

Dated

8 March 2023

## BLOOMSBURY PUBLISHING PLC

### 2023 SHARESAVE PLAN

In the form as approved by shareholders on [●] 2023

In the form as adopted by the Board of Directors of the Company on [●] 2023

Expires on [●] 2033

The Plan is a discretionary benefit offered by the Bloomsbury Publishing for the benefit of its employees. Its purpose is to increase the interest of the employees in Bloomsbury's business goals and results through share ownership. The Plan is an incentive for the employees' future performance and commitment to the goals of the Bloomsbury group of companies.

Shares purchased under the Plan and gains achieved by exercising options granted under the Plan are not part of salary (except to any extent required by statute).

The board of Bloomsbury shall have the right to decide, in its sole discretion, whether or not options will be offered under the Plan.

**Participating in the Plan is an investment opportunity distinct from any employment contract. Participation in the Plan entails the risk associated with an investment. An individual who participates in the Plan is treated as being aware of such risks and accepts such risks of their own free will.**

The detailed rules of the Plan are set out overleaf.

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## 1. DEFINITIONS AND INTERPRETATION

1.1 In this Plan, unless the context otherwise requires:

**"Associated Company"** means an associated company of the Company as described in paragraph 47 of Schedule 3 except for the purpose of Rule 11.6 (*Meaning of ceasing employment*) when that expression shall have the meaning described in paragraph 35 of Schedule 3;

**"Board"** means the board of directors of the Company or a duly authorised committee of the Board or a duly authorised person;

**"Bonus Date"** means the date on which a bonus is payable under the relevant Savings Contract and from which an Option is normally exercisable;

**"the Company"** means Bloomsbury Publishing Plc (registered in England and Wales with registered number 1984336);

**"Contribution"** means a contribution under a Savings Contract;

**"Control"** means control within the meaning of section 995 of the Income Tax Act 2007;

**"dealing day"** means a dealing day of either the London Stock Exchange or any other securities exchange on which Shares are quoted and from which the Option Price is determined;

**"Eligible Employee"** means a person who satisfies the conditions described in Rule 2.1 (*General rule on eligibility*);

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

**"HMRC"** means HM Revenue and Customs;

**"Invitation"** means an invitation to apply for an Option as described in Rule 3 (*Invitations*);

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

**"Listing Rules"** means the Listing Rules published by the UKLA;

**"London Stock Exchange"** means London Stock Exchange Plc or other successor body;

**"Option"** means a right to acquire Shares granted under the Plan;

**"Option Price"** means the price at which Shares may be acquired on the exercise of an Option as determined under Rule 6 (*Option Price*);

**"Participant"** means a person who holds an Option including their personal representatives;

**"Participating Company"** means:

- (a) the Company; and
- (b) any Subsidiary designated by the Board;

**"Plan"** means the Bloomsbury Publishing Plc 2023 Sharesave Plan as amended from time to time;

**"Related Company"** means a company which is not under the Control of a single person, but is under the Control of two persons, one of them being the Company;

**"Restriction"** means any contract, agreement, arrangement or condition which falls within section 423(1)(a) ITEPA (*Restricted securities*);

**"Rule"** means a rule of the Plan;

**"Savings Contract"** means an agreement under a certified contractual SAYE savings arrangement, within the meaning of paragraph 48(1) of Schedule 3, which has been registered with HMRC for the purposes of Schedule 3;

**"Schedule 3"** means Schedule 3 to ITEPA;

**"Shares"** means fully paid ordinary shares in the capital of the Company which satisfy the requirements of paragraphs 18 to 20 and paragraph 22 of Schedule 3, unless Rule 10.10 (*Shares ceasing to satisfy Schedule 3 requirements*) applies;

**"Subsidiary"** means a body corporate which is a subsidiary (within the meaning of section 1159 of the Companies Act 2006) of the Company and of which the Company has Control;

**"UKLA"** means the United Kingdom Listing Authority,

and expressions not otherwise defined in this Plan have the same meanings as they have in Schedule 3.

- 1.2 Any reference in the Plan to any enactment includes a reference to that enactment as from time to time modified, extended or re-enacted.
- 1.3 Expressions in italics, headings and any footnotes are for guidance only and do not form part of the Plan.

