

Dated 24 March 2015

CARD FACTORY PLC

**RULES OF THE CARD FACTORY PLC
SAYE SCHEME 2015**

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Rules of the Card Factory plc SAYE Scheme 2015

1 Purpose of the Plan

The purpose of the Plan is to provide, in accordance with Schedule 3, benefits for employees and directors in the form of Options.

2 Definitions

2.1 Meanings of words used

In these Rules:

“**Acquiring Company**” is any company which has obtained Control of the Company or has become entitled and bound as mentioned in rule 11.5 (Compulsory acquisition) as a result of events specified in rule 11.4 (Takeovers) or rule 11.6 (Company reconstructions) or rule 11.7 (Reorganisation or merger);

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

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

“**Business Day**” means a day on which the London Stock Exchange (or, if relevant and if the Directors determine, any stock exchange nominated by the Directors on which the Shares are traded) is open for the transaction of business;

“**Company**” means Card Factory plc;

“**Contribution**” means a contribution under a Savings Contract;

“**Control**” has the meaning given to it by Section 995 of the Income Tax Act 2007;

“**Date of Grant**” means the date on which an Option is granted;

“**Directors**” means the board of directors of the Company or a duly authorised committee of the board or any other duly authorised person;

“**Eligible Employee**” means any person who satisfies the conditions set out below. The conditions are that the person:

- (i) either is:
 - (a) an employee (but not a director) of a Participating Company; or
 - (b) a director of a Participating Company who is required to work for the Participating Company for at least 25 hours a week (excluding meal breaks); and
- (ii) has earnings in respect of ~~his~~their office or employment within paragraph (i) above which are general earnings (or would be if there were any) as described in paragraphs 6(2)(c) of Schedule 3; and
- (iii) has such qualifying period (if any) of continuous service (not exceeding five years prior to the Date of Grant) as the Directors may from time to time determine.

In addition, it means any person who is an executive director or employee of a Participating Company who is nominated by the Directors (or is nominated as a member of a category of such executive directors or employees).

“**HMRC**” means Her Majesty’s Revenue and Customs;

“**Listing Rules**” means the rules relating to admission to the Official List;

“**London Stock Exchange**” means London Stock Exchange plc or its successor;

~~“**Model Code**” means the Model Code on dealings in securities set out in Listing Rule 9 Annex 1;~~

“**Official List**” means the list maintained by the Financial Conduct Authority for the purpose of Section 74(1) Financial Services and Markets Act 2000;

“**Option**” means a right to acquire Shares granted under the Plan which is subject to the Rules;

“**Optionholder**” means a person holding an Option, including ~~his~~their personal representatives;

“**Option Price**” means the amount payable for each Share on the exercise of an Option calculated as described in rule 6 (Option Price);

“**Participating Companies**” means:

- (i) the Company; and
- (ii) any Subsidiary designated by the Directors; and
- (iii) any jointly-owned company (within the meaning of paragraph 46 of Schedule 3) designated by the Directors; and
- (iv) any other entity designated by the Directors so long as the Plan remains a Schedule 3 plan.

“**Plan**” means this plan known as “The Card Factory plc SAYE Scheme 2015” as changed from time to time;

“**Rules**” means the rules of the Plan as changed from time to time;

“**Savings Contract**” means a contract under a certified SAYE savings arrangement within the meaning of paragraph 24(1) of Schedule 3;

“**Schedule 3**” means Schedule 3 to the Income Tax (Earnings and Pensions) Act 2003;

“**Schedule 3 plan**” means a plan in relation to which the requirements of Parts 2 to 7 of Schedule 3 are being met;

“**Shares**” means fully paid ordinary shares in the capital for the time being of the Company which, subject to rule 2.2, satisfy paragraphs 18 to 22 of Schedule 3;

“**Subsidiary**” means a company which is:

- (i) a subsidiary of the Company within the meaning of Section 1159 of the Companies Act 2006; and
- (ii) under the Control of the Company;

“**Taxable Year**” means the calendar year or, if it would result in a longer period for the exercise of an Option, the 12 month period in respect of which the Optionholder’s employing company is obliged to pay tax;

“**Trustee**” means the trustee of any employee trust described in rule 14.7 (Employee trust).

“**US Taxpayer**” means a person who is subject to US Tax.

“**US Tax**” means taxation under the tax rules of the United States of America.

2.2 Shares

If any Shares which are subject to an Option cease to satisfy paragraphs 18 to 22 of Schedule 3 and the Plan ceases to be a Schedule 3 plan then the definition of “Shares” in rule 2.1 (Meanings of words used) is automatically changed to “fully paid ordinary shares in the capital of the Company”. But this rule 2.2 will not apply while an Option can be exercised within the 20 day period under rule 11.9 (Shares no longer within Schedule 3).

2.3 Non-tax qualified schedule

The directors may adopt a non-tax qualified schedule (or schedules) for the purpose of granting non-tax qualified options to employees employed outside the UK on terms which are appropriate to the jurisdiction in which the employee is employed on the Date of Grant or any other terms which the Directors consider appropriate.

3 Invitations

3.1 Operation

The Directors decide if and when the Plan will be operated. When they operate the Plan they must invite all Eligible Employees to apply for an Option.

