



RULES

OF THE

ROTORK PLC SHARESAVE SCHEME

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Table of Contents

1. Meaning of words used.....	1
2. Purpose.....	3
3. Eligible Employees.....	3
4. Issuing invitations.....	3
5. Applications for Options.....	5
6. Expected Repayments.....	6
7. Scaling down	6
8. Granting Options.....	7
9. Exercise of Options.....	8
10. Lapsing.....	9
11. Settlement of Options	9
12. Leaving.....	9
13. Takeovers and restructurings	11
14. Exchange of Options.....	12
15. Variations in share capital.....	13
16. Tax	14
17. Terms of employment	14
18. General	15
19. Administration	17
20. Changing the Plan and termination	17
21. Governing law and jurisdiction	18

Rotork plc Sharesave Scheme

1. Meaning of words used

1.1 General

In these rules:

“**Board**” means the board of directors of the Company or a committee duly authorised by it. For the purposes of rules 13 (Takeovers and restructurings) and 14 (Exchange of Options), it means those persons who were members of the Board immediately before the relevant event;

“**Bonus Date**” means the date the Bonus becomes payable, which will occur after all of the Contributions have been made;

“**Bonus**” means the bonus (if any) payable under a Savings Contract linked to an Option;

“**Business Day**” means a day on which the London Stock Exchange (or, if the Board decides, any other stock exchange on which the Shares are traded) is open for the transaction of business;

“**Company**” means Rotork plc, incorporated in England and Wales with registered number 00578327;

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

“**Control**” has the meaning in section 719 of ITEPA;

“**Dealing Restrictions**” means any internal or external restrictions on dealings or transactions in securities;

“**Eligible Employee**” means a person who is eligible to participate in the Plan under rule 3.1 (Eligibility) at the relevant time;

“**Employee**” means any employee or director of any Member of the Group and, for the purposes of rule 17 (Terms of employment) it includes a former employee or director;

“**Expected Repayment**” has the meaning given in rule 6.1 (Meaning of Expected Repayment);

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

“**Group**” means the Company and any company that is a subsidiary of the Company (within the meaning of section 1159 of the Companies Act 2006), and “**Member of the Group**” will be understood accordingly;

“**HMRC**” means His Majesty’s Revenue & Customs;

“**Invitation Date**” means the date an invitation to apply for an Option is issued under the Plan;

“**ITEPA**” means the Income Tax (Earnings and Pensions) Act 2003;

“**Market Value**” on any day means:

- (i) when Shares are listed on the London Stock Exchange:
 - (a) the price shown in the Stock Exchange Daily Official List for the previous Business Day as the closing price for the Shares on that day (or if 2 closing prices are shown, the lower price plus one-half of the difference between those 2 figures); or
 - (b) if the Board decides, the average of the price determined under (a) above over 3 consecutive Business Days ending on the previous Business Day; or

- (ii) otherwise, the market value of a Share as determined in accordance with Part VIII of the Taxation of Chargeable Gains Act 1992 and agreed in advance with HMRC,

and if Shares are subject to a Restriction, Market Value will be determined as if the Shares were not subject to the Restriction;

“Maximum Contribution” means the maximum permitted Contribution, when aggregated with an Eligible Employee’s contributions under all other Savings Arrangements;

“Option” means a right to acquire Shares granted under, and exercisable in accordance with, the Plan;

“Option Price” means the amount payable for each Share on the exercise of an Option, determined in accordance with rule 4.5 (Option Price);

“Participant” means a person holding an Option or, after death, that person’s personal representatives;

“Participating Companies” means the Company and any company that is:

- (i) a subsidiary of the Company (within the meaning of section 1159 of the Companies Act 2006), of which the Company has Control; and
- (ii) designated by the Board at the relevant time as a participating company for the purposes of the Plan;

“Plan” means the plan constituted by these rules and known as the Rotork plc Sharesave Scheme, as amended from time to time;

“Qualifying Period” means a qualifying period of continuous service with a Participating Company, in accordance with rule 3.2 (Qualifying Period);

“Restriction” means a restriction within the meaning of paragraph 48(3) of Schedule 3;

“Savings Arrangement” means a certified SAYE savings arrangement within the meaning of section 703(1) of the Income Tax (Trading and Other Income) Act 2005 that has been approved by HMRC for the purposes of Schedule 3 and is linked to a Schedule 3 SAYE Option Scheme;

“Savings Contract” means a savings contract under a Savings Arrangement linked to this Plan;

“SAYE Code” means the relevant parts of the tax legislation governing the Plan as specified in section 516(3) of ITEPA;

“Schedule 3” means Schedule 3 to ITEPA;

“Schedule 3 SAYE Option Scheme” is a shares plan that meets the legislative requirements of Schedule 3, as set out in paragraph 1(A1) of Schedule 3; and

“Share” means an ordinary share in the capital of the Company that satisfies paragraphs 18 to 20 (inclusive) and 22 of Schedule 3.

