

## THE RANK GROUP PLC

### 2010 LONG TERM INCENTIVE PLAN

Approved by shareholders on 22 April 2010 and with amendments approved by shareholders on 22 April 2015 and 25 April 2018

Adopted by Directors on 22 April 2010 and amended on 22 April 2015 and 25 April 2018

Amended by the Directors on 1 July 2015

The Approved CSOP Schedule approved by HM Revenue & Customs on 26 July 2010 under reference X105544

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APPROVED CSOP SCHEDULE

## THE RANK GROUP PLC

### 2010 LONG TERM INCENTIVE PLAN

AS AMENDED ON 22 APRIL 2015 ~~AND~~, 1 JULY 2015 AND 25 APRIL 2018

#### 1. DEFINITIONS

1.1 In this Plan, except where the context otherwise requires, the words and expressions set out below shall bear the following respective meanings, namely:

<b>"Approved CSOP Schedule"</b>	the schedule to the Plan under which CSOP Options may be granted to Eligible Participants;
<b>"Award"</b>	any one, or a combination, of a Restricted Award; a Contingent Award; an Option; a SAR; a Cash Award; or a CSOP Option, granted (or to be granted) by the Grantor to an Eligible Participant under the Plan;
<b>"Award Certificate"</b>	in respect of an Award, a certificate issued (or to be issued) to an Award Holder in accordance with the provisions of Rule 2.7 confirming the grant of an Award;
<b>"Award Holder"</b>	a person holding an Award (including where the context permits, the personal representatives of a deceased Award Holder);
<b>"Award Period"</b>	unless otherwise determined by the Directors on or before the Date of Grant, the period from the Date of Grant until the day before the tenth anniversary of the Date of Grant;
<b>"Base Salary"</b>	an Eligible Participant's gross annual base salary prevailing at the relevant Date of Grant;
<b>"Cash Award"</b>	a right to receive a payment in cash pursuant to the Plan;
<b>"Company"</b>	The Rank Group Plc (company number 03140769);
<b>"Contingent Award"</b>	a contingent right to acquire Shares pursuant to the Plan;
<b>"Control"</b>	the meaning given to it in section 995 of the Income Tax Act 2007 and derivative terms shall be construed accordingly;
<b>"CSOP Option Price"</b>	in respect of a CSOP Option, the price per Share under CSOP Option to be paid by the Award Holder on the exercise of the CSOP Option, which price shall be not less than the Market Value of a Share on the Date of Grant. If and to the extent that the CSOP Option is to be satisfied by the issue of Shares, the

	CSOP Option Price shall be not less than the nominal value of a Share;
<b>"CSOP Option"</b>	a right to acquire Shares granted to an Eligible Participant at the CSOP Option Price, pursuant to the Approved CSOP Schedule;
<b>"Date of Approval"</b>	the date on which the Plan is approved by the Company's shareholders;
<b>"Date of Grant"</b>	in respect of an Award, the date on which an Award is granted;
<b>"Dealing Day"</b>	a day on which the London Stock Exchange is open for the transaction of business;
<b>"Directors"</b>	the board of directors of the Company from time to time or a duly authorised committee of such directors (including, but not limited to, the duly authorised remuneration committee of such directors);
<b>"Eligible Participant"</b>	an executive director or an employee of the Company or any Participating Company;
<b>"Employees' Share Scheme"</b>	the meaning given by section 1166 of the Companies Act 2006;
<b>"Executive Share Scheme"</b>	an Employees' Share Scheme adopted by the Company in which participation is solely at the discretion of the Directors;
<b>"Excessive Cash Payment"</b>	<p>any cash payment paid to an Eligible Participant in connection with any Cash Award or SAR granted under the Plan, if and to the extent to which such cash payment would not have been paid but for a Relevant Mistake and, for the purposes of Rule 7, the amount of the Excessive Cash Payment shall be:</p> <p>(a) the amount of the cash payment in question that would not have been paid but for the Relevant Mistake; less</p> <p>(b) the deductions previously made from such amount in accordance with the provisions of Rules 7.3.2 and 7.4.1 (or pursuant to any equivalent provisions in any applicable annual cash bonus arrangement operated by the Group);</p>
<b>"Excessive Share Award"</b>	any Shares Vesting in respect of a Restricted Award, a Contingent Award or an Option granted to an Eligible Participant under the Plan, if and to the extent to which Vesting in respect

of such Shares would not have occurred but for a Relevant Mistake and, for the purposes of Rule 7, the Excessive Share Award shall be expressed as a number of Shares being equal to:

- (a) the number of Shares in respect of which the Award in question would not have Vested but for the Relevant Mistake; less
- (b) the deductions previously made from such number in accordance with the provisions of Rules 7.3.1 and 7.4.2 (or pursuant to any equivalent provisions in any applicable annual cash bonus arrangement operated by the Group);

