RULES OF

THE CYANCONNODE HOLDINGS PLC ENTERPRISE MANAGEMENT INCENTIVE PLAN 2005 (AS AMENDED BY A RESOLUTION OF THE BOARD OF DIRECTORS OF CYANCONNODE HOLDINGS PLC PASSED ON 24 JULY 2026)

1 INTERPRETATION AND CONSTRUCTION

1.1 Definitions

In this Plan, the following words and expressions shall bear, unless the context otherwise requires, the meanings set forth below:

Words / expressions	**Meaning**
"the Company"	CyanConnode Holdings plc registered number **04554942** being a Qualifying Company;
"Acquiring Company"	the meaning given by paragraph 39(2) of Schedule 5;
"Admission"	the date of the admission of the Shares to trading on AIM;
"the Adoption Date"	the date upon which the Scheme was approved by the shareholders of the Company;
"AIM"	the Alternative Investment Market of the London Stock Exchange;
"Board"	the Board of Directors of the Company or a duly authorised committee thereof;
"Business Day"	any day (other than a Saturday or a Sunday) when clearing banks are open for business in the City of London for the transaction of normal banking business;
"Committed Time"	the meaning given by paragraph 26(2) of Schedule 5;
"Compromise"	a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, which the court sanctions under section 425 of the Companies Act 1985;
"Conditions of Exercise"	in relation to any Option, the conditions imposed in accordance with Rule 4;
"Control"	the meaning given by section 840 of the Taxes Act;
"CSOP Option"	a right to acquire shares under a scheme approved under Schedule 4 to ITEPA;
"Disqualifying Event"	the meaning given by sections 533 to 539 of ITEPA;

Words / expressions	Meaning
"Eligible Employee"	any individual who: (a) is an employee of a Group Company; (b) whose Committed Time amounts to at least 25 hours a week, or if less, 75% of his Working Time; and (c) does not have a Material Interest in the Company or any 51% Subsidiary;
"Employer Company"	the company by reference to which an Option Holder is an Eligible Employee;
"Exercise Period"	the period during which an Option may be exercised, which in any event shall end no later than the day before the tenth anniversary of the Grant Date;
"Forfeiture Condition"	any condition attaching to the Shares which makes the interest in the Shares only conditional within the meaning of section 424 of ITEPA;
"Grant Date"	the date on which the Board grants an Option to an Eligible Employee;
"Group"	in relation to the Company, means that company and any Qualifying Subsidiary and "Group Company" shall be construed accordingly;
"Independence Requirement"	the meaning given by paragraph 9 of Schedule 5;
"HMRC"	HM Revenue & Customs;
"ITEPA"	Income Tax (Earnings and Pensions) Act 2003
"Market Value"	shall be determined in accordance with Part VIII of the Taxation of Chargeable Gains Act 1992, and: (a) where the Shares will be subject to restriction or risk of forfeiture shall exclude the effect of any such restriction or risk; and (b) for the purpose of calculating the total Market Value of Shares subject to unexercised Options the Market Value of a Share shall be calculated by reference to the date on which the Option over that Share was granted;
"Material Interest"	the meaning given by paragraph 29 of Schedule 5;

Words / expressions	Meaning
“Model Code”	the Model Code on directors’ dealings in securities of listed companies as published by the UK Listing Authority from time to time or such other code governing the conduct of dealings in securities by the Directors of the Company as the Company may adopt from time to time;
“Notice of Exercise”	a notice of exercise in such form as may be required or authorised by the Board or the Inland Revenue from time to time;
“Notice of Grant”	the notice of grant of the Option issued by the Employer Company in accordance with Rule 3.2;
“Option Agreement”	an agreement between the Company and an Eligible Employee which shall evidence the grant of the Option, which shall be in accordance with the Rules of the Plan and which shall be in such form as may be prescribed by the Board and complies with the requirements of the HMRC from time to time;
“Option Holder”	an Eligible Employee that has been granted one or more Options (or his legal personal representatives where the circumstances permit);
“Option Price”	the price payable per Share on exercise of an Option as determined by the Board in accordance with Rule , and subject to any adjustment pursuant to Rule 13;
“Option”	any right to acquire Shares: (a) in relation to which the requirements of Schedule 5 are met at the Grant Date, and (b) of which Notice of Grant is given to HMRC in accordance with paragraph 44 of Schedule 5; (c) and, where the circumstances permit, a Replacement Option in relation to that Option;
“Ordinary Share Capital”	the meaning given by section 832(1) of the Taxes Act;
“Original Market Value”	in relation to any Share to be taken into account for the purposes of the limit in Rule 5, its Market Value as determined for the purposes of the relevant grant of CSOP Options;
“Parent Company”	a company that has one or more 51% Subsidiaries;
“Qualifying Company”	a company that meets the requirements of Part 3 of Schedule 5;

