of the definition of Participating Company and Rule 22.1, were references to the company in respect of whose shares the new rights are granted;
- 20.3.2** references to "Shares", were references to such shares;
- 20.3.3** references to "Option", were references to such rights;
- 20.3.4** references to "Optionholder", were references to the persons to whom such rights are granted;
- 20.3.5** references to "Ordinary Share Capital", were references to the ordinary share capital (other than capital the holders of which have a right to a dividend at a fixed rate preference shares but have no other right to share in the Company's profits) of such company;
- 20.3.6** references to "the Directors", except for the purposes of Rule 22.1, were references to the directors of such company; -and
- 20.3.7** references to "the Exercise Price", were references to the price per share payable upon the exercise of such new rights.
- 20.4** Rights granted pursuant to Rule 20.1 shall be regarded for the purposes of the SAYE Code and for the purposes of the subsequent application of the provisions of this Scheme as having been granted on the Date of Grant of the corresponding rights released as mentioned in Rule 20.1.
- 20.5** For the purposes of Rules 19 and 20 a person shall be deemed to have Control of the Company if he and others acting in concert with him have together obtained Control of it.

PART E: AMENDMENTS

21. VARIATION OF SHARE CAPITAL⁴

21.1 If the Ordinary Share Capital is altered by way of capitalisation or rights issue, sub-division, consolidation or reduction or there is any other variation in the share capital of the Company, the Directors (on behalf of the Grantor, if appropriate) may make such adjustment as they consider appropriate:-

21.1.1 to the aggregate number, amount or description of Shares subject to any Option; and/or

21.1.2 to the Exercise Price; -and/or

21.1.3 if an Option has been exercised but no Shares have been allotted or transferred in accordance with Rule 16.3, to the number of Shares which may be so allotted or transferred and the Acquisition Cost in relation to such Shares

PROVIDED THAT:-

- (a) except in the case of a sub-division, consolidation or a capitalisation issue, if the Directors consider it appropriate, the Independent Advisers shall give written confirmation that the adjustment is, in their opinion, fair and reasonable;
- (b) except in so far as the Directors (on behalf of the Company) agree to capitalise the Company's reserves and apply the same at the time of exercise in paying up the difference between the Exercise Price and the nominal value of the Shares, the Exercise Price of any Subscription Option shall not be reduced below a Share's nominal value;
- (c) the number of Shares as so adjusted has been rounded down to the nearest whole number;
- (d) the total Market Value of the Shares over which the Option subsists is substantially the same immediately before and immediately after the adjustment;
- (e) the total amount payable on the exercise of any Option in full is substantially the same immediately before and immediately after the adjustment;
- (f) if it is intended that this Scheme shall continue to be a Schedule 3 SAYE Option Scheme, no adjustment shall be made which would result in the requirements of Schedule 3 not being met in relation to an Option; and
- (g) if the Grantor is not the Company, no such adjustment shall be made without the Grantor's consent.

21.2 The Directors (on behalf of the Grantor) shall notify every Optionholder affected by an adjustment under Rule 21.1 as soon as reasonably practicable after making the adjustment.

21.3 The Directors shall deliver, or procure the delivery of, a revised Option Certificate to any Optionholder who asks for an amended Option Certificate.

22. ALTERATION OF THE SCHEME⁵

22.1 The Directors may at any time alter or add to any of the provisions of this Scheme in any respect **PROVIDED THAT:-**

22.1.1 if it is intended that this Scheme shall continue to be a Schedule 3 SAYE Option Scheme, no alteration or addition to a Key Feature shall take effect which would result in the

⁴ Finance Act 2014 requires the Company to notify HMRC of variations in share capital in its annual return.

⁵ Finance Act 2014 requires the Company to notify HMRC of changes to Key Features in its annual return.

requirements of Parts 2 to 7 of Schedule 3 not being met in relation to the PlanScheme or an Option; and

22.1.2 no alteration or addition shall be made to the advantage of existing or new Optionholders to the provisions relating to eligibility to participate, the overall limitations on the issue of new Shares, the individual limitations on Option grants under this Scheme, the basis for determining Optionholders' rights to acquire Shares, the adjustment of such rights in the event of variation of the Ordinary Share Capital or this Rule 22 without the prior approval by ordinary resolution of the shareholders of the Company **EXCEPT THAT** the provisions of this Rule 22.1.2 shall not apply to the extent that the alteration or addition is in the opinion of the Directors:-

- (a) a minor amendment which is necessary or appropriate to benefit the administration of this Scheme;
- (b) to take account of any change in legislation;
- (c) to ensure that the Scheme complies with the requirements of Schedule 3; or
- (d) to obtain or maintain favourable tax, exchange control or regulatory treatment for existing or new Optionholders, any member of the Group or any Associated Company; and

22.1.3 if in relation to any Options the Grantor is not the Company, no alteration or addition shall be made to the terms of the Options without the approval of the Grantor.