1.2 General interpretation

In this Plan, the singular includes the plural and the plural includes the singular. References to any enactment or statutory requirement will be understood as references to that enactment or requirement as amended or re-enacted and they include any subordinate legislation made under it.

1.3 Interpretation consistent with Schedule 3

Words and expressions used in the Plan will have the meanings given in the SAYE Code unless the context requires otherwise. The Plan will be interpreted consistently with Schedule 3.

2. Purpose

The Plan is intended to operate as a Schedule 3 SAYE Option Scheme. The Company has established the Plan to provide benefits to Eligible Employees in the form of Options, and these benefits will only be provided in accordance with Schedule 3.

3. Eligible Employees

3.1 Eligibility

A person is an Eligible Employee if that person:

3.1.1 is either:

- (i) an employee of a Participating Company; or
- (ii) a director of a Participating Company who is required to work for one or more Participating Companies for more than 25 hours a week in aggregate (excluding meal breaks);

3.1.2 has earnings in respect of the office or employment under rule 3.1.1 that are general earnings to which section 15 of ITEPA (*Earnings for year when employee UK resident*) applies (or the earnings would be subject to that section, if the person had any); and

3.1.3 satisfies any Qualifying Period.

The Board may also permit any other person who satisfies rule 3.1.1(i) to participate in the Plan as an Eligible Employee.

3.2 Qualifying Period

The Board may decide to impose a Qualifying Period. The Qualifying Period will be the period the Board decides from time to time but must not exceed 5 years prior to the Grant Date or such other maximum period under Schedule 3.

4. Issuing invitations

4.1 Operation

The Board has discretion to decide whether the Plan will be operated. When the Plan is operated, the Board must invite all Eligible Employees to apply for an Option.

4.2 Similar terms

Where invitations are issued under the Plan, all Eligible Employees must be invited to participate on similar terms.

4.3 Time of invitation

Invitations under the Plan may only be issued within 42 days starting on any of the following:

- 4.3.1 the day on which the Company's shareholders approve the Plan or amendments to the Plan;
- 4.3.2 the Business Day following the day on which the Company's results are announced or, where not announced, are published for any period;
- 4.3.3 any day on which changes to the legislation or regulations affecting the Plan are announced or take effect;

- 4.3.4 any day on which the Board resolves that exceptional circumstances exist which justify the issue of invitations; or
- 4.3.5 the day Dealing Restrictions, which prevented the issuing of invitations during the periods specified above, are lifted.

No invitations may be issued after the termination of the Plan.

4.4 Form of invitation

An invitation under the Plan will be in a form approved by the Board. The invitation must specify:

- 4.4.1 the Option Price, or how the Option Price is to be calculated;
- 4.4.2 the form and method of an application for an Option;
- 4.4.3 the deadline for a valid application for an Option to be received by or on behalf of the Company;
- 4.4.4 the length of the Savings Contract;
- 4.4.5 the minimum permitted Contribution;
- 4.4.6 the Maximum Contribution;
- 4.4.7 any maximum number of Shares over which Options may be granted on this occasion;
- 4.4.8 that applications will be scaled down in accordance with rule 7 (Scaling down), if necessary;
- 4.4.9 where applicable under rule 6.2 (Bonus decision), that any Bonus will not be included for the purposes of calculating the Expected Repayment and therefore the number of Shares subject to the Option; and
- 4.4.10 that the invitation is subject to the provisions of this Plan, the terms of the relevant Savings Contract and the SAYE Code.

4.5 Option Price

The Option Price must:

- 4.5.1 not be manifestly less than 80 per cent of the Market Value per Share; and
- 4.5.2 be at least the nominal value of a Share, if the Option may be satisfied with newly issued Shares,

as measured on the Invitation Date or, if the Board decides, the Grant Date.

When calculating the Option Price, any date used to determine Market Value must be a date when invitations could be issued under rule 4.3 (Time of invitation).