Words / expressions	Meaning
"Qualifying Exchange of Shares"	the meaning given by paragraph 40 of Schedule 5;
"Qualifying Option"	the meaning given by paragraph 1(2) of Schedule 5;
"Qualifying Subsidiary"	a Subsidiary satisfying the requirements of paragraph 11 of Schedule 5;
"Relevant Company"	the company (being either the Company or any Group Company) which incurs a Tax Liability as set out in Rule 12.1;
"Replacement Option"	an option granted in accordance with Rule 10.4;
"Rules"	these rules together with any schedules or appendices to these rules;
"Share"	a share in the issued Ordinary Share Capital of the Company which satisfies the requirements of paragraph 35 of Schedule 5;
"Statutory Limit"	£3 million or such other limit as may be imposed from time to time by paragraph 7 of Schedule 5;
"Subsidiary"	the meaning given by sections 736 and 736A of the Companies Act 1985;

Words / expressions	Meaning
"Tax Liability"	(a) a liability to account for any income tax, national insurance, social security or other levy in respect of the Option (whether arising by reason of grant, exercise, Disqualifying Event or otherwise), including for the avoidance of doubt: (b) any liability to pay secondary Class 1 National Insurance Contributions for which an agreement has been entered into under paragraph 3A of Schedule 1 to the Social Security Contributions and Benefits Act 1992; and (c) any liability arising after the termination of the Option Holder's employment for whatever reason and which may arise or be incurred in any jurisdiction whatsoever and, by the law of the same jurisdiction may or shall be recovered from the person entitled to the Option; but, subject to (b) above, not including any secondary Class 1 National Insurance Contributions;
"Taxes Act"	the Income and Corporation Taxes Act 1988;
"Trading Activities Requirement"	the meaning given by paragraphs 13 and 14 of Schedule 5;
"UK Listing Authority"	the Financial Services Authority as the competent authority for listing in the United Kingdom under section 74(4) of the Financial Services and Markets Act 2000;
"Unvested"	not Vested;
"Vested"	capable of exercise in accordance with the terms and conditions of the Option Agreement and 'Vest' shall be construed accordingly;
"Working Time"	the meaning given by paragraph 27 of Schedule 5.
"51% Subsidiary"	the meaning given by section 838 of the Taxes Act 1988; and
"Schedule 5"	Schedule 5 to ITEPA as at the Grant Date of the Option in question.

1.2 Construction

Words or expressions used herein shall where appropriate:

(a) when denoting the masculine gender include the feminine and *vice versa*;

(b) when denoting the singular include the plural and *vice versa*;

(c) when referring to any enactment be construed as a reference to that enactment as for the time being consolidated, amended, re-enacted or replaced and shall include any regulations made thereunder;

(d) when a period of time is specified and starts from a given day or the day of an act or event, be calculated exclusive of that day;

(e) be construed such that the headings and sub-headings are for ease of reference only, and do not affect the interpretation of any Rule; and

(f) be construed where not otherwise defined in the Rules to have the same meanings as in Schedule 5.

2 STATEMENT OF PURPOSE

Options granted at any time pursuant to these Rules are granted for commercial reasons in order to recruit and / or retain certain employees. These Rules are not part of a scheme or arrangement the main purpose or one of the main purposes of which is to avoid taxation.