## **2. ELIGIBILITY**

### **2.1 General rule on eligibility**

An individual is eligible to be invited to apply for an Option only if:

- (a) they are either an employee (but not a director) of a Participating Company or a director of a Participating Company who is required to work for the company for at least 25 hours a week (excluding meal breaks); and
- (b) they either satisfy the conditions in Rule 2.2 (*Individuals eligible*) or are nominated by the Board for this purpose.

## **2.2 Individuals eligible**

The conditions referred to in Rule 2.1(b) are that:

- (a) the individual shall have a qualifying period of continuous service (if any) with the Company or any Subsidiary from time to time as the Board may decide, such period to not exceed five years before the Grant Date; and
- (b) the individual's earnings from the office or employment referred to in Rule 2.1(a) are (or would be if there were any) general earnings to which section 15 of ITEPA (*UK resident employees*) applies and those general earnings are (or would be if there were any) earnings for a tax year in which the individual is ordinarily resident in the UK.

## **3. INVITATIONS**

### **3.1 Issuing Invitations**

The Board shall decide if and when Invitations will be issued. If the Board decides to issue Invitations then it must issue an Invitation to each Eligible Employee.

### **3.2 Timing of Invitations**

Invitations may be issued at any time but before the Board decides when to issue Invitations it must have regard both to when the Option Price may be determined under Rule 6.1 (*Option Price – timing of determination*) and any regulatory restrictions on both the issuing of such Invitations and any subsequent grant of Options.

### **3.3 Content of Invitations**

Each Invitation will specify:

- (a) the date by which an application for an Option must be received (being no less than 14 days after the date of the Invitation unless otherwise agreed in advance with HMRC);
- (b) the eligibility requirements;
- (c) the Option Price (or how the Option Price will be determined);
- (d) any choice of Saving Contracts (in terms of the number of monthly Contributions payable);
- (e) the minimum monthly Contribution which must not be less than £5 nor more than £10;
- (f) the maximum monthly Contribution, which must be not more than £500 or as otherwise specified in Schedule 3;
- (g) if any bonus payable under a Savings Contract shall not be taken into account in determining the number of Shares made subject to an Option, then that fact.

## **4. APPLICATIONS**

### **4.1 Form of application**

An application for an Option shall be accompanied by an application for a Savings Contract in which the Eligible Employee must state:

- (a) the Contribution they propose to make;
- (b) that their proposed Contribution, when added to any other Contribution they make under any other Savings Contract, will not exceed the maximum permitted under Schedule 3; and
- (c) if they have a choice of Savings Contract, the Savings Contract chosen.

### **4.2 Number of Shares under Option**

An application for an Option shall be for an Option to acquire the largest whole number of Shares which could be acquired at the Option Price with an amount equal to the expected Contributions plus any bonus payable under the relevant Savings Contract on the Bonus Date unless it was specified in the Invitation that the bonus would not be included for this purpose.

### **4.3 Effect of limits**

If there are applications for Options over more Shares than permitted under Rule 9 (*Limits*) then each application for an Option and a related Savings Contract shall be deemed to have been amended or withdrawn under Rule 5 (*Scaling back*).

If an Eligible Employee specifies in their application for a Savings Contract a proposed Contribution which, when added to any other Contribution they make under any other Savings Contract, would exceed the maximum permitted in the related Invitation then the Board is authorised to reduce the proposed Contribution to the maximum amount permitted.

## **5. SCALING BACK**

If valid applications for Options are received for a total number of Shares which exceed any maximum number permitted by the Board or permitted by the limit in Rule 9 (*Limits*) then the Board shall scale back the applications using one or more of the following methods:

- (a) by reducing the proposed Contributions by the same proportion provided that the reduced amount shall not be less than the minimum amount permitted under the relevant Savings Contract;
- (b) by reducing the maximum monthly Contribution specified in the relevant Invitation successively by £1, £2, £3 and so on to an amount not less than the minimum amount specified in the relevant Invitation;
- (c) by deeming each choice of Savings Contract with a five year term to be a choice of a Savings Contract with a three year term; or
- (d) by treating the expected repayment under a Savings Contract as not including a bonus.