4.6 Deadline for applications

The Board will specify the deadline for receiving applications for Options, which must be a minimum of 14 days after the Invitation Date.

4.7 Length of the Savings Contract

The Board will decide whether the Savings Contract will be for 3 years or 5 years (or any other standard periods available for Savings Contracts from time to time). Alternatively, the Board may decide that the Eligible Employee can choose.

4.8 Minimum permitted Contribution

The Board will decide the amount of the minimum permitted Contribution, which must be between £5 and £10, or within such other range as is permitted by Schedule 3 .

4.9 Maximum Contribution

The Maximum Contribution will be an amount decided by the Board. The Maximum Contribution must not exceed £500 (or such other amount specified in Schedule 3).

4.10 Impact of cancellation on Maximum Contribution

The Board may make an invitation to participate in the Plan on terms that, where a Savings Contract is cancelled by a Participant before the Bonus Date, the level of Contributions that the Participant was making under that Savings Contract will still count towards the Participant's Maximum Contribution for the purposes of any future Savings Contracts until that Bonus Date has passed, unless the Board decides otherwise.

4.11 Invitation to enter into a Savings Contract

An invitation to apply for an Option must be accompanied by an invitation to enter into a Savings Contract.

5. Applications for Options

5.1 Requirements of an application

The application must:

5.1.1 state:

- (i) the proposed Contribution the Eligible Employee wishes to make; and
- (ii) the chosen length of the Savings Contract, where a choice is offered;

5.1.2 require an Eligible Employee to confirm that the proposed Contribution will not exceed:

- (i) £500 (or such other amount as may be specified in Schedule 3) when added to any contributions the Eligible Employee makes under any other Savings Arrangements; and
- (ii) if lower than 5.1.2(i), the Maximum Contribution;

5.1.3 require an Eligible Employee to authorise:

- (i) the Eligible Employee's employing company to deduct the Contributions from the Eligible Employee's pay and to transfer those deductions to the Savings Contract provider; and
- (ii) scaling down, where necessary;

5.1.4 require an Eligible Employee to agree to be bound by the provisions of the Plan, the terms of the Savings Contract and the SAYE Code; and

5.1.5 include or be accompanied by a completed application for a Savings Contract.

5.2 Modification of application

If an application for a Savings Contract specifies a Contribution that exceeds any amount in rule 5.1.2, the application will be deemed to have been made in such a way that the relevant maximum will not be exceeded.

6. Expected Repayments

6.1 Meaning of Expected Repayment

The Expected Repayment is the total of:

- 6.1.1 the aggregate of all the Eligible Employee's Contributions over the Savings Contract payable under the Savings Contract; and
- 6.1.2 any Bonus and/or interest payable to the Eligible Employee under the Savings Contract, unless the Board decides otherwise under rule 6.2 (Bonus decision).

6.2 Bonus decision

Unless the Board has decided otherwise on or prior to the Grant Date, the Expected Repayment will include the maximum Bonus payable.

6.3 Number of Shares

Each Eligible Employee's application will be for an Option over the largest whole number of Shares that the Eligible Employee could acquire at the Option Price using the Expected Repayment. The Expected Repayment must, as nearly as possible, equal the total Option Price payable if the Option was exercised in full.

7. Scaling down

7.1 When scaling down may be applied

The Board will scale down applications if Options would otherwise be granted in excess of any Share limits specified in the invitation.

7.2 Method of scaling down

The Board will scale down applications by applying the following successive steps until Options will be granted over a total number of Shares that does not exceed the limits:

- 7.2.1 treating Bonuses as excluded from the Expected Repayment;
- 7.2.2 deeming any application for a 5 year Savings Contract to be an application for a 3 year Savings Contract (or reducing Savings Contracts to any shorter periods as may be available for Savings Contracts); and
- 7.2.3 reducing proposed Contributions pro-rata, but only to the extent that they exceed the minimum permitted Contribution specified in the invitation.

If the limits would still be exceeded, the Board may then apply rule 7.3 (Cancel grant or choose by lot).

7.3 Cancel grant or choose by lot

The Board may either decide not to grant any Options or will select by lot the applications that will be accepted. Applications selected by lot will be deemed to:

- 7.3.1 be made in respect of a Contribution equal to the minimum permitted Contribution specified in the invitation;
- 7.3.2 be made in respect of a 3 year Savings Contract (or the shortest period as may be available for Savings Contracts); and
- 7.3.3 treat Bonuses as excluded from the Expected Repayment.