3 GRANT OF OPTIONS

3.1 General

(a) Subject to Schedule 5 and subject to these Rules, the Board, acting for and on behalf of the Company, may grant any Eligible Employee an Option over such number of Shares at such Option Price and with such conditions of exercise as they may determine.

(b) An Option shall be granted in accordance with the provisions of Schedule 5.

(c) Options shall only be granted to individuals who are Eligible Employees.

3.2 Notice of Grant

On the grant of an Option, a Notice of Grant shall be given by the Employer Company to the HMRC within 92 days of the Grant Date (or such further or other period as the HMRC or statute may allow, permit or require) and shall:

(a) be in such form as required by the HMRC from time to time;

(b) be supported with a copy of the Option Agreement and or such other documents particulars and information as may be required by the HMRC from time to time;

(c) contain a declaration by the Option Holder that he satisfies the Working Time requirement;

(d) contain a declaration by a Director or the Secretary of the Employer Company that:

  (i) in his opinion the requirement of Schedule 5 are met; and

  (ii) the information provided is to the best of his knowledge correct and complete.

3.3 Failure to give valid Notice of Grant

If the Employer Company or the Option Holder fails to give a valid Notice of Grant in the manner set out in Rule 3.2 above the Option shall be wholly void and of no effect whatsoever.

3.4 Contents of Option Agreement

The Option shall be agreed in writing between the Company and the Option Holder, and shall state:

(a) the Grant Date;

(b) that the Option is granted under the provisions of Schedule 5;

(c) the number or maximum number of Shares over which the Option is granted;

(d) the Option Price, or the method by which the Option Price is to be determined;

(e) the Exercise Period;

(f) any Conditions of Exercise;

(g) details of any restrictions attaching to the Shares; and

(h) whether or not the Shares are subject to Forfeiture Conditions and if so, shall contain details of the relevant conditions.

3.5 The Option Price

The Option Price shall be such amount as the Board may determine, being not less than the higher of:-

(a) the nominal value of a Share; and

(i) (b) either:-if immediately prior to the Grant Date the Shares are fully quoted on the Official List, the middle market quotation for a Share, derived from the Daily Official List of the London Stock Exchange, for the Dealing Day immediately preceding the date of the Offer or, if the Board so determines, the arithmetic average of such middle market quotations over the three Dealing Days immediately preceding that date;

or

(ii) if immediately prior to the Grant Date the Shares are not fully quoted on trading on the Official List, the Market Value of a Share.

3.6 Model Code

No Option may be granted to an Executive to whom the Model Code applies if the Board is aware that such grant would be in breach of the Model Code.

4 CONDITIONS OF EXERCISE

4.1 Requirements

When granting any Option the Company may impose any conditions and limitations (additional to any conditions and limitations contained in any other of these Rules) upon the exercise of such Option provided that such additional conditions and limitations shall:

(a) be objective, specified at the Grant Date and set out in full in, or details given with, the Option Agreement; and

(b) be such that rights to exercise such Option after the fulfilment or attainment of any conditions and limitations so specified shall not be dependent upon the further discretion of any person.

4.2 Conditions not Capable of Being Satisfied

Where such additional conditions or limitations have been imposed and have in the opinion of the Board ceased to be capable of being satisfied or being satisfied in full except as a result of an event to which Rule 10 applies that Option shall lapse in whole or in part as the case may be.

4.3 Waiver, Variation or Amendment of Conditions

The Board may in its discretion waive, vary or amend the condition if events occur which cause the Board to consider that a different condition or conditions would be a fairer measure of performance and the Board reasonably consider that this would result in the condition or conditions being neither more nor less difficult to satisfy.

4.4 Bankruptcy

Upon the bankruptcy of the Participant, any Option which shall have been granted to him shall lapse.