3.2 Time when invitations may be made

3.2.1 Invitations may only be made within 42 days, starting on any of the following:

- (i) the day after the announcement of the Company’s results through a regulatory information service for any period;
- (ii) the date of the Company’s annual general meeting or any special general meeting;
- (iii) any day on which the Directors resolve that exceptional circumstances exist which justify the making of invitations;
- (iv) any day on which changes to the legislation or regulations affecting Schedule 3 plans under the tax legislation are announced, effected or made; or
- (v) any day on which a new Savings Contract prospectus is announced or takes effect.

3.2.2 If the Directors or the Trustee cannot make the invitations due to restrictions imposed by statute, order, regulation or Government directive, or by any code adopted by the Company ~~based on the Model Code~~from time to time, the Directors or the Trustee may make the invitations within 42 days of the lifting of such restrictions.

3.3 Form of invitations

The invitation will specify:

3.3.1 the requirements a person must satisfy in order to be eligible to participate;

3.3.2 the Option Price or how it is to be calculated;

- 3.3.3 whether or not the Shares subject to the Option are subject to any restriction (as defined in paragraph 48(3) of Schedule 3) and set out details of any such restrictions;
- 3.3.4 the form of application and the date by which applications must be received. This date must not be less than 14 days after the date of the invitation;
- 3.3.5 the length of the Savings Contract and the date of start of the savings;
- 3.3.6 the maximum number, if any, of Shares over which Options may be granted;
- 3.3.7 the maximum permitted Contribution in each month which must not be more than the maximum specified by paragraph 25 of Schedule 3 (currently £500);
- 3.3.8 the minimum permitted Contribution in each month (which must be between £5 and £10); and
- 3.3.9 whether the bonus or interest payable under the Savings Contract may be used on the exercise of the Option to purchase Shares.

4 Application

4.1 Form of application

An application for an Option must include an application for a Savings Contract with a savings carrier nominated by the Directors. The application will be made in writing, or electronically, in a form specified by the Directors and will require the Eligible Employee to state:

- 4.1.1 the Contribution ~~he wishes~~they wish to make;
- 4.1.2 that ~~his~~their proposed Contribution, when added to any Contributions ~~he makes~~they make under any other Savings Contract, will not exceed the maximum permitted under paragraph 25 of Schedule 3 (currently £500); and
- 4.1.3 the length of the Savings Contract.

4.2 Number of Shares

Each Eligible Employee's application will be for an Option over the largest whole number of Shares which ~~he~~they can acquire at the Option Price with the expected repayment under the related Savings Contract. The "expected repayment" in this rule 4.2 does not include any bonus or interest excluded under rule 3.3.9.

4.3 Modification of application and proposals

- 4.3.1 If there are applications for Options over more Shares than the maximum specified in the invitation, each application and proposal for a Savings Contract will be deemed to have been modified or withdrawn as described in rule 5 (Scaling down).
- 4.3.2 If an application for a Savings Contract specifies a Contribution which, when added to any other Contributions already being made by the Eligible Employee, exceeds the maximum permitted under rule 3.3.7, the Directors may modify it by reducing the Contribution to the maximum possible amount. Any such modification must be made before the Option is granted and before the application for the Savings Contract is accepted.

5 Scaling down

5.1 Method

If valid applications are received for a total number of Shares in excess of any maximum number specified in the invitation under rule 3.3.7 or any limit under rule 8 (Plan limits), the Directors or the Trustee will scale down applications by choosing one or more of the following methods:

- 5.1.1 reducing the proposed Contributions by the same proportion to an amount not less than the minimum amount permitted under the Savings Contract (or a lesser amount set by the Directors); or
- 5.1.2 treating bonuses as wholly or partly excluded from the expected repayment amount.

The Directors or the Trustee may use other methods, so long as the Plan remains a Schedule 3 plan.

5.2 Insufficient Shares

If, having scaled down as described in rule 5.1 (Scaling down – Method), the number of Shares available is insufficient to enable Options to be granted to all Eligible Employees making valid applications, the Directors or the Trustee may either select by lot, or decide not to grant any Options.

6 Option Price

6.1 Setting the Option Price

The Directors will set the Option Price which must be:

- 6.1.1 not manifestly less than 80 per cent of the Market Value of a Share on the Date of Grant or, if agreed in advance with HMRC, on any earlier date specified in the invitation¹; and
- 6.1.2 if the Shares are to be subscribed, not less than the nominal value of a Share.

6.2 Market Value

“Market Value” on any particular day means:

- 6.2.1 where Shares of the same class are admitted to the Official List and traded on the London Stock Exchange:
 - (i) their price for the immediately preceding Business Day; or
 - (ii) if the Directors decide, the average price for the 3 immediately preceding Business Days; or
 - (iii) such other price as HMRC Shares and Assets Valuation may agree.

The “price” is the middle market quotation taken from the Daily Official List of the London Stock Exchange;

¹ For example, the invitation date – see HMRC guidance ESSUM35140.

6.2.2 where rule 6.2.1 does not apply, the market value of a Share calculated as described in Part VIII of the Taxation of Chargeable Gains Act 1992 and agreed in advance with HMRC Shares and Assets Valuation.

Any restriction referred to in rule 3.3.3 will be ignored when determining Market Value.