If scaling back under the preceding provisions of this Rule does not make available sufficient Shares to allow all Eligible Employees who have made valid applications to be granted Options the Board may either select applications by lot or decide not to accept any applications on that occasion.

## **6. OPTION PRICE**

### **6.1 Option Price – timing of determination**

The Option Price may only be determined by reference to dealing days falling:

- (a) within the period of six weeks starting on:
  - (i) the day on which the Plan is formally registered with HMRC under Schedule 3;
  - (ii) the dealing day after the day on which the Company announces its results for any period; or
  - (iii) any day on which a new Savings Contract prospectus is announced or comes into force; or
- (b) at any other time when the circumstances are considered by the Board to be sufficiently exceptional to justify the issuing of Invitations.

### **6.2 Option Price – method of determination**

The Board will determine the Option Price which must be:

- (a) not manifestly less than 80% (or such other percentage as may be specified in paragraph 28(1) of Schedule 3) of the Market Value (as defined below) of a Share on either:
  - (i) the dealing day preceding the date on which Invitations are sent to Eligible Employees; or
  - (ii) on the date specified in the Invitation (such date to be no earlier than the day immediately preceding the date on which Invitations are sent to Eligible Employees and no later than the Grant Date); and
- (b) in the case of an Option to acquire Shares only by subscription, not less than the nominal value of those Shares.

For the purpose of this Rule, "**Market Value**" on any day means:

- (c) if Shares are quoted in the London Stock Exchange Daily Official List:
  - (i) the middle market quotation of Shares (as derived from that list) for that day;
  - (ii) if the Board decides, the average of the middle market quotations of Shares (as derived from that list) over the five consecutive dealing days ending on that day; or
  - (iii) the middle-market quotation of the Shares (as derived from that list) on such other dealing day or days as may be agreed in advance with HMRC;

- (d) if paragraph (c) immediately above does not apply, the market value (within the meaning of Part VIII of the Taxation of Chargeable Gains Act 1992) of a Share as agreed in advance for the purposes of the Plan with HMRC Shares and Assets Valuation; and
- (e) if Shares are subject to any Restriction, the Market Value is to be determined as if they were not subject to that Restriction.

## 7. GRANT OF OPTIONS

### 7.1 Grant procedure

Subject to Rule 5 (*Scaling back*) and Rule 7.5 (*Approvals and consents*) the Board shall grant an Option to any individual who:

- (a) has submitted a valid application for an Option; and
- (b) is an Eligible Employee on the Grant Date.

### 7.2 Restrictions on timing of grant of Options

Options must be granted within 30 days (or 42 days if applications are scaled back) after the first day by reference to which the Option Price is set under Rule 6.2 and no later than [•] 2033 (the tenth anniversary of the Company's 2023 General Meeting).

### 7.3 Method of satisfying options

Unless specified to the contrary by the Board at the time of grant of an Option, an Option may be satisfied:

- (a) by the issue of new Shares; and/or
- (b) by the transfer of treasury Shares; and/or
- (c) by the transfer of Shares other than the transfer of treasury Shares.

The Board may decide to change the way in which it is intended that an Option may be satisfied after it has been granted, having regard to the provisions of Rule 9 (*Limits*).

### 7.4 Non-transferability and bankruptcy

An Option granted to any person:

- (a) shall not be transferred, assigned, charged or otherwise disposed of by them except on their death to their personal representatives and any purported transfer, assignment, charge or disposal shall cause the Option to lapse; and
- (b) shall lapse if they are declared bankrupt.

### 7.5 Approvals and consents

The grant of any Option shall be subject to obtaining any approval or consent required under the Listing Rules, any relevant share dealing code of the Company, the City Code on Takeovers and Mergers, or any other relevant UK or overseas regulation or enactment.

## **7.6      Restrictions**

The terms of an Option must state whether or not the Shares which may be acquired by the exercise of the Option may be subject to any Restriction and, if so, the details of that Restriction.

## **8.      TEMPORARY POSTPONEMENT OF CONTRIBUTIONS**

A Participant may delay payment of their Contributions for up to 12 months, without causing the Savings Contract to be cancelled prematurely. If the Participant fails to make a Contribution on the due date in the month following the end of the 12 months the Participant will be treated as if they had given notice of their intention to stop making Contributions permanently.