7.4 Modified applications

Where the Board scales down applications, each application will be deemed to have been modified or withdrawn accordingly, and the Expected Repayment will be adjusted accordingly.

8. Granting Options

8.1 Grant to all Eligible Employees

Where Options are to be granted, the Company will grant an Option to every Eligible Employee whose valid application has been received by or on behalf of the Company, subject to rule 7 (Scaling down).

8.2 Grant only to employees and directors

An Option cannot be granted to a person who is not an employee or director of a Participating Company on the Grant Date. Any attempt to do so will be ineffective.

8.3 Similar terms

Where Options are granted under the Plan, all Eligible Employees who participate in the Plan must do so on similar terms.

8.4 Price and number

Options will be granted:

8.4.1 at the Option Price; and

8.4.2 over the number of Shares calculated under rule 6.3 (Number of Shares), after any adjustments for scaling down.

8.5 Manner of grant

Options will be granted by the Company in any way which ensures they are contractually enforceable.

8.6 Timing of grant

Where required by HMRC's guidance, the Grant Date must be:

8.6.1 within 30 days after the earliest date used in the calculation of Market Value when setting the Option Price; or

8.6.2 within 42 days after this date if scaling down is applied.

8.7 Terms specified at grant

At the Grant Date, the Board will specify:

8.7.1 the number of Shares subject to each Option;

8.7.2 the Option Price; and

8.7.3 whether or not the Shares subject to the Options may be subject to a Restriction and, if so, details of that Restriction.

8.8 Notification to Participants

The Board will notify Participants of the grant of Options as soon as practicable.

8.9 No payment

A Participant is not required to pay for the grant of an Option.

8.10 Administrative errors

If the Board grants an Option which is inconsistent with any provisions in this Plan, it will take effect only to the extent permissible under the Plan.

9. Exercise of Options

9.1 Becoming exercisable

An Option will become exercisable from the Bonus Date of the Savings Contract. An Option will not be exercisable before the Bonus Date, except in accordance with rules 12 (Leaving) or 13 (Takeovers and restructurings).

9.2 Exercise period

An Option will lapse 6 months after the Bonus Date, subject only to rule 12.5 (Death).

9.3 Employment requirement

An Option can only be exercised when the Participant is an employee or director of a Participating Company, except where the Option is exercisable under rule 12 (Leaving).

9.4 US taxpayers

A Participant who is subject to tax in the United States of America may not exercise an Option after the 15th day of the 3rd month following the end of the Taxable Year in which the Option first becomes exercisable. The Option will lapse at the end of this period.

For these purposes, "**Taxable Year**" means the calendar year or, if it ends later than the relevant calendar year, the 12 month period for which the company that employs the Participant is obliged to pay tax.

9.5 Process for exercise

A Participant may exercise an Option by giving notice in the manner decided by the Board. The notice must:

9.5.1 specify the number of Shares in respect of which the Option is being exercised; and

9.5.2 either be accompanied by:

(i) payment of the aggregate Option Price; or

(ii) a direction to the Savings Contract provider to pay the aggregate Option Price.

The exercise of the Option is effective on the date of receipt of the notice and the payment or direction.

9.6 Whole or part exercise

An Option may be exercised in whole or in part but may not be exercised on more than one occasion. Where an Option is exercised in part, the remainder of the Option will immediately lapse.

9.7 Payment limited to savings

A Participant may only exercise an Option over the number of whole Shares that can be purchased with the total Contributions actually made, and any interest and Bonus.

10. Lapsing

10.1 Effect of stopping Contributions

Unless an Option is already capable of exercise, it will lapse when a Participant gives or is deemed to give notice under the relevant Savings Contract that the Participant intends to permanently stop paying Contributions.

10.2 Extent of lapsing

To the extent an Option lapses, it cannot be exercised under any provision of the Plan. To the extent the Option lapses, the Participant has no right to receive the Shares comprised in the Option.

11. Settlement of Options

11.1 Delivery of Shares

If an Option is exercised, the Board will arrange for the delivery of Shares to the Participant as soon as practicable after exercise.

11.2 Nominee

Shares may be delivered to and held by a nominee on behalf of the Participant.

11.3 Dealing Restrictions

If delivering or arranging delivery of Shares would be prohibited by Dealing Restrictions, delivery will not occur until after the Dealing Restrictions cease to apply.

11.4 Shareholder rights

Shares issued in connection with this Plan will rank equally in all respects with the Shares in issue on that date.