7 Grant of Options

7.1 Time of grant

Subject to rule 5.2 (Insufficient Shares), the Directors or the Trustee must grant an Option to each Eligible Employee who has submitted and not withdrawn a valid application. The Option is to acquire, at the Option Price, the number of Shares for which the Eligible Employee has applied (or is deemed to have applied). The grant must be made within 30 days (or 42 days if applications are scaled down) of the first day by reference to which the Option Price was set.

7.2 Restrictions on grant

7.2.1 A grant of an Option to a person who is not an Eligible Employee on the Date of Grant is void.

7.2.2 An Option may not be granted to an Eligible Employee who on the Date of Grant has given or received notice of termination of employment, whether or not such termination is lawful.

7.2.2.3 Options may only be granted under the Plan between the date of approval of the Plan by the Company in general meeting and the tenth anniversary of that date.

7.2.3.2.4 A grant of an Option in excess of the Plan limits in rule 8 (Plan limits) will take effect as a grant of an Option which would not exceed those limits in accordance with rule 5.1 (Scaling down – Method).

~~7.3 Option certificates~~

7.3 Notification of Options

7.3.1 The Directors or the Trustee will ~~send~~notify each Optionholder of the grant of an option certificate~~Option~~ as soon as practicable after the Date of Grant. ~~The This may be done by option certificate, updating the relevant web-portal or other hard copy or electronic means agreed by the Directors will set the form of the certificate, but the certificate must be consistent with these Rules.~~

7.3.2 If any option certificate is issued and is lost or damaged, the Directors may replace it on such conditions as they wish to set.

7.4 No payment

Optionholders are not required to pay for the grant of any Option.

7.5 Disposal restrictions

An Optionholder must not transfer, assign or otherwise dispose of an Option or any rights in respect of it. If, in breach of this rule, an Optionholder transfers, assigns or disposes of an Option or rights, whether voluntarily or involuntarily, then the relevant Option will immediately

lapse. This rule 7.5 does not apply to the transmission of an Option on the death of an Optionholder to ~~his~~their personal representatives.

8 Plan limits

8.1 10 per cent in 10 year limit

The number of Shares which may be allocated under the Plan on any day must not exceed 10 per cent of the ordinary share capital of the Company in issue immediately before that day, when added to the total number of Shares which have been allocated in the previous 10 years under the Plan and any other employee share plan operated by the Company.

8.2 Listing Rules

No Shares will be allocated under the Plan if this would cause rule 6.1.19 (shares in public hands) of the Listing Rules to be breached.

8.3 Exclusions

Where the right to acquire Shares is released or lapses without being exercised these Shares are ignored when calculating the limits in this rule.

Shares allocated before the admission of the Shares to the Official List are also ignored when calculating the limits in this rule.

8.4 Meaning of “allocate”

“Allocate” means granting an Option or other right to acquire unissued Shares or, if there is no such grant, the issue and allotment of Shares.

As long as so required by the Investment Association, shares transferred from treasury are counted as part of the ordinary share capital of the Company, and as shares issued by the Company.

9 Variations in share capital

9.1 Adjustment of Options

If there is a variation in the equity share capital of the Company, including a capitalisation or rights issue, sub-division, consolidation or reduction of share capital:

9.1.1 the number of Shares comprised in each Option; and

9.1.2 the Option Price

may be adjusted in any way (including retrospective adjustments) which the Directors consider appropriate, but:

- (i) the total Option Price after adjustment must be substantially the same as before, and must not exceed the expected proceeds of the related Savings Contract at the Bonus Date;
- (ii) the total market value of the shares must remain the substantially the same; and
- (iii) the Plan must continue to be a Schedule 3 plan.

An annual return relating to the Plan submitted to HMRC following any such adjustment must include a declaration that the Plan continues to comply with Schedule 3.

9.2 Notice

The Directors or the Trustee may notify Optionholders of any adjustment made under this rule 9.

10 Exercise and lapse – general rules

10.1 Exercise

Except where exercise is permitted as described in rule 11 (Exercise and lapse – exceptions to the general rules), an Option can only be exercised:

10.1.1 during the period of six months after the Bonus Date; and

10.1.2 so long as the Optionholder is a director or employee of a Participating Company.

10.2 Lapse

An Option will lapse on the earliest of:

10.2.1 the date the Optionholder ceases to be a director or employee of a Participating Company, unless any of the provisions of rule 11 (Exercise and lapse – exceptions to the general rules) apply;

10.2.2 the date on which the Optionholder is deemed to give notice under the Savings Contract that ~~he intends~~they intend to stop paying contributions under ~~his~~their Savings Contract;

10.2.3 the date on which the Optionholder stops (but not suspends) paying contributions under ~~his~~their Savings Contract unless any of the provisions of rule 11 (Exercise and lapse – exceptions to the general rules) apply;

10.2.4 the expiry of any period specified in rule 11 (Exercise and lapse – exceptions to the general rules); or

10.2.5 six months after the Bonus Date unless rule 11.3 (Death) applies.

11 Exercise and lapse – exceptions to the general rules

11.1 Cessation of employment

11.1.1 An Optionholder may exercise ~~his~~their Option within six months of ceasing to be a director or an employee of a Participating Company for one of the reasons set out below. The reasons are:

- (i) injury, disability, redundancy within the meaning of the Employment Rights Act 1996;
- (ii) retirement;
- (iii) a relevant transfer within the meaning of the Transfer of Undertakings (Protection of Employment) Regulations 2006,
- (iv) ~~his~~their office or employment being in an associated company (as defined in paragraph 35(4) of Schedule 3) of the Company which ceases to be an

associated company by reason of a change of control (as determined in accordance with sections 450 and 451 of the Corporation Tax Act 2010).