The total number of months by which Contributions are postponed will be added to the end of the Savings Contract (whether it is a five or three year term Savings Contract) and the right of Option exercise linked to it.

Temporary postponement of Contributions under an existing Savings Contract may affect the extent to which a Participant can enter into a new Savings Contract, and therefore the extent to which they may apply for an Option under the next offer of Options.

## **9.      LIMITS**

### **9.1      10% in 10 years limit**

An Option shall not be granted in any calendar year if, at the time of its proposed Grant Date, it would cause the number of Shares allocated (as defined in Rule 9.2) in the period of 10 calendar years ending with that year under the Plan and under any other employee share plan adopted by the Company to exceed such number as represents 10% of the ordinary share capital of the Company in issue at that time.

### **9.2      Meaning of "allocated"**

For the purposes of Rule 9.1:

- (a)      Shares are allocated:
  - (i)      when an option, award or other contractual right to acquire unissued Shares or treasury Shares is granted;
  - (ii)      where Shares are issued or treasury Shares are transferred otherwise than pursuant to an option, award or other contractual right to acquire Shares, when those Shares are issued or treasury Shares transferred;
- (b)      any Shares which have been issued or which may be issued (or any Shares transferred out of treasury or which may be transferred out of treasury) to any trustees to satisfy the exercise of any option, award or other contractual right granted under any employee share plan shall be treated as allocated; and

- (c) for the avoidance of doubt, existing Shares other than treasury Shares that are transferred or over which options, awards or other contractual rights are granted shall not count as allocated.

### **9.3 Post-grant events affecting numbers of "allocated" Shares**

For the purposes of Rule 9.1:

- (a) where:

- (i) any option, award or other contractual right to acquire unissued Shares or treasury Shares is released or lapses (whether in whole or in part); or
- (ii) after the grant of an option, award or other contractual right the Board determines that:
  - (a) it shall be satisfied by the payment of cash equal to the gain made on its vesting or exercise; or
  - (b) it shall be satisfied by the transfer of existing Shares (other than Shares transferred out of treasury),

the unissued Shares or treasury Shares which consequently cease to be subject to the option, award or other contractual right shall not count as "allocated"; and

- (c) the number of Shares allocated in respect of an option, award or other contractual right shall be such number as the Board shall reasonably determine from time to time.

### **9.4 Changes to investor guidelines**

Treasury Shares shall cease to count as "allocated" for the purpose of Rule 9.1 if institutional investor guidelines cease to require such Shares to be so counted.

### **9.5 Board Limit**

The Board may impose a limit on the number of Shares over which Options may be granted on any particular occasion.

### **9.6 Effect of limits**

Any Option shall be limited and take effect so that the limits in this Rule 9 are not exceeded.

## **10. EXERCISE OF OPTIONS**

### **10.1 Normal period for exercise**

An Option may only be exercised during the period from the Bonus Date to six months after the Bonus Date except where Rule 11 (*Leavers and Deceased Participants*) or Rule 12 (*Takeovers and other corporate events*) applies.

## **10.2 Long stop date for exercise**

Unless Rule 11.1 (*Deceased Participants*) applies, an Option shall not be capable of exercise later than six months after the Bonus Date and, if not exercised, it shall lapse at the end of that period.

## **10.3 No exercise on early cessation of savings**

Regardless of any other rule of this Plan, where, before an Option has become capable of exercise, the Participant:

- (a) gives notice that they intend to stop paying Contributions under the related Savings Contract;
- (b) is deemed under the terms of the Savings Contract to have given such notice (*for example, for missing more than 12 consecutive monthly Contributions*); or
- (c) makes an application for repayment of the Contributions paid under it the Option shall not become exercisable and shall immediately lapse.

## **10.4 Limitation on exercise**

The amount paid for Shares on the exercise of an Option shall not exceed the amount of the Contributions made under the related Savings Contract before the date of exercise together with any interest or bonus paid under that Savings Contract.

## **10.5 Option only exercisable once**

An Option shall not be capable of being exercised more than once.

## **10.6 Method of exercise**

The exercise of any Option shall be effected in the form and manner prescribed by the Board, and in line with Schedule 3. Any notice of exercise shall take effect only when the Company receives it together with payment of the relevant aggregate Option Price.