Participants will only be entitled to rights attaching to Shares from the date of the allotment or transfer to them.

11.5 Share transfer tax

The Board will arrange payment of any share transfer taxes on settlement.

12. Leaving

12.1 Meaning of “Leaving”

For the purposes of this rule 12, “**Leaving**” means:

12.1.1 the Participant ceasing to hold office or employment with a Participating Company; or

12.1.2 if the Participant’s office or employment with a Participating Company terminates but the Participant continues to hold an office or employment with the Company or any associated company (within the meaning of paragraph 35(4) of Schedule 3), ceasing to hold any office or employment with the Company or any such associated company,

and “**Leaves**” will be interpreted accordingly.

12.2 Leaving – general

A Participant’s Option will lapse on the date the Participant Leaves, unless other provisions of this rule 12 (Leaving) apply.

12.3 Good leavers

If a Participant Leaves for a Good Leaver Reason, the Participant may exercise the Option for a period of 6 months after Leaving. The Option will then lapse.

For the purposes of this rule 12.3 (Good leavers), “**Good Leaver Reason**” means:

- 12.3.1 injury or disability;
- 12.3.2 redundancy within the meaning of the Employment Rights Act 1996;
- 12.3.3 a relevant transfer within the meaning of the Transfer of Undertakings (Protection of Employment) Regulations 2006;
- 12.3.4 retirement; or
- 12.3.5 if the Participant holds office or is employed in a company which is an associated company of the Company (within the meaning of paragraph 35(4) of Schedule 3), that company ceasing to be an associated company of the Company by reason of a change of control (within the meaning of sections 450 and 451 of the Corporation Tax Act 2010); or
- 12.3.6 the business or part of the business in which the Participant works being transferred to a person who is not an associated company of the Company (within the meaning of paragraph 47 of Schedule 3) where the transfer is not a relevant transfer (within the meaning of the Transfer of Undertakings (Protection of Employment) Regulations 2006).

12.4 Leaving after 3 years

If a Participant Leaves for any reason other than a Good Leaver Reason and the Participant’s Option was granted more than 3 years before Leaving, the Participant may exercise the Option for a period of 6 months after Leaving. The Option will then lapse.

12.5 Death

If a Participant dies before exercising an Option, the Participant’s Option may be exercised at any time on or after the date of death, but not later than 12 months after:

- 12.5.1 the date of death, if the Participant dies before the Bonus Date; or
- 12.5.2 the Bonus Date, if the Participant dies on or within 6 months after the Bonus Date.

The Option will then lapse.

This rule 12.5 (Death) applies notwithstanding any other provision of the Plan.

12.6 Employment with an associated company

If a Participant is, on the Bonus Date, an employee or director of a company which is:

- 12.6.1 an associated company of the Company (within the meaning of paragraph 47 of Schedule 3);
but
- 12.6.2 not a Participating Company,

the Participant may exercise the Option for a period of 6 months after the Bonus Date. The Option will then lapse.

12.7 No extension

None of the periods for exercise set out in this rule 12 (Leaving) will allow an Option to be exercised more than 6 months after the Bonus Date, except where this is permissible under rule 12.5 (Death).

13. Takeovers and restructurings

13.1 Meaning of words used

For the purposes of this rule 13 (Takeovers and restructurings) and rule 14 (Exchange of Options):

13.1.1 a “**Corporate Event Rule**” means one of rules 13.2 (General offers) to 13.4 (Schemes of arrangement);

13.1.2 “**Issued Ordinary Shares**” means the whole of the issued ordinary share capital of the Company; and

13.1.3 “**Sharesave Class Shares**” means all of the shares in the Company, which are of the same class as the Shares.

13.2 General offers

Where a person obtains Control of the Company as a result of making a general offer:

13.2.1 to acquire the Issued Ordinary Shares, that is made on a condition such that, if it is satisfied, the person making the offer will have Control of the Company; or

13.2.2 to acquire the Sharesave Class Shares,

Options can be exercised within 6 months after the person has obtained Control and any condition subject to which the offer is made has been satisfied. If an event as described in rule 13.3 (Bound or entitled) occurs during the 6 month period, the period during which the Options may be exercised will be the shorter of the periods specified under this rule 13.2 (General offers) and rule 13.3 (Bound or entitled). The Options will then lapse.

For these purposes, it does not matter if the general offer is made to different shareholders by different means and any shares already held by the person making the offer (or a person connected with that person) are not taken into account.