11.1.2 If the Optionholder ceases to be a director or employee of a Participating Company more than three years after the Date of Grant for any reason except reasons involving misconduct, impropriety or inefficiency on his part, he may exercise his Option within six months of leaving.

11.1.3 For the purposes of this rule 11.1, an Optionholder is not treated as ceasing to be a director or employee of a Participating Company until he ~~has~~ they ~~have~~ ceased to be a director or employee of:

- (i) the Company;
- (ii) an Associated Company; and
- (iii) a company under the Control of the Company.

11.1.4 This rule applies if an Optionholder:

- (i) ceases to be a director or employee of a Participating Company but on or immediately after the date of cessation is a director or employee of an Associated Company; and
- (ii) subsequently ceases to be a director or employee of the Associated Company.

When this rule applies, the Optionholder can exercise his Option within six months of ceasing to be a director or employee of the Associated Company, if the reason for him ceasing to be a director or employee of the Participating Company (not the Associated Company) was one of the reasons set out in rule 11.1.1.

11.2 Employment with an Associated Company

If an Optionholder ceases to be a director or employee of a Participating Company but is on the Bonus Date an employee or director of an Associated Company or a company of which the Company has Control, he may exercise his Option within six months of the Bonus Date.

11.3 Death

If an Optionholder dies, his Option may be exercised by his personal representatives within one year of:

11.3.1 the date of his death if death occurred before the relevant Bonus Date; or

11.3.2 the Bonus Date if the death occurred on or within six months after the relevant Bonus Date.

11.4 Takeovers

This rule applies where a person (or a group of persons acting in concert) obtains Control of the Company as a result of making a general offer, to acquire shares in the Company, which falls within paragraph 37(3) of Schedule 3.

When this rule applies Options may, subject to rule 11.7 (Reorganisation or merger), and rule 11.9 (Shares no longer within Schedule 3) below, be exercised within the six month period after the person making the offer has obtained Control of the Company and any condition subject to which the offer is made has been satisfied.

The Options will lapse at the end of the six month period unless the Directors give written notice to all the Optionholders before the end of the six month period that the Options will not lapse.

11.5 Compulsory acquisition

This rule applies if a person (or a group of persons acting in concert) becomes bound or entitled to acquire Shares by serving a notice under Section 979 of the Companies Act 2006 or other local legislation which HMRC agrees is equivalent (a "Section 979 notice"). Subject to rule 11.7 (Reorganisation or merger), Options may be exercised at any time when that person remains so bound or entitled, which is the period of six weeks from the date of the Section 979 notice.

11.6 Company reconstructions

This rule applies if, under Section 899 of the Companies Act 2006,

a court sanctions a compromise or arrangement falling within paragraph 37(4) of Schedule 3.

When this rule applies, Options may, subject to rule 11.7 (Reorganisation or merger), be exercised within the six month period after the date of the sanction.

11.7 Reorganisation or merger

~~If this rule applies, no~~ Options will become exercisable under rules 11.4 (Takeovers), 11.5 (Compulsory acquisition) or 11.6 (Company reconstructions) if:

11.7.1 the shareholders of the Acquiring Company, immediately after the relevant event, are or will be substantially the same as the shareholders of the Company immediately before then or the obtaining of Control relevant event amounts to a merger with the Company; or

11.7.2 the Directors decide that this rule will apply; and

11.7.3 in either case, the Acquiring Company consents to the replacement of Options under this rule.

Instead, all Options will be exchanged during the period set out in paragraph 38(3) of Schedule 3. Rules 12.3 (Exchange) and 12.4 (Grant) apply to the exchange.

11.8 Winding-up

If the Company passes a resolution for its voluntary winding-up, Options may be exercised within six months of the date of the resolution. However, the issue of Shares after such exercise has to be authorised by the liquidator or the court (if appropriate), and the Optionholder must apply for this authority and pay ~~his~~their application cost. Any Options not exercised during that period will lapse at the end of the period.

11.9 Shares no longer within Schedule 3

This rule applies where:

11.9.1 rule 11.4 (Takeovers) applies; or

11.9.2 a person obtains Control of the Company as a result of a compromise or arrangement mentioned in rule 11.6; or

11.9.3 a person is bound or entitled to acquire Shares as described in rule 11.5 (Compulsory acquisition); and

as a result, Shares in the Company would no longer meet the requirements of paragraphs 18 to 22 of Schedule 3.

If this rule applies, Options may be exercised under those rules during a 20 day period after the relevant event and any Options not so exercised will, unless the Directors decide otherwise, lapse at the end of that period. If the Directors decide otherwise, Options may be exercised (and rule 2.2 will apply) after the end of the 20 day period under any of rules 11.4, 11.5 or 11.6 and will lapse at the end of the relevant period.

11.10 Priority

If there is any apparent conflict between any of the provisions in rules 10 (Exercise and lapse – general rules) and 11 (Exercise and lapse – exceptions to the general rules), only the provision which results in the earliest lapse of the option will apply.