## **10.7 Restriction on use of unissued Shares or treasury Shares**

No Shares may be issued or treasury Shares transferred to satisfy the exercise of any Option to the extent that such issue or transfer would cause the number of Shares allocated (as defined in Rule 9.2 (*Meaning of "allocated"*)) and adjusted under Rule 9.3 (*Post-grant events affecting numbers of "allocated" Shares*)) to exceed the limit in Rules 9.1 (*10% in 10 years limit*) except where there is a variation in the share capital of the Company which results in the number of Shares so allocated exceeding such limits solely by virtue of that variation.

## **10.8 Allotment and transfer timetable**

Within 30 days after an Option has been exercised by a Participant, the Board shall allot to them (or a nominee authorised by them) or, if appropriate, procure the transfer to them (or a nominee authorised for them) of the number of Shares in respect of which the Option has been exercised, provided that the Board considers that the issue or transfer of those Shares would be lawful in all relevant jurisdictions.

## **10.9 Share rights**

All Shares allotted under the Plan shall rank equally in all respects with Shares then in issue except for any rights attaching to such Shares by reference to a record date before the date of the allotment.

Where Shares are transferred under the Plan, Participants will be entitled to any rights attaching to such Shares by reference to a record date on or after the date of such transfer.

## **10.10 Shares ceasing to satisfy Schedule 3 requirements**

If at any time the Shares cease to satisfy the requirements of paragraphs 18 to 20 and paragraph 22 of Schedule 3 (*fully paid up, ordinary share capital*):

- (a) an Option may be exercised regardless of that fact (but subject to the other provisions of the Plan) and regardless of the fact that tax relief may not be available under section 519(1)(a) ITEPA; and
- (b) the Company shall notify HMRC as soon as practicable.

## **11. LEAVERS AND DECEASED PARTICIPANTS**

### **11.1 Deceased Participants**

If a Participant dies:

- (a) before the Bonus Date then their Option may be exercised by their personal representatives during the period of 12 months after their death and, if not exercised, it shall lapse at the end of that period; or
- (b) on or within six months after the Bonus Date then their Option may be exercised by their personal representatives during the period of 12 months after the Bonus Date and, if not exercised, it shall lapse at the end of that period.

### **11.2 Injury, disability, redundancy, retirement and transfer out of the group**

If a Participant ceases to be a director or employee of a Participating Company by reason of:

- (a) injury, disability or redundancy (within the meaning of the Employment Rights Act 1996);
- (b) retirement;
- (c) a relevant transfer within the meaning of the Transfer of Undertakings (Protection of Employment) Regulations 2006;
- (d) the Participant's office or employment being with a company which ceases to be an Associated Company of the Company by reason of a change of control (as determined in accordance with sections 450 and 451 of the Corporation Tax Act 2010) of that company;

- (e) their office or employment being with a company of which the Company ceases to have Control or which ceases to be a Related Company; or
- (f) the business or part of a business in which they work being transferred to a person who is not an Associated Company, a company of which the Company has Control, nor a Related Company they may, subject to Rule 10.2 (*Long stop date for exercise*), exercise their Option during the period of six months after such cessation and, if not exercised it shall, subject to Rule 11.1 (*Deceased Participants*), lapse at the end of that period.

#### **11.3 Cessation of employment in other circumstances on or before third anniversary**

If a Participant ceases to be a director or employee of a Participating Company on or before the third anniversary of the Grant Date for a reason other than one of those specified in Rule 11.1 (*Deceased Participants*) or Rule 11.2 (*Injury, disability, redundancy, retirement and transfer out of the group*) then their Option shall lapse on such cessation.

#### **11.4 Cessation of employment after third anniversary**

If a Participant ceases to be a director or employee of a Participating Company after the third anniversary of the Grant Date for any reason (other than dismissal for misconduct) they may, subject to Rule 10.2 (*Long stop date for exercise*), exercise their Option during the period of six months following such cessation and if not exercised it shall, subject to Rule 11.1 (*Deceased Participants*), lapse at the end of that period.

#### **11.5 Employment by Associated Company**

If, on the Bonus Date, a Participant holds an office or employment with a company which is not a Participating Company but which is an Associated Company or a company of which the Company has Control, they may exercise their Option on and within six months after the Bonus Date and if not exercised it shall, subject to Rule 11.1 (*Deceased Participants*), lapse at the end of that period.