5 INDIVIDUAL LIMIT

5.1 Statutory Limits

The Board may not grant an Option to an Eligible Employee if the sum of the four amounts listed below would exceed £100,000, or such other amount as Paragraph 5 of Schedule 5 may specify. The four amounts are:

- the Market Value of the Shares subject to the proposed Option;
- the Market Value, measured as at their respective Grant Dates, of all Shares subject to all Options granted to that Eligible Employee subsisting under the Plan;
- the Market Value, measured as at their respective Grant Dates, of all Shares subject to any subsisting Qualifying Options not granted under the Plan, but granted to that Eligible Employee by reason of his employment with the Company or any 51% Subsidiary
- the Original Market Value of the Shares under any unexercised CSOP Option granted to that Eligible Employee by reason of his employment with the Company or any 51% Subsidiary.

5.2 In respect of Options granted after Admission, an Option granted to an Eligible Employee shall be limited so that the Market Value in relation to that Option, taken together with the amount paid or payable on the exercise of any rights granted to that Eligible Employee to acquire Shares under the Scheme (including any Options which shall have lapsed or been cancelled, surrendered or waived) and under any other Discretionary Share Option Scheme established by the Company or any Associated Company in the then current calendar year shall not exceed one times the higher of the total remuneration (excluding benefits in kind) expressed as an annual rate payable by the Group Companies to him at that time and the total remuneration (excluding benefits in kind) received by him in the prior 12 months.

5.3 No Executive shall be granted an Option within two years of the date on which the Executive shall reach 60 or any other age at which he is bound to retire in accordance with the terms of his contract of employment.

5.4 Limitation of Grant

If the Board purports to grant any Option on terms which would result in the limit in Rule 5.1 being exceeded, such Option shall be limited and take effect from the Grant Date over the maximum number of Shares permitted by that limit.

6 OVERALL LIMIT

6.1 Maximum Value

6.1.1 The number of Shares over which Options may be granted shall be limited and take effect so that the total Market Value of Shares subject to unexercised Options does not exceed the Statutory Limit.

6.2 Options granted in excess of Maximum Value

If the Market Value of all Shares subject to Options purportedly granted under these Rules exceeds the Statutory Limit, the Options which were most recently purportedly granted will be reduced *pro rata* to each other to the extent necessary to reduce that total Market Value to the Statutory Limit.

6.3 Timing of Option Grants

For the purposes of Rule 6.2, Options granted or purportedly granted on the same day will be treated as granted or purportedly granted at the same time.

6.4 Limitations on the size of the Scheme

6.4.1 The aggregate number of Shares over which Options may be granted under the Plan shall be limited so that such aggregate number shall not exceed 10% of the paid up ordinary share capital of the Company in issue on the day preceding that date.

6.4.2 Shares subject to Options granted to individuals which lapse or are renounced, surrendered or cancelled shall not fall or be taken into account for the purposes of the limitations referred to in this Rule 6.4.

6.4.3 Options granted on or before Admission shall not count for the purposes of this Rule 6.4.

7 NON-TRANSFERABLE

No Option nor any right thereunder shall be capable of being transferred assigned or charged in any manner whatsoever, save as provided in Rule 8.3. Upon any such purported transfer, assignment, or charge the Options shall immediately lapse and cease to be exercisable.

8 RIGHTS TO EXERCISE OPTIONS

8.1 General

Save as provided in Rules 8.2, 8.3, and Rule 10 an Option:

(a) shall not be exercisable before the date falling three years from the Grant Date or such other date as may be specified in the Option Agreement;

(b) may only be exercised if any Conditions of Exercise have been fulfilled to the satisfaction of the Board;

(c) may only be exercised while the Option Holder is an Eligible Employee; but

(d) subject to Rule 9.1(a), an Option may thereafter be exercised in whole or in part at any time or from time to time;

(e) may not be exercised by a Participant to whom the Model Code applies if such exercise would be in breach of the Model Code.

8.2 Termination of Employment

Subject to Rules 8.3, and 9.1(a), if an Option Holder ceases to hold office or employment with the Group:

(a) he may exercise any of his Options within forty days of the date of cessation to the extent that they have Vested as at the date of cessation failing which his Vested Options shall lapse on the expiry of that forty day period; and

(b) any of his Options which have not Vested as at the date on which his office or employment ceases shall lapse on the date of cessation.