11.11 US Taxpayers

Notwithstanding rule 11.10 (Priority), a US Taxpayer may only exercise an Option within the shorter of:

- (i) any exercise period specified in these rules; and
- (ii) the expiry of two and a half calendar months after the end of the Taxable Year in which the Option first became exercisable

Rule 11.1.2 will not apply to US Taxpayers.

12 Exchange of Options

12.1 Application

This rule 12 applies to all Options (whether or not already exercisable) if a company:

- 12.1.1** obtains Control of the Company as a result of making a general offer, to acquire shares in the Company, which falls within paragraph 38(2)(a) of Schedule 3 to ITEPA;
- 12.1.2** obtains Control of the Company under a scheme of arrangement sanctioned by the court under Section 899 of the Companies Act 2006; or
- 12.1.3** becomes entitled or bound to acquire Shares under Sections 981 of the Companies Act 2006 or other local legislation which HMRC agrees is equivalent.

12.2 Agreement to exchange

If this rule 12 applies, the Optionholder may, with the agreement of the Acquiring Company, exchange ~~his~~their Options under rule 12.3 (Exchange) during the period set out in paragraph 38(3) of Schedule 3.

12.3 Exchange

Where an Option is to be exchanged, the Optionholder will be granted a new option to replace it.

Where an Optionholder is granted a new option then:

- 12.3.1 the new option will be in respect of shares which satisfy the conditions of paragraph 39 of Schedule 3 in any company (falling within paragraph 18(b) or (c) of Schedule 3) determined by the Acquiring Company;
- 12.3.2 the new option will be equivalent to the Option that was exchanged as provided in paragraph 39(4) of Schedule 3. For the purpose of equivalence, market value is to be determined according to a methodology agreed by HMRC.
- 12.3.3 the new option will be treated as having been acquired at the same time as the Option that was exchanged and be exercisable in the same manner and at the same time;
- 12.3.4 the new option will be subject to the Rules as they last had effect in relation to the Option that was exchanged; and
- 12.3.5 with effect from the exchange, the Rules will be construed in relation to the new option as if references to Shares were references to the shares over which the new option is granted and references to the Company were references to the company determined by the Directors under rule 11.3.1.

12.4 Grant

The Acquiring Company must not grant Options under the Plan other than under rule 12.3 (Exchange).

13 Exercise of Options

13.1 Limit on exercise

An Optionholder may exercise ~~his~~their Option using funds equal to or less than the amount repayable under ~~his~~their Savings Contract, including any bonus or interest. An Optionholder can only use Contributions made before the date of exercise of the Option, and any bonus or interest on them.

13.2 Manner of exercise

~~Options. To exercise an Option, the Optionholder must be exercised;~~

13.2.1 ~~notify the Company or its agent of their intention to exercise by written notice in writing or by any electronic means, in either case, in a form specified and manner approved by the Company signed by the Optionholder or by his agent and delivered to the Company or its agent or, at the direction of the Directors, to the Trustee. The Optionholder must also send;~~ and

~~13.2.2 if the Company so requires, the relevant option certificate; and either~~

~~13.2.3~~ 13.2.2 arrange for payment in full in cleared funds and of the Option Price and provide evidence of the termination of the Savings Contract; or

~~13.2.4~~ 13.2.3 give authority to terminate the Savings Contract and use the amount needed to acquire the number of Shares over which the Option is being exercised.

Payment in full or authority to terminate the savings contract may, as specified by the Directors, be made to the Company or to the Company as agent for the Trustee or to the Trustee. The exercise of the Option ~~is~~will be effective ~~on the date of receipt by~~when the Company or its agent or the Trustee ~~of the notice, the option certificate (if required) has received the notification~~ and the ~~relevant payment~~cleared funds or authority.

13.3 Part exercise

When an Option is exercised in part, it lapses to the extent of the unexercised balance.

13.4 Issue or transfer

Subject to rule 13.6 (Consents):

13.4.1 Shares to be issued following the exercise of an Option must be issued within 30 days of the date of exercise; and

13.4.2 if Shares are to be transferred following the exercise of an Option, the Directors must procure this transfer within 30 days of the date of exercise.

13.5 Rights

13.5.1 Shares issued on exercise of an Option rank equally in all respects with the Shares in issue on the date of allotment. They do not rank for any rights attaching to Shares by reference to a record date preceding the date of allotment.

13.5.2 Where Shares are to be transferred on the exercise of an Option, Optionholders are entitled to all rights attaching to the Shares by reference to a record date after the transfer date. They are not entitled to rights before that date.

13.6 Consents

All allotments, issues and transfers of Shares are subject to any necessary consents under any relevant enactments or regulations for the time being in force in the United Kingdom or elsewhere. The Optionholder is responsible for complying with any requirements to obtain or avoid the need for any such consent.

13.7 Articles of association

Any Shares acquired on the exercise of Options are subject to the Articles of Association of the Company from time to time in force.

13.8 Listing

If and so long as the Shares are listed on the Official List or of any other stock exchange where Shares are traded, the Company must apply for listing of any Shares issued pursuant to the Plan as soon as practicable after their allotment.

14 General

14.1 Notices

14.1.1 Any notice or other document which has to be given to an Eligible Employee or Optionholder under or in connection with the Plan may be:

- (i) delivered or sent by post to himthem at histheir home address according to the records of histheir employing company; or
- (ii) sent by e-mail or fax to any e-mail address or fax number which, according to the records of histheir employing company, is used by himthem; or
- (iii) by such other electronic means (such as posting on an internet or intranet page to which the Optionholder or Eligible Employee has access) as the Company may specify.