#### **11.6 Meaning of ceasing employment**

A Participant shall not be treated for the purposes of Rule 11 (*Leavers and Deceased Participants*) as ceasing to be a director or employee of a Participating Company until they cease to be a director or employee of the Company, any Associated Company, any company under the Control of the Company and any Related Company.

The reason for the termination of office or employment of a Participant shall be determined by reference to Rules 11.1 to 11.4 regardless of whether such termination was lawful or unlawful.

#### **11.7 Absences not amounting to cessation of employment**

Short absences that do not qualify as cessation of employment, such as:

- (a) maternity leave;
- (b) parental or adoption leave;

- (c) long-term sick leave;
- (d) secondment; and
- (e) sabbatical leave,

would not prevent a Participant from participating in the Plan. In these instances alternative arrangements (such as direct payments) can be made to satisfy their obligations under the Savings Contract.

## **12. TAKEOVERS AND OTHER CORPORATE EVENTS**

### **12.1 General offers**

In the event that any person (or any group of persons acting in concert) makes a general offer to acquire either:

- (a) the whole of the issued ordinary share capital of the Company which is made on a condition such that, if it is met, the person making the offer will have control of the Company; or
- (b) all the shares in the Company which are of the same class as the shares in question obtained under the scheme,

the Board shall notify every Participant of that event and, subject to Rule 10.2 (*Long stop date for exercise*), Rule 11 (*Leavers and Deceased Participants*) and Rule 12.7 (*Internal reorganisations*), any Option may be exercised within one month or such longer period not exceeding six months as the Board may permit of the date on which such person has obtained Control of the Company or such offer has become unconditional in all respects (as appropriate) and any condition subject to which the offer was made was satisfied.

### **12.2 Compulsory acquisition**

In the event that any 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 the Board shall, as soon as practicable, notify every Participant of that event and, subject to Rule 10.2 (*Long stop date for exercise*), Rule 11 (*Leavers and Deceased participants*) and Rule 12.7 (*Internal reorganisations*), an Option may be exercised at any time when that person remains so bound or entitled, but to the extent that it is not exercised within that period an Option shall (regardless of any other provision of the Plan) lapse at the end of that period.

### **12.3 Scheme of arrangement**

In the event that under section 899 of the Companies Act 2006 (or other local procedure which HMRC agrees is equivalent) a court sanctions a compromise or arrangement applicable to or affecting:

- (a) all the Shares or all the shares of the same class as the Shares to which the Option relates; or

(b) 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 plan approved under Schedule 3,

an Option may, subject to Rule 10.2 (*Long stop date for exercise*), Rule 11 (*Leavers and Deceased participants*) and Rule 12.7 (*Internal reorganisations*), be exercised within six months of such event, but to the extent that it is not exercised within that period it shall (regardless of any other provision of the Plan) lapse at the end of that period.

#### **12.4 Voluntary winding up**

In the event that the Company passes a resolution for voluntary winding up the Board shall, as soon as practicable, notify every Participant of that event and, subject to Rule 10.2 (*Long stop date for exercise*), Rule 11 (*Leavers and Deceased participants*) and Rule 12.7 (*Internal reorganisations*), any Option may be exercised within six months after the passing of the resolution for the winding up, but to the extent that it is not exercised within that period an Option shall (regardless of any other provision of the Plan) lapse at the end of that period.

#### **12.5 Option rollover: general provisions**

If any company ("**the acquiring company**"):

(a) obtains Control of the Company as a result of making a general offer to acquire:

- (i) the whole of the issued ordinary share capital of the Company (other than that which is already owned by it) which is made on a condition such that if it is satisfied the acquiring company will have Control of the Company; or
- (ii) all the Shares (other than those already owned by it); or

(b) obtains Control of the Company under a compromise or arrangement sanctioned by the court under section 899 of the Companies Act 2006 (or other local procedure which the HMRC agrees is equivalent); or

(c) becomes bound or entitled to acquire shares in the Company under sections 979 to 982 or 983 to 985 of the Companies Act 2006,

any Participant may, at any time within the relevant period specified under paragraph 38(3) of Schedule 3, by agreement with the acquiring company, release any Option ("**the Old Option**") in consideration of the grant to them of an Option ("**the New Option**") which, for the purposes of paragraph 39 of Schedule 3, is equivalent to the Old Option but relates to shares in a different company (whether the acquiring company itself or some other company falling within paragraph 18(b) or (c) of Schedule 3).