8.3 Pregnancy

For the purpose of Rule 8.2, a woman who leaves employment due to pregnancy will be regarded as having left employment on the day on which she indicates that she does not intend to return to work. In the absence of such indication she will be regarded as having left employment on the last day on which she is entitled to return to work under the Employment Rights Act 1996, or if later, any other date specified in the terms of her employment.

8.4 Death of the Option Holder

Subject to Rule 9.1(a), if an Option Holder dies:

(a) his personal representatives may exercise his Option within one year following the date of his death to the extent that they have Vested as at the date of his death ; and

(b) any of his Options which have not Vested as at the date of his death shall lapse.

9 LAPSE OF OPTIONS

9.1 General

An Option shall lapse on the earliest of:

(a) the day before the tenth anniversary of the Grant Date;

(b) the expiry of any of the periods referred to in 8.2, 8.3 and 9.1(a);

(c) subject to Rule 10.8, the expiry of the period referred to in Rule 10.4;

(d) the date on which the Board determine that the Conditions of Exercise imposed on the exercise of an Option in accordance with Rule 4 have ceased to be capable of being achieved or satisfied in full;

(e) subject to Rule 10.7, the passing of an effective resolution or the making of an order by the Court, for the winding-up of the Company;

(f) the date on which it is purported to be transferred or assigned (other than by reason of death in accordance with Rule 8.3), mortgaged, charged or otherwise disposed of by the Option Holder;

(g) the presentation of any petition to any court of competent jurisdiction by which an order is sought for the bankruptcy of the Option Holder;

(h) upon the Option Holder making an application for an interim order or any proposal for a voluntary arrangement within Part VIII of the Insolvency Act 1986;

(i) upon the Option Holder proposing any form of compromise with his creditors or any class of creditors; and

(j) the Option Holder being deprived (otherwise than on death) of the legal or beneficial ownership of the Option by operation of law or by doing or omitting to do anything which causes him to be so deprived.

10 TAKE-OVER, RECONSTRUCTION AND LIQUIDATION

10.1 Rule *10* Events

Rules 10.2 to 10.5 shall apply where any person (“the Acquirer”):

(a) obtains Control of the Company as a result of making:

(i) an offer to acquire the whole of the issued Ordinary Share Capital of the Company which is made on a condition such that, if it is satisfied, the person making the offer will have Control of the Company; or

(ii) a general offer to acquire all the shares in the Company which are of the same class as those to which the Option relates; or

(b) obtains Control of the Company in pursuance of a Compromise; or

(c) becomes bound or entitled to acquire shares under Sections 428 to 430F of the Companies Act 1985 ("Section 428 to 430F"), or

(d) obtains all the Shares as a result of a Qualifying Exchange of Shares; or

(e) obtains direct or indirect ownership of more than 50% of the Company's ordinary share capital in any circumstances other than at (a) to (d) above; or

(f) obtains Control of the Company in any circumstances other than at (a) to (e) above.

(g) Any event occurring under this Rule 10.1 shall be referred to as a "Rule 10 Event".

10.2 Control

For the purposes of Rules 10.1(a), (b) and (f), a person shall be deemed to have obtained Control of the Company if he and others acting in concert with him have together obtained Control of it.

10.3 Exercise of Options upon a Rule 10 Event

Within 40 days of the completion of a Rule 10 Event the Option Holder may exercise his Option (but only to the extent that it has vested as at the date of the Rule 10 Event).

10.4 Offer of Replacement Option

If the Rule 10 Event is an event occurring under Rule 10.1(a), (b), (c) or (d) and, within 30 days of the completion of such a Rule 10 Event, the Acquirer offers the Option Holder an option which relates to shares in the Acquirer and which would qualify as a Replacement Option as set out in Rule 10.5 ("the New Option") in consideration of the release by the Option Holder of any Unvested and/or unexercised Vested Option which has not lapsed ("the Old Option"), the Option Holder may refrain from exercising his Option under Rule 10.3 and instead accept the offer within 40 days of the completion of the Rule 10 Event.