22.2 Details of any alteration or addition shall be given to any affected Optionholder as soon as reasonably practicable.

22.3 The Directors may adopt a schedule or schedules to this Scheme for Employees resident or working outside the United Kingdom, based on this Scheme but modified to take account of local tax, exchange controls and securities laws provided that:-

22.3.1 any Shares issued pursuant to such schedule or schedules shall be treated as counting towards the limits in Rules 9 and 14;

22.3.2 for the avoidance of doubt, such schedule or schedules shall not apply to any Employee who is an Eligible Employee by virtue of limb (a) of that defined term; and

22.3.3 neither the schedule nor the share options granted pursuant to it shall form part of the PlanScheme for the purposes of Schedule 3 ITEPA.

PART F: MISCELLANEOUS

23. SERVICE OF DOCUMENTS

23.1 Except as otherwise provided in this Scheme, any notice or document to be given by, or on behalf of, the Company or other Grantor, or Trustee, the Directors, the Savings Contract operator or any administrator of this Scheme to any Eligible Employee or Optionholder in accordance or in connection with this Scheme shall be duly given:-

23.1.1 by sending it through the post in a pre-paid envelope to the address last known to the Company to be his address and, if so sent, it shall be deemed to have been duly given on the date of posting; or

23.1.2 if he holds office or employment with any member of the Group or any Related Company by delivering it to him at his place of work or by sending ~~a facsimile transmission or an~~ email addressed to him at his place of work or by using any other form of electronic communication and, if so sent, it shall be deemed to have been duly given at the time of transmission.

23.2 A notice or document shall not be duly given by email or any other form of electronic communication unless the intended recipient is known by his employer company to have personal access during his normal business hours to information sent to him by email or access to any online employee portal or similar outlet.

23.3 Any notice or document so sent to an Eligible Employee or Optionholder shall be deemed to have been duly given notwithstanding that the Eligible Employee or Optionholder is then deceased (and whether or not the Company or other Grantor has notice of his death) except where his Personal Representatives have supplied an alternative address to which documents are to be sent to the Company.

23.4 Any written notice or document to be submitted or given to the Grantor, the Company, a Trustee, the Directors, the Savings Contract operator or any administrator of this Scheme in accordance or in connection with this Scheme may be delivered, sent by post, ~~facsimile transmission or email~~ or other electronic communication but shall not in any event be duly given unless:-

23.4.1 if given by post it is actually received ~~(or, in the case of an email, opened)~~ by the individual at the relevant recipient from time to time nominated for the purposes of receiving notices or documents under this Scheme and whose name and address is notified to Optionholders; and

23.4.2 if given by email (and, if so required by the Company), it includes a digitally encrypted signature of the Optionholder.

23.5 In the case of items sent by any form of electronic communication (including electronic notices on an employee portal), these shall be deemed to have been duly received at the expiration of 24 hours from when they were sent.

~~23.5~~**23.6** For the purposes of this Scheme, an email shall be treated as not having been duly sent or received if the recipient of the email notifies the sender that it has not been opened because it contains, or is accompanied by a warning or caution that it could contain or be subject to, a virus or other computer programme which could alter damage or interfere with any computer software or email.

24. OBLIGATION TO ENSURE SUFFICIENT AVAILABLE SHARES

24.1 The Company shall ensure that any necessary authorisations are or will be in place at the relevant time to allow the issue of sufficient Shares to satisfy the exercise in full of all Subscription Options for the time being remaining capable of being exercised.

24.2 No Option to purchase existing Shares shall be granted by any person unless the Directors are satisfied that sufficient Shares will be made available to satisfy the exercise in full of that Option.

24.3 The Company may issue Shares, and grant rights to subscribe for Shares, to a Trustee for the purpose of enabling the Trustee, in the exercise of its powers to:-

24.3.1 grant Options; and/or

24.3.2 transfer or procure the issue or transfer of Shares on the exercise of Options (whether granted by the Trustee or otherwise)

PROVIDED THAT any Shares issued or in respect of which rights to subscribe are granted by the Company (and which, if not exercised, do not lapse) shall count in applying the overall limitations on the issue of Shares imposed by Rule 14.

25. STAMP DUTY

Any stamp duty or stamp duty reserve tax payable in respect of a transfer of Shares to, or at the direction of, an Optionholder (other than stamp duty or stamp duty reserve tax payable on a sale of Shares at the direction of the Optionholder) shall be paid by the Company.

26. JURISDICTION

26.1 This Scheme and any Option shall be governed by, and construed in accordance with, English law.

26.2 The courts of England shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning an Option and any matter arising from, or in relation to, this Scheme.

27. THIRD PARTY RIGHTS

Except as otherwise expressly stated to the contrary, neither this Scheme nor the Contracts (Rights of Third Parties) Act 1999 shall have the effect of giving any third party rights under this Scheme or any Option and that Act shall not apply to this Scheme nor to any Option.