13.3 Bound or entitled

Options become exercisable where a person becomes bound or entitled to acquire shares in the Company under sections 979 to 982 or 983 to 985 of the Companies Act 2006, and can be exercised at any time within 30 days after the date that person is so bound or entitled. Options will then lapse.

13.4 Schemes of arrangement

When a court sanctions a compromise or arrangement under section 899 of the Companies Act 2006, applicable to or affecting:

13.4.1 the Issued Ordinary Shares or the Sharesave Class Shares; or

13.4.2 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,

Options can be exercised within 6 months after the date the court sanctions the compromise or arrangement. Options will then lapse.

13.5 Winding up

If a resolution is passed for the voluntary winding-up of the Company, Options can be exercised within 2 months after the date the Company passes the resolution. Options will then lapse.

13.6 Conditional exercise – 20 days before

Where the Board reasonably expects a Corporate Event Rule will apply, the Board may make arrangements permitting Options to be exercised during the period of 20 days ending with the date the Options would otherwise become exercisable under the Corporate Event Rule. Where exercised, the Options will be treated as having been exercised under the Corporate Event Rule.

If an Option is exercised under this rule 13.6 (Conditional exercise – 20 days before) in anticipation of a Corporate Event Rule applying but:

- 13.6.1 the relevant event provided for in rules 13.2 (General offers) or 13.4 (Schemes of arrangement) does not occur; or
- 13.6.2 the person does not become bound or entitled to acquire shares in the Company as envisaged by rule 13.3 (Bound or entitled),

by the end of the period of 20 days beginning with the date Options may be exercised, the exercise is treated as having no effect.

13.7 Alternative exercise period – 20 days after

Options may be exercised no later than 20 days after a person obtains Control of the Company by virtue of a Corporate Event Rule, if the shares subject to the Options no longer meet the requirements of Part 4 of Schedule 3 as a consequence of that change of Control.

This rule 13.7 (Alternative exercise period – 20 days after) does not allow exercise outside the permissible period under the applicable Corporate Event Rule.

13.8 Persons acting in concert

For the purposes of this rule 13 (Takeovers and restructurings), a person will be treated as obtaining Control of the Company if that person and others acting in concert together obtain Control of it.

13.9 No extension

None of the periods for exercise set out in this rule 13 (Takeovers and restructurings) will allow an Option to be exercised more than 6 months after the Bonus Date.

14. Exchange of Options

14.1 Application of rule

A Participant may exchange an Option for a new option where:

- 14.1.1 an acquiring company:
 - (i) obtains Control of the Company in accordance with the provisions of rule 13.2 (General offers) or as a result of a compromise or arrangement under rule 13.4 (Schemes of arrangement); or
 - (ii) becomes bound or entitled to acquire shares in the Company as envisaged by rule 13.3 (Bound or entitled); and

- 14.1.2 the Participant has agreed with the acquiring company that the Participant will exchange the Option for a new option; and
- 14.1.3 the agreement between the Participant and the acquiring company is made at a time when Options would otherwise be exercisable under the relevant Corporate Event Rule.

14.2 New options

A new option must:

- 14.2.1 be over shares in a company which is not the Company but is the acquiring company, or another company that owns the Company as envisaged by paragraph 39(2)(b) of Schedule 3;
- 14.2.2 relate to shares that meet the conditions in paragraphs 18 to 20 (inclusive) and 22 of Schedule 3;
- 14.2.3 be exercisable in the same manner as the Option;
- 14.2.4 relate to a number of shares as has, immediately after grant of the new option, a total market value that is substantially the same as the total market value of the Shares subject to the Option immediately before the exchange;
- 14.2.5 have an exercise price per share such that the total amount payable by the Participant to exercise the new option in full is substantially the same as the total Option Price payable by the Participant to exercise the Option in full; and
- 14.2.6 be on terms otherwise identical to the terms of the Option immediately before the exchange.

For these purposes, the market value will be determined as if shares were not subject to any Restrictions and using a methodology agreed by HMRC.

14.3 Interpretation following exchange

The new option will be subject to the Plan as it had effect immediately before the exchange and the Plan will be interpreted so that:

- 14.3.1 references to Shares are references to the shares subject to the new option (and references to the Company are interpreted accordingly, except where references to the Company relate to the Company that established the Plan); and
- 14.3.2 the new option will be treated as having been granted at the same time as the Option that the new option replaced.

14.4 No trigger of exercise

An event causing the grant of new options under this rule 14 (Exchange of Options) will not also trigger the exercise of the new options.