10.5 Qualifying requirements for Replacement Option

A New Option qualifies as a Replacement Option only if:

(a) the New Option is granted to the Option Holder by reason of his employment:

(i) with the Acquiring Company, or

(ii) if that company is a Parent Company, with that company or another 51% Subsidiary;

(b) at the time of the release of rights under the Old Option, the purpose for granting the New Option is for *bona fide* commercial reasons in order to recruit or retain an employee, and not as part of a scheme or arrangement the main purpose, or one of the main purposes, of which is the avoidance of tax;

(c) at that time,

(i) the Independence Requirement and the Trading Activities Requirement are met in relation to the Acquiring Company;

(ii) the individual to whom the New Option is granted is an Eligible Employee in relation to the Acquiring Company; and

(iii) the New Option would satisfy the requirements of being an Option set out in Schedule 5;

(d) the total Market Value, immediately before the release, of the Shares which were subject to the Old Option is equal to the total Market Value, immediately after the grant, of the Shares in respect of which the New Option is granted; and

(e) the total amount payable by the employee for the acquisition of shares in pursuance of the New Option is equal to the total amount that would have been payable for the acquisition of shares in pursuance of the Old Option.

10.6 Sanction of a compromise or arrangement by the Court

Notwithstanding any other provision of the EMI Plan, if the Board expects that, under sections 895-901 of the Companies Act 2006 the Court will sanction a compromise or arrangement in respect of the Company which affects the Shares the Board may, give notice to the Option Holder that his Option may, subject to Rules 8.2 and 8.4, be exercised at any time within the period beginning with the time when the Court sanctions the compromise or arrangement and ending when a copy of the Court's order has been delivered to the Registrar of Companies for registration, as the Board, acting fairly and reasonably, determines and specifies in that notice (but only to the extent that the Option has vested when the Court sanctions the compromise or arrangement).

10.7 Liquidation

If notice is duly given of a resolution for the voluntary winding-up of the Company, an Option may be exercised within 40 days from the date of the resolution.

10.8 Board Discretion

Subject to Rule 9.1(a), the Board reserves the discretion to extend the period in which an Option may be exercised pursuant to this Rule 10.

11 MANNER OF EXERCISE

11.1 Procedure on Exercise

An Option may be exercised, in whole or in part, by the delivery to the Secretary of the Company or its duly appointed agent of the following:

(a) an Option Agreement covering at least all of the Shares over which the Option is then to be exercised;

(b) the Notice of Exercise in the prescribed form duly completed and signed by the Option Holder (or by his duly authorised agent); and

(c) a remittance for the Option Price multiplied by the number of Shares over which the Option is to be exercised.

If any conditions must be fulfilled before any Option is to be exercised, the delivery of the Option Agreement and the completed Notice of Exercise shall not be treated as effecting the exercise of an Option unless and until the Board is satisfied that the conditions have been fulfilled.

11.2 Issue or Transfer of Shares

The Board shall issue or procure the transfer of Shares to be allotted or transferred pursuant to the exercise of an Option within 28 days following the effective date of exercise of the Option.

11.3 Rights of Newly Issued Shares

Shares to be issued pursuant to the Plan will rank *pari passu* in all respects with the Shares then in issue, except that they will not rank for any rights attaching to Shares by reference to a record date preceding the date of exercise.

11.4 Rights of Transferred Shares

Shares to be transferred pursuant to the Plan will be transferred free of all liens, charges and encumbrances and together with all rights attaching thereto, except that they will not rank for any rights attaching to Shares by reference to a record date preceding the date of exercise.

12 PAYE AND NATIONAL INSURANCE CONTRIBUTIONS

12.1 Indemnity from Option Holder

If an Option Holder incurs a Tax Liability on the exercise of an Option and the Relevant Company is liable to make payment to the appropriate authorities on account of that Tax Liability, then the Option Holder must enter into such arrangements as necessary for the purpose of ensuring that the Relevant Company is put in sufficient funds to enable it to discharge its liability to make the payment to the appropriate authority or is reimbursed for any payment made.