#### **12.6 Option rollover: interpretation of Rules**

Where a New Option is granted under Rule 12.5 (*Option rollover: general provisions*) the following terms of the Plan shall, in relation to the New Option, be construed as if:

- (a) except for the purposes of the definitions of "Participating Company" and "Subsidiary" in Rules 1.1 (*Definitions*), the expression "the Company" were defined as "a company whose shares may be acquired by the exercise of options granted under the Plan";
- (b) the Savings Contract made in connection with the Old Option had been made in connection with the New Option;
- (c) the Bonus Date in relation to the New Option were the same as that in relation to the Old Option; and
- (d) Rule 14.2 (*Shareholder approval*) were omitted except where a New Option is granted pursuant to Rule 12.5 as a result of the operation of Rule 12.7 (*Internal reorganisations*).

## **12.7 Internal reorganisations**

In the event that:

- (a) an offer (as referred to in Rule 12.1 (*General offers*)) is made or a compromise or arrangement (as referred to in Rule 12.3 (*Scheme of arrangement*)) is proposed which is expected to result in the Company becoming controlled by a new company (the "**New Company**"); and
- (b) at least 75% of the shares in the New Company are expected to be held by substantially the same persons who immediately before the offer or proposal was made were shareholders in the Company; and
- (c) an offer will be made to Participants by the New Company for the release of Options for New Options pursuant to Rule 12.5 (*Option roll-over: general provisions*),

then an Option shall not become exercisable under Rule 12.1 (*General offers*) or Rule 12.3 (*Schemes of arrangement*) and, if the Option is not released pursuant to Rule 12.6 (*Option rollover: interpretation of Rules*), it shall lapse at the end of the relevant period specified under paragraph 38(3) of Schedule 3.

## **12.8 Exercise in advance of but conditional upon the events in Rules 12.1 or 12.2**

The Board may in its discretion allow Options to be exercised during the period of 20 days ending on:

- (a) where Rule 12.1 (*General Offers*) applies, the date of the relevant event; and
- (b) where Rule 12.2 (*Compulsory Acquisition*) applies, the date on which the person becomes bound or entitled to acquire Shares under sections 979 to 982 or 983 to 985 of the Companies Act 2006.

Where Options are exercised pursuant to Rule 12.8, if the event referred to in Rule 12.1 or 12.2 does not occur, the exercise of those Options will be of no effect.

## **13. ADJUSTMENT OF OPTIONS**

### **13.1 General rule**

In the event of any variation of the share capital of the Company, the Board may make such adjustments as it considers appropriate under Rule 13.2 (*Method of adjustment*).

### **13.2 Method of adjustment**

An adjustment made under this Rule shall be to one or more of the following:

- (a) the number of Shares in respect of which any Option may be exercised;
- (b) subject to Rule 13.3 (*Adjustment below nominal value*), the Option Price; and
- (c) where an Option has been exercised but no Shares have been allotted or transferred after such exercise, the number of Shares which may be so allotted or transferred and the price at which they may be acquired.

### **13.3 Adjustment below nominal value**

An adjustment under Rule 13.2 (*Method of adjustment*) may have the effect of reducing the Option Price of those Options to be satisfied by the subscription of Shares to less than the nominal value of a Share, but only if and to the extent that the Board is authorised:

- (a) to capitalise from the reserves of the Company a sum equal to the amount by which the nominal value of the Shares in respect of which the Option is exercised exceeds the Option Price; and
- (b) to apply that sum in paying up that amount on such Shares,

so that on the exercise of any Option in respect of which such a reduction shall have been made the Board shall capitalise that sum (if any) and apply it in paying up that amount.

## **14. ALTERATIONS**

### **14.1 General rule**

Except as described in Rule 14.2 (*Shareholder approval*) and Rule 14.4 (*Alterations to disadvantage of Participants*), the Board may at any time alter the Plan.