15. Variations in share capital

15.1 Adjustment of Options

If there is a variation in the share capital of the Company (of which the Shares form part), the Board may adjust:

- 15.1.1 the number and/or description of Shares comprised in each Option; and/or
- 15.1.2 the Option Price,

so far as the Board considers, in its reasonable opinion, necessary to take account of the variation. Any adjustment must satisfy the requirements of rules 15.2 (Requirements for adjustments).

15.2 Requirements for adjustments

Any adjustment to an Option must meet the following requirements:

- 15.2.1 the total market value of the Shares subject to the Option immediately after the adjustment must be substantially the same as the total market value of the Shares subject to the Option immediately before the adjustment;
- 15.2.2 the total Option Price immediately after the adjustment must be substantially the same as the total Option Price immediately before the adjustment; and
- 15.2.3 where the Option will be satisfied using newly issued Shares, any adjusted Option Price must not be less than the nominal value of a Share, unless the Board resolves to capitalise an amount equal to the difference between the adjusted Option Price and that nominal value.

Any adjustment to an Option must not result in the requirements of Schedule 3 not being met in relation to the Option.

For these purposes, market value will be determined as if shares were not subject to any Restrictions and using a methodology agreed by HMRC.

15.3 Notice to Participants

The Board will notify affected Participants of any adjustment made under this rule 15 (Variations in share capital).

16. Tax

Any Member of the Group or any person nominated by the Board may make withholding arrangements to meet any liability to Tax.

Such entity may make such withholding arrangements as it considers necessary or desirable, including making deductions from any cash payment owed to the Participant.

Withholding arrangements may include the sale on behalf of the Participant of some or all of the Shares to which the Participant is entitled under the Plan.

For these purposes, “**Tax**” means any tax and social security charges (and/or any similar charges), wherever arising, in respect of a Participant’s Option or otherwise arising in connection with that Participant’s participation in the Plan.

17. Terms of employment

17.1 Application

This rule 17 (Terms of employment) applies during an Employee’s employment and after the termination of an Employee’s employment, whether or not the termination is lawful.

17.2 Not part of employment contract

Nothing in the rules of the Plan or the operation of the Plan forms part of an Employee’s contract of employment or alters it. The rights and obligations arising from the employment or former employment relationship between the Employee and the relevant Member of the Group are separate from, and are not affected by, the Plan. Participation in the Plan does not create any right to, or expectation of, employment (continued or otherwise).

17.3 No future expectation

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, or any other, basis (or at all) in the future.

17.4 Decisions and discretion

The terms of the Plan do not entitle the Employee to the exercise of any discretion in the Employee's favour.

17.5 No compensation

No Employee has any right to compensation or damages for any loss (actual or potential) in relation to:

17.5.1 any loss or reduction of rights or expectations under the Plan in any circumstances (including lawful or unlawful termination of employment);

17.5.2 any exercise of a discretion in relation to an Option or to the Plan, or any failure or delay to exercise a discretion; and

17.5.3 the operation, suspension, termination or amendment of the Plan.

17.6 Corporate rights

The existence of any Option will not affect in any way the right or power of the Company to make or authorise any or all changes recapitalisations, reorganisations to the Company's capital structure, or any merger or consolidation of the Company, or any issue of shares, bonds, debentures, preferred or prior preference stocks ahead of or convertible into, or otherwise affecting the Shares or the rights thereof, or the dissolution or liquidation of the Company or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

18. General

18.1 Data protection

Participation in the Plan will be subject to:

18.1.1 any data protection policies applicable to any relevant Member of the Group; and

18.1.2 any applicable privacy notices.

18.2 Consents and filings

All allotments, issues and transfers of Shares will be subject to the Company's articles of association and any necessary consents or filings required in any relevant jurisdiction. The Participant will be responsible for complying with any requirements needed in order to obtain, or to avoid the necessity for, any such consents or filings.

18.3 Source of Shares

Options may be settled using newly issued Shares, Shares transferred from treasury and Shares purchased in the market.

18.4 Listing

If, and as long as, the Shares are listed on the London Stock Exchange, the Company will apply as soon as practicable for the listing and admission to trading of any Shares issued in connection with the Plan.

18.5 Notices

Any notice or other communication required under this Plan will be given in writing, which may include electronic means.

Any notice or other communication to be given to an Employee or Participant may be delivered by electronic means (including by email, through the Group's intranet or a share plan portal), personally delivered or sent by ordinary post to such address as the Board reasonably considers appropriate.