12.2 Secondary Class 1 NI Contributions

The Company may require as a condition for the exercise of any Option that the Option Holder shall enter into:

(i) an agreement to reimburse the Relevant Company in whole or in part for any secondary Class 1 NI Contributions; or

(ii) an election with the Relevant Company to assume the liability for any secondary Class 1 NI Contributions

payable on the exercise, assignment or release of an Option, including an agreement or election under paragraph 3A or 3B of Schedule 1 to the Social Security Contributions and Benefits Act 1992.

12.3 Authority to Sell Shares

If

(i) the Relevant Company is unable to withhold an amount equal to the Tax Liability from the Option Holder's remuneration or does not receive payment from the Option Holder of a corresponding amount; or

(ii) the Option Holder shall fail to reimburse the Relevant Company in accordance with an agreement entered into pursuant to Rule 12.2;

then the Company is authorised by the Option Holder to sell such number of Shares in respect of which the Option has been validly exercised as may be sufficient to release a sum which (after allowance for the costs and expenses of such a sale) may discharge (and shall be applied in discharge of) the Option Holder's liability to the Relevant Company under this Rule 12 or any agreement entered into in accordance with Rule 12, and the Company may exercise all such powers and may appoint any of its officers to sign all such documents in the name of the Option Holder and as his act and deed as may be necessary for this purpose.

12.4 Payment on Demand

If any amount of the Tax Liability should not be recovered as set out above, the Option Holder shall be liable to make good any amount outstanding on demand.

13 ADJUSTMENTS

13.1 General Rule

The number of Shares over which an Option is granted and the Option Price thereof shall be adjusted in such manner as the Board shall determine following any capitalisation issue, rights issue, subdivision, consolidation or reduction of share capital of the Company or any other variation of share capital to the intent that (as nearly as may be) the total Option Price multiplied by the number of Shares that is payable in respect of an Option shall remain unchanged, provided that no adjustment made pursuant to this Rule 13 shall be made if it would result in a Disqualifying Event.

13.2 Authority to Capitalise Reserves

Subject to Rule 13.3 below, an adjustment may be made under Rule 13.1 above which would have the effect of reducing the Option Price of unissued shares to less than the nominal value of a Share, but only if, and to the extent that, the Board shall be authorised to capitalise from the reserves of the Company a sum equal to the amount by which the aggregate nominal value of the Shares in respect of which the Option is exercisable exceeds the aggregate adjusted Option Price for such Shares, so that on exercise of any Option in respect of which the Option Price has been reduced, the Board shall capitalise and apply such sum (if any) as is necessary to pay up the amount by which the aggregate nominal value of the Shares in respect of which the Option is exercised exceeds the aggregate Option Price for such Shares.

13.3 Option over Issued and Unissued Shares

Where an Option subsists over both issued and unissued Shares, an adjustment permitted by Rule 13.2 above, may only be made if the reduction of the Option Price of both issued and unissued Shares can be made to the same extent.

13.4 Notification to Option Holders

The Board shall forthwith notify Option Holders of any adjustment made under this Rule 13 and may take such steps and the Company shall execute such documents as it considers necessary to give effect to such adjustment. Furthermore, and without limitation to the generality of the foregoing, the Board may call in, cancel, endorse, issue or reissue any Option Agreement subsequent upon such adjustment.

14 ADMINISTRATION

14.1 Notices and Communication

Any notice or other communication under, or in connection with, the Plan may be given by personal delivery or by sending the same by post, in the case of a company to its registered office, and in the case of an individual to his last known address, or, where he is a director or employee of the Company or a Participating Company, either to his last known address or to the address of the place of business at which he performs the whole or substantially the whole of the duties of his office or employment. Where a notice or other communication is given by first-class post, it shall be deemed to have been received by 10am on the second Business Day after it was put into the post properly addressed and stamped. If any notice or other communication would otherwise have become effective on a non-Business Day or after 5pm on a Business Day, it shall instead become effective at 10am on the next Business Day.

14.2 Availability of Shares

The Company shall at all times keep available for allotment unissued Shares at least sufficient to satisfy all Options under which Shares may be subscribed or procure that sufficient Shares are available for transfer to satisfy all Options under which Shares may be purchased.