To the extent required by Schedule 3, if an alteration is made to a key feature (as defined in paragraph 42(2B) of Schedule 3) of the Plan at a time when the Plan is registered with HMRC under Schedule 3, the alteration will not have effect unless and until the Board resolves that the alteration shall take effect even if this causes the Plan to cease to be approved under Schedule 3 (in which case the Company shall notify HMRC of such alteration as soon as practicable).

#### **14.2 Shareholder approval**

Except as described in Rule 14.3 (*Exceptions to shareholder approval*), no alteration to the advantage of an individual to whom an Option has been or may be granted shall be made under Rule 14.1 (*General rule on alterations*) to the provisions concerning:

- (a) eligibility;
- (b) the individual limits on participation;
- (c) the overall limits on the issue of Shares or the transfer of treasury Shares under the Plan;
- (d) the basis for determining a Participant's entitlement to, and the terms of, Shares provided under the Plan;
- (e) the adjustments that may be made in the event of a rights issue or any other variation of capital; and
- (f) the terms of this Rule 14.2,

without the prior approval by ordinary resolution of the members of the Company in general meeting.

#### **14.3 Exceptions to shareholder approval**

Rule 14.2 (*Shareholder approval*) shall not apply to any minor alteration to benefit the administration of the Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for Participants, the Company, any company of which the Company has Control or any Associated Company or any Related Company.

#### **14.4 Alterations to disadvantage of Participants**

No alteration to the material disadvantage of any Participant shall be made under Rule 14.1 unless:

- (a) the Board shall have invited every relevant Participant to indicate whether or not they approve the alteration; and
- (b) the alteration is approved by a majority of those Participants who have given such an indication.

### **15. MISCELLANEOUS**

#### **15.1 Employment**

The rights and obligations of any individual under the terms of their office or employment with the Company, any Associated Company, any company of which the Company has Control or a Related Company shall not be affected by their participation in the Plan or any right which they may have to participate in it. An individual who participates in the Plan waives any and all rights to compensation or damages in consequence of the termination of their office or employment for any reason whatsoever insofar as those rights arise or may arise from them ceasing to have

rights under or be entitled to exercise any option under the Plan as a result of such termination. Participation in the Plan shall not confer a right to continued employment upon any individual who participates in it. The issuing of an Invitation and the grant of an Option does not imply that any further Invitations or grants of Options will be made nor that a Participant has any right receive such an Invitation or be granted any Option.

#### **15.2 Dispute**

In the event of any dispute or disagreement as to the interpretation of the Plan, or as to any question or right arising from or related to the Plan, the decision of the Board shall be final and binding upon all persons.

#### **15.3 Exercise of powers and discretions**

The exercise of any power or discretion by the Board shall not be open to question by any person and a Participant or former Participant shall have no rights in relation to the exercise of or omission to exercise any such power or discretion.

#### **15.4 Notices**

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

- (a) by personal delivery or by post, in the case of a company to its registered office, and in the case of an individual to their last known address, or, where they are a director or employee of a Participating Company or an Associated Company or a Related Company, either to their last known address or to the address of the place of business at which they perform the whole or substantially the whole of the duties of their office or employment; or
- (b) in an electronic communication to their usual business address or such other address for the time being notified for that purpose to the person giving the notice; or
- (c) by such other method as the Board determines.

#### **15.5 Third Parties**

No third party has any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Plan.

#### **15.6 Benefits not pensionable**

Benefits provided under the Plan shall not be pensionable.

#### **15.7 Data Protection**

Each Participant consents to the collection, processing and transfer of their personal data for any purpose relating to the operation of the Plan. This includes:

- (a) providing personal data to any Participating Company, any company of which the Company has control, any Related Company and any Associated Company and to any third party such as trustees of any employee benefit trust, administrators of the Plan, registrars, brokers and any of their respective agents;

- (b) the processing of personal data by any such company or third party;
- (c) transferring personal data to a country outside the European Economic Area (including a country which does not have data protection laws equivalent to those prevailing in the European Economic Area); and
- (d) providing personal data to potential purchasers of the Company, the Participant's employer or the business in which the Participant works.

#### **15.8 Governing law**

The Plan and all Options shall be governed by and construed in accordance with the law of England and Wales and the Courts of England and Wales have exclusive jurisdiction to hear any dispute.