Any notice or other communication to be given to the Company or its agents may be delivered or sent to its registered office or such other place and by such means as the Board or the Company's agents may specify and notify to Employees and/or Participants, as relevant.

Notices or other communications:

18.5.1 sent electronically will be deemed to have been received immediately (if sent during usual business hours) or at the opening of business on the next Business Day (if sent outside usual business hours);

18.5.2 that are personally delivered will be deemed to have been received when left at the relevant address (if left during usual business hours) or at the opening of business on the next Business Day (if left outside usual business hours); and

18.5.3 sent by post will be deemed to have been received 24 hours after posting to a UK address or 3 days after posting to an address outside the UK,

unless there is evidence to the contrary.

18.6 Third party rights

Except as otherwise expressly stated to the contrary, nothing in the Plan confers any benefit, right or expectation on any person other than an Employee, Participant or Member of the Group. No third party has any rights under the Contracts (Rights of Third Parties) Act 1999 (or any similar legislation in an overseas jurisdiction) to enforce any rule of this Plan.

18.7 Bankruptcy

A Participant's Option will lapse if the Participant becomes bankrupt or enters into a compromise (or any overseas equivalent) with the Participant's creditors generally, other than where the compromise (or overseas equivalent) is entered into by the Participant voluntarily and at the Participant's complete discretion.

18.8 Not pensionable

None of the benefits that may be received under the Plan are pensionable.

18.9 Not transferable

A Participant must not transfer, assign, charge or otherwise dispose of an Option or any rights in respect of it. If the Participant does, whether voluntarily or involuntarily, the Option will immediately lapse.

This rule 18.9 (Not transferable) does not prevent the transmission of an Option to a Participant's personal representatives on death.

19. Administration

19.1 Administration of the Plan

The Plan will be administered by the Board, which has authority to make such rules and regulations for the administration of the Plan as it considers necessary or desirable. The Board may delegate any and all of its rights and powers under the Plan.

19.2 Board decisions

All decisions of the Board in connection with the Plan and its interpretation and the terms of any Options (including in any dispute) will be final and conclusive.

The Board will decide whether and how to exercise any discretion in the Plan. When making any decisions, the Board will act fairly and reasonably.

19.3 Dealing Restrictions

Each person will have regard to Dealing Restrictions when operating, interpreting, administering, participating in and/or taking any other action in relation to the Plan.

20. Changing the Plan and termination

20.1 General power

The Board may change the Plan in any way and at any time.

20.2 Change to a Key Feature

Whilst the Plan is intended to be a Schedule 3 SAYE Option Scheme, no change may be made to a Key Feature if the requirements of Schedule 3 would cease to be met.

For these purposes, a “**Key Feature**” means a provision of the Plan that is necessary in order for the requirements of Parts 2 to 7 of Schedule 3 to be met in relation to the Plan.

20.3 Participant consent

If a proposed change would materially adversely affect the rights of one or more Participants in respect of existing rights under the Plan, then the Board must obtain the consent of Participants who if they exercised their Options in full to the extent they are capable of being exercised would be entitled to a majority in nominal value of all the Shares which would be allotted on exercise of all outstanding Options granted under the Plan.

20.4 Participant consent – exceptions

The Board need not need not obtain Participant consent for any changes which are:

20.4.1 necessary to ensure the Plan complies with the SAYE Code; and/or

20.4.2 minor and to:

- (i) benefit the administration of the Plan;
- (ii) comply with or take account of a change in legislation; and/or
- (iii) obtain or maintain favourable tax, exchange control or regulatory treatment of any Member of the Group or any present or future Participant.

20.5 International variations

The Board may establish plans based on the Plan, but modified to take account of any local tax, exchange control or securities laws in other jurisdictions, provided that no individual will be entitled to more Shares under an overseas plan than the maximum entitlement for Options under the Plan.

20.6 Termination of the Plan

The Plan will terminate on 28 April 2033 (or on such earlier date as the Board decides). Termination will not affect existing rights under the Plan.

20.7 Validity of rules

The invalidity or non-enforceability of any provision or rule of the Plan will not affect the validity or enforceability of the remaining provisions and rules of the Plan which will continue in full force and effect.

21. Governing law and jurisdiction

The laws of England and Wales govern the Plan and all Options. The courts of England and Wales have exclusive jurisdiction in respect of any disputes arising in connection with the Plan or any Option.