- 14.1.2 Any notice or other document which has to be given to the Company or other duly appointed agent under or in connection with the Plan may be delivered or sent by post to it at its respective registered office (or such other place as the Directors or the duly appointed agent may from time to time decide and notify to Optionholders) or sent by e-mail or fax to any e-mail address or fax number notified to the sender.
- 14.1.3 Notices sent by post will be deemed to have been given on the earlier of the date of actual receipt and the second day after the date of posting. However, notices sent by or to an Optionholder who is working overseas will be deemed to have been given on the earlier of the date of actual receipt and the seventh day after the date of posting.
- 14.1.4 Notices sent by e-mail or fax, in the absence of evidence of non-delivery, will be deemed to have been received on the day after sending.

14.2 Documents sent to shareholders

The Company may send to Optionholders copies of any documents or notices normally sent to the holders of its Shares.

14.3 Directors' decisions final and binding

The decision of the Directors on the interpretation of the Rules or in any dispute relating to an Option or matter relating to the Plan is conclusive.

14.4 Costs

The Company will pay the costs of introducing and administering the Plan. The Company may require each Participating Company to reimburse the Company for any costs incurred in connection with the grant of Options to, or exercise of Options by, employees of that Participating Company.

14.5 Administration

The Directors have the power from time to time to make or vary regulations for the administration and operation of the Plan.

14.6 Terms of employment

- 14.6.1 For the purposes of this rule, "Employee" means any employee of the Company or an Associated Company.
- 14.6.2 This rule applies during an Employee's employment and after the termination of an Employee's employment, whether or not the termination is lawful.
- 14.6.3 Nothing in the Rules or the operation of the Plan forms part of the contract of employment of an Employee. The rights and obligations arising from the employment relationship between the Employee and ~~his~~their employer are separate from, and are not affected by, the Plan. Participation in the Plan does not create any right to, or expectation of, continued employment.
- 14.6.4 No Employee has a right to participate in the Plan. Participation in the Plan or the grant of Options on a particular basis in any year does not create any right to or expectation of participation in the Plan or the grant of Options on the same basis, or at all, in any future year.

- 14.6.5 The terms of the Plan do not entitle the Employee to the exercise of any discretion under the Rules in ~~his~~their favour.
- 14.6.6 The Employee will have no claim or right of action in respect of any decision, omission or discretion under the Rules, not relating to a subsisting option, which may operate to the disadvantage of the Employee even if it is unreasonable, irrational or might otherwise be regarded as being in breach of the duty of trust and confidence (and/or any other implied duty) between the Employee and ~~his~~their employer.
- 14.6.7 The Employee will have no claim or right of action in respect of any decision, omission or discretion under the Rules relating to a subsisting option which may operate to the disadvantage of the Employee.
- 14.6.8 No Employee has any right to compensation for any loss in relation to the Plan, including any loss in relation to:
- (i) any loss or reduction of rights or expectations under the Plan in any circumstances (including lawful or unlawful termination of employment);
 - (ii) any exercise of a discretion or a decision taken under the Rules in relation to an Option or to the Plan, or any failure to exercise a discretion or take a decision; or
 - (iii) the operation, suspension, termination or amendment of the Plan.
- 14.6.9 Participation in the Plan is permitted only on the basis that the Participant accepts all the provisions of the Rules, including this rule. By participating in the Plan, an Employee waives all rights under the Plan, other than the right to exercise an Option subject to and in accordance with the express terms of the Rules, in consideration for, and as a condition of, the grant of an Option under the Plan.
- 14.6.10 Nothing in this Plan confers any benefit, right or expectation on a person who is not an Employee. No such third party has any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Plan. This does not affect any other right or remedy of a third party which may exist.

14.7 Employee trust

The Company and any Subsidiary of the Company may provide money to the trustee of any trust or any other person to enable the trust or ~~him~~that person to acquire Shares for the purposes of the Plan, or enter into any guarantee or indemnity for those purposes, to the extent permitted by Section 682 of the Companies Act 2006.

14.8 Withholding

Unless the Optionholder discharges the liability ~~himself~~themselves, the Company, any employing company or the Trustee may withhold any amount and make any arrangements as it considers necessary to meet any liability of the Optionholder to taxation or social security contributions in respect of Options. These arrangements include the sale of any Shares on behalf of an Optionholder.

~~14.9 Data protection~~

14.9 By The Optionholder's information

14.9.1 Use of information

Subject to rule 14.9.6 below, by participating in the Plan and accepting an Option, the Optionholder consents to the holding and processing of personal ~~data~~information provided by the Optionholder to the Company, any Associated Company, Trustee or third party service provider, for all purposes relating to the operation of the Plan. These include, but are not limited to:

~~14.9.1~~14.9.2 administering and maintaining Optionholder records;

~~14.9.2~~14.9.3 providing information to an Associated Company, trustees of any employee benefit trust, registrars, brokers savings carrier or other third party administrators of the Plan;

~~14.9.3~~14.9.4 providing information to future purchasers or merger partners of the Company ~~or, the Optionholder's employing~~ company, or the business in which the Optionholder works; and

~~14.9.4~~14.9.5 transferring information about the Optionholder to a country or territory ~~outside the European Economic Area~~ that may not provide the same statutory protection for the information as the Optionholder's home country.