14.3 Decision of Board

The decision of the Board in any dispute relating to an Option or the due exercise thereof or any other matter in respect of the Plan shall be final and conclusive.

14.4 Costs of Establishment and Administration

The costs of introducing and administering the Plan shall be borne by the Company.

15 ALTERATIONS

15.1 Power of Alteration

The Board shall have the discretion to alter or add to these Rules, and impose additional conditions or requirements on the Options or on the terms on which Shares are acquired, provided that no alteration or addition would have the effect of causing the Options to cease to satisfy the requirements of Schedule 5.

15.2 Consent of Option Holders

(a) No amendment or addition shall be made to these Rules which would abrogate or adversely affect the subsisting rights of Option Holders unless:

(i) where the rights are enjoyed by a single Option Holder and are not enjoyed by any other Option Holder or class of Option Holders, it is made with the written consent of that Option Holder; or

(ii) where the rights are enjoyed by all Option Holders or any class of Option Holders then:

(1) with the consent in writing of such number of Option Holders or class of Option Holders (as the case may be) as hold Options under the Plan to acquire 75 per cent of the Shares which would be issued or transferred if all Options granted and subsisting under the Plan were exercised; or

(2) by a resolution at a meeting of Option Holders or class of Option Holders passed by not less than 75 per cent of the Option Holders who attend and vote either in person or by proxy;

and for the purpose of this Rule 15.2(a) the Option Holders or any class of Option Holders shall be treated as the holders of a separate class of share capital and the provisions of the Articles of Association of the Company relating to class meetings shall apply *mutatis mutandis*.

(b) No amendment or addition shall be made to the conditions or limitations of exercise set out in a particular Option Agreement, unless:

(i) an event occurs which causes the Board to consider that a waived, varied or amended condition would be a fairer measure of performance and would be no more difficult to satisfy; or

(ii) the Option Holder party to that Option Agreement gives his written consent to such amendment or addition.

15.3 Employees Resident Overseas

Notwithstanding any other provision of the Plan other than Rule 15.1, the Board may, in respect of Options granted to Eligible Employees who are or who may become subject to taxation outside the United Kingdom on their remuneration, amend or add to the provisions of the Plan and the terms of Options as it considers necessary or desirable to take account of or to mitigate or to comply with relevant overseas taxation, securities or exchange control laws provided that the terms of Options granted to such Eligible Employees are not overall more favourable than the terms of Options granted to other Eligible Employees.

15.4 Notice to Option Holders

As soon as reasonably practicable after making any alteration or addition under Rule 15.1, the Board shall give written notice thereof to any Option Holder affected thereby.

16 GENERAL

16.1 Termination

The Plan shall terminate upon the tenth anniversary of its adoption by the Company in general meeting or at any earlier time by the passing of a resolution by the Board or by ordinary resolution of the Company in a general meeting. Termination shall be without prejudice to the subsisting rights of Option Holders.

16.2 Conflict with Schedule 5

If there is any conflict between the provisions of these Rules and Schedule 5, Schedule 5 shall take precedence.

16.3 Financial Assistance

The Company and any Subsidiary of the Company may provide money to the trustees of any trust or any other person to enable them or him to acquire Shares to be held for the purposes of the Plan, or enter into any guarantee or indemnity for those purposes, to the extent permitted by section 153 of the Companies Act 1985.

16.4 Loss Of Office Or Employment

The rights and obligations of any individual under the terms of his office or employment with the Company or a Participating Company or a Subsidiary of the Company or an Associated Company shall not be affected by his participation in the Plan or any right which he may have to participate therein. Each Option Holder shall waive all and any rights to compensation or damages in consequence of the termination of his office or employment with any such company for any reason whatsoever, howsoever that termination occurs, whether lawful or unlawful, insofar as those rights arise or may arise from his ceasing to have rights under the Plan as a result of such termination, or from the loss or diminution in value of such rights or entitlements.

16.5 Governing Law

These Rules shall be governed by and construed in accordance with English law.