14.9.6 EU Data Protection

The basis for any processing of personal information about the Optionholder under the EU's General Data Protection Regulation (2016/679) (or any successor laws) including its incorporation into UK law as the UK GDPR is set out in the Company's Privacy Notice and is not the consent given under rule 14.9.1.

The Privacy Notice also contains details about how the Optionholder's personal information is processed and the Optionholder's rights in relation to that information. The Optionholder has a right to review the Privacy Notice.

15 Changing the Plan and termination

15.1 Directors' powers

Except as described in the rest of this rule 15, the Directors may at any time change the Plan in any way.

15.2 Shareholders' approval

15.2.1 Except as described in rule 15.2.2, the Company in general meeting must approve in advance by ordinary resolution any proposed change to the Rules to the advantage of present or future Optionholders which relates to the following:

- (i) the persons to whom or for whom Shares may be provided under the Plan;
- (ii) the limitations on the number of Shares which may be issued under the Plan;
- (iii) the maximum Contribution which may be made under the Plan;
- (iv) the determination of the Option Price;
- (v) The basis for determining an Optionholder's entitlement to, and the terms of, securities, cash or other benefit to be provided and for the adjustment thereof (if any) if there is a capitalisation issue, rights issue or open offer, sub-division or consolidation of shares or reduction of capital or any other variation of capital;

(vi) the terms of this rule 15.2.1.

15.2.2 The Directors need not obtain the approval of the Company in general meeting for any minor changes:

- (i) to benefit the administration of the Plan;
- (ii) which are necessary or desirable in order to ensure that the Plan is or remains a Schedule 3 plan or maintain its tax efficiency under any other enactment;
- (iii) to comply with or take account of the provisions of any proposed or existing legislation;
- (iv) to take account of any changes to the legislation; or
- (v) to obtain or maintain favourable tax, exchange control or regulatory treatment of the Company, any Subsidiary or any present or future Optionholder.

15.2.3 The Directors may, without obtaining the approval of the Company in general meeting, establish further plans (by way of schedules to the rules or otherwise) based on the rules, but modified to take account of local tax, exchange control or securities law in non-UK territories. However, any Shares made available under such plans are treated as counting against any limits on participation in the Plan under rule 8.

15.3 Schedule 3 restrictions

15.3.1 For so long as the Plan is to remain a Schedule 3 plan, the Plan must comply with Schedule 3 after any change to any provision necessary to comply with Parts 2 to 7 of Schedule 3;

15.3.2 An annual return relating to the Plan submitted to HMRC following any such change must include a declaration that the Plan continues to comply with Schedule 3.

15.4 Notice

The Directors may give written notice of any changes made to any Optionholder affected.

15.5 Termination of the Plan

The Plan will terminate on the ~~tenth~~^{10th} anniversary of the ~~date of approval of the Plan by the Company in~~^{Company's 2024 annual} general meeting, but the Directors may terminate the Plan at any time before that date. However, Options granted before such termination will continue to be valid and exercisable as described in these Rules.

16 Governing law

English law governs the Plan and all Options and their construction. The English courts have non-exclusive jurisdiction in respect of disputes arising under or in connection with the Plan or any Option.

SCHEDULE Non-qualifying Options

1 Introduction

The Directors may decide to operate the Plan on the basis that this Schedule will apply to some or all of the invitations and the resulting Options and they will be governed by the rules as varied by this Schedule.

The intention of this Schedule is to provide for Options which are similar to those offered under the Plan but do not qualify for favourable tax treatment under Schedule 3 and so are not subject to the same restrictions.

2 Definitions

The following definitions will apply in place of those in rule 2:

“Associated Company” means any company which is associated with the Company and which is designated as such by the Directors for some or all purposes of the Plan;

“Bonus Date” has the meaning given in paragraph 4.2 below;

“Eligible Employee” means any of a Participating Company;

“Participating Company” means:

- (i) the Company;
- (ii) any Subsidiary designated by the Directors for some or all purposes of the Plan;
- (iii) any company which is associated with the Company and is so designated by the Directors for some or all purposes of the Plan.

“Savings Contract” means any savings arrangement approved by the Directors for the purposes of the operation of the Plan under this Schedule (and different savings arrangements may apply to different Eligible Employees under this Schedule);

“Shares” means fully paid ordinary shares in the capital of the Company.

3 Schedule 3 not to apply

Any requirement in the rules that:

- (a) the Plan comply with or continue to comply with Schedule 3; or
- (b) anything be agreed with or notified to HMRC; or
- (c) any document be submitted to HMRC,

will not apply to any invitation or Option governed by this Schedule.

4 Invitation

4.1 Operation

The Directors decide if and when the Plan will be operated. When they operate the Plan they will invite any Eligible Employees selected by them, in their discretion, to apply for an Option.

No Eligible Employee will be invited to apply for an Option governed by this Schedule at the same time as they are invited to apply for an Option which is not.

4.2 Bonus Date

The Bonus Date will be any date determined by the Directors and specified in the invitation or, if no such date is specified and invitations are being made at the same time outside of this Schedule, the Bonus Date will be the same as that applicable to that invitation.

The Bonus Date will not result in a Savings Contract which is materially longer than the longest Savings Contract permitted under Schedule 3.

4.3 Maximum and minimum Contributions

The maximum permitted Contribution and the minimum permitted Contribution for any invitation will be any amount set by the Directors from time to time but the maximum will not be materially more than the local currency equivalent of the maximum permitted by Schedule 3.

The application for an Option may require an Eligible Employee to state that their proposed Contribution, when added to any Contributions they make under any other Savings Contract, will not exceed any maximum set by the Directors.

5 Contributions

5.1 Deduction

The Participant will pay Contributions in accordance with the Savings Contract. Contributions may be deducted from salary or paid by such other method as the Savings Contract may specify or the Directors may allow.

5.2 Currency and exchange rates

Contributions will normally be expressed in the local currency of the Optionholder at the time of invitation, unless otherwise specified in the invitation.

The Option Price will normally be expressed in sterling but may be expressed in any other currency or currencies if the Directors so decide.

Contributions will be converted into the applicable currency, as required, on such date(s) and at such price or by such method as determined by the Directors.

6 Variations in share capital

An adjustment under rule 9 may also be made where there is:

- (a) a demerger (in whatever form) or exempt distribution by virtue of Section 1075 of the Corporation Tax Act 2010; or
- (b) a special dividend or distribution; or
- (c) any other corporate event which might affect the current or future value of any Option.

7 Evidence of Savings Contract

The Directors may require the Participant, as a condition to the grant and/or exercise of an Option, to provide such evidence as they may require that they have entered into and/or complied with the terms of the Savings Contract.

8 Limit on exercise – exchange rate fluctuations

Unless the Directors decide otherwise, where the funds repayable under an Optionholder's Savings Contract, when converted into the currency in which the Option Price is expressed, is less than the amount payable to exercise the Option to the relevant extent, the

Optionholder may (notwithstanding rule 13.1) use additional funds to exercise the Option. But this will not allow an Option to be exercised in respect of a number of Shares greater than the number in respect of which it has become exercisable.

9 Cash alternative

The Directors may decide that an Option will be satisfied (wholly or in part) by paying the Participant an amount in cash equal to the market value (determined in such manner as the Directors see fit) of the Shares which would otherwise have been issued or transferred.

This amount will be reduced by the Option Price if the Directors decide not to require payment in full of the Option Price and evidence of the termination of the Savings Contract or authority to terminate the Savings Contract and use the amount needed to acquire the number of Shares over which the Option is being exercised.

An Option may be granted on the basis that it will always be satisfied in this manner.

10 Early exercise

Where an Option becomes exercisable before the Bonus Date, the maximum number of Shares in respect of which it can be exercised will be determined in accordance with this formula (rounded down to the nearest whole Share):

$$a = b \times \frac{c}{d}$$

where:

- a ≡ the maximum number of Shares in respect of which the Option can be exercised;
- b ≡ the number of Shares subject to the Option;
- c ≡ the number of complete months between the date of the start of savings under the Savings Contract and the date on which the Option becomes exercisable; and
- d ≡ the number of complete months between the date of the start of savings under the Savings Contract and the Bonus Date.

11 Exchange of Options

An Option will not become exercisable under rules 11.4 (Takeovers), 11.5 (Compulsory acquisition) or 11.6 (Company reconstructions) if:

16.1.1 the Directors decide that this rule will apply to the Option; and

16.1.2 the Acquiring Company consents to the replacement of Options under this rule.

Instead, the Option will be exchanged within six months of the date on which the relevant rule first applies and the Participant will be granted a new option to replace it.

The new option will be:

- (a) in respect of shares in any company determined by the Acquiring Company;
- (b) equivalent to the Option that was exchanged;
- (c) treated as having been acquired at the same time as the Option that was exchanged and be exercisable in the same manner and at the same time;

(d) subject to the Rules (including this Schedule) as they last had effect in relation to the Option that was exchanged;

With effect from the exchange, references in these rules to 'Shares' will be treated as references to the shares over which the new option is granted and references to 'the Company' were references to the company determined by the Directors under rule 12.3.1.

12 Rules which will not apply

The following rules will not apply to any invitation or Option governed by this Schedule.

<u>Rule</u>	<u>Description*</u>
<u>Rule 1</u>	<u>Sets out the purpose of the Plan as required by Schedule 3.</u>
<u>Rule 2.2</u>	<u>Changes the definition of 'Shares' in certain circumstances.</u>
<u>Rule 3.1</u>	<u>To the extent that it requires all Eligible Employees to be invited.</u>
<u>Rule 3.3.3</u>	<u>Requires notification of restrictions applicable to Shares.</u>
<u>Rules 9.1.2(i) to 9.1.2(iii)</u>	<u>Sets limits on the basis of adjustment of Options on variations of capital.</u>
<u>Rule 11.1.4</u>	<u>Treatment of a person who moves to an Associated Company and then leaves the Associated Company.</u>
<u>Rule 11.9</u>	<u>Deals with takeovers as a result of which the Shares would no longer meet the requirements of Schedule 3.</u>
<u>Rule 12</u>	<u>Sets out basis for exchange of Options following a takeover (replaced by paragraph 10)</u>

* The description of these rules is provided for convenience and should not be taken into account in interpreting any rule.