<b>"Financial Year"</b>	a financial year of the Company;
<b>"Grantor"</b>	the Company or such other person authorised by the Directors to grant an Award including a Trustee;
<b>"Group"</b>	the Company and any Subsidiary of the Company or, where the context permits, any one or more of them and references to "member of the Group" shall be construed accordingly;
<b>"HKSE"</b>	The Stock Exchange of Hong Kong Limited;
<b>"HKSE Listing Rules"</b>	the Rules Governing the Listing of Securities on HKSE;
<b>"HMRC"</b>	Her Majesty's Revenue and Customs;
<b>"London Stock Exchange"</b>	the London Stock Exchange plc;
<b>"Market Value"</b>	in respect of a Share on any day: <ul style="list-style-type: none"><li>(a) if the Shares are for the time being listed on the Official List and traded on the London Stock Exchange's market for listed securities, an amount equal to the middle market quotation of a Share on the Dealing Day immediately preceding the Date of Grant or, if the Directors so decide, the average for the three or five Dealing Days immediately preceding the Date of Grant as ascertained from the Official List; and</li><li>(b) if the Shares are not for the time being listed on the Official List and traded on the London Stock Exchange's market for listed securities, the value of a Share on that</li></ul>

date as determined in its absolute discretion having regard to Part VIII of the Taxation of Chargeable Gains Act 1992;

<b>"Model Code"</b>	the model code on dealings by directors and certain employees as set out in the listing rules published by the UK Listing Authority or any internal code of the Company that regulates share dealings by those persons;
<b>"Official List"</b>	the Official List of the UK Listing Authority;
<b>"Option Price"</b>	<p>in respect of an Option, the price per Share to be paid by the Award Holder on the exercise of the Option (subject to any subsequent adjustment pursuant to Rule 5) determined by the Directors on or before the Date of Grant, being:</p> <ul style="list-style-type: none"><li>(a) nil; or</li><li>(b) the nominal value of a Share; or</li><li>(c) such other price at the discretion of the Directors,</li></ul> <p><b>SAVE THAT</b> if and to the extent that the Option is to be satisfied by the issue of Shares directly to the Award Holder, the Option Price shall be not less than the nominal value of a Share;</p>
<b>"Option"</b>	a right to acquire Shares, which is not a CSOP Option, granted to an Eligible Participant at the Option Price, pursuant to the Plan;
<b>"Parent Company"</b>	Guoco Group Limited (incorporated in Bermuda with company number 15590);
<b>"Participating Company"</b>	any member of the Group designated from time to time by the Directors as being a participating company for the purposes of the Plan;
<b>"Performance Period"</b>	the period over which a relevant Performance Target is measured;
<b>"Performance Target"</b>	any performance based target or targets by reference to which the Vesting of an Award is expressed to be conditional;
<b>"Plan"</b>	this Plan, including the Approved CSOP Schedule, in its present form or as from time to time altered in accordance with its provisions;

<b>"Plan Limits"</b>	the limits on the number of unissued Shares and, subject to Rule 2.11, treasury Shares, that may be placed under Award pursuant to the Plan as set out in Rules 2.9, 2.10 and 2.12;
<b>"Relevant Event"</b>	any variation in the share capital of the Company arising from any reduction, sub-division or consolidation of capital or issue of shares by way of capitalisation of profits or reserves or by way of rights, or any other variation of share capital of the Company, or, at the discretion of the Directors, in the case of Awards (but not CSOP Options) a demerger (in whatever form), a distribution in specie or a special dividend;
<b>"Relevant Mistake"</b>	<p>any one, or any combination, of:</p> <p>(a) a material misstatement in the financial results of the Company; and/or</p> <p>(b) an act of gross misconduct by an Award Holder that takes place before an Award Vests but which only comes to light after the Award Vests (or in the case of an Option, is exercised) and/or;</p> <p><u>(c) an error in the assessment of any Performance Target applying to an Award; and/or</u></p> <p><u><del>(d)</del> in respect of Awards granted on or after 25 April 2018, a material loss to the Group or a material deterioration in Group profits which is inconsistent with the performance of the gaming industry.</u></p>
<b>"Restricted Award"</b>	the acquisition, by the Eligible Participant, of a beneficial interest in Shares at the Date of Grant pursuant to the Plan provided always that the Eligible Participant shall be absolutely entitled to those Shares (subject to the risk that the beneficial interest in them may be forfeited in accordance with the Rules) and no such person, including any person acting as his nominee, will have any right to deal with those Shares except with the Eligible Participant's consent, notwithstanding that such other person shall (until they Vest or are forfeited) hold the legal title to such Shares on behalf of the Eligible Participant;
<b>"Rules"</b>	the rules of the Plan as amended from time to time, including, for the avoidance of doubt, the Approved CSOP Schedule;
<b>"Share Appreciation Right"</b>	a right to receive a cash payment pursuant to the Plan,

<b>or "SAR"</b>	calculated by reference to a formula stated on the Date of Grant;
<b>"Share"</b>	an ordinary share in the capital of the Company, which for the purposes of CSOP Options granted under the Approved CSOP Schedule, must also satisfy the requirements of paragraphs 16 to 20 of Schedule 4;
<b>"Subsidiary"</b>	has the meaning ascribed to it in section 1159 of the Companies Act 2006;
<b>"Trustee"</b>	the trustee of any employee benefit trust established by any member of the Group;
<b>"UK Listing Authority"</b>	the Financial Services Authority acting in its capacity as the competent authority for the purposes of the Financial Services and Markets Act 2000;
<b>"Vested"</b>	has the meaning ascribed to it in Rule 1.2; and
<b>"Vesting Date"</b>	the date on which any Award Vests in accordance with the Rules.

1.2 For the purposes of this Plan an Award shall be treated as "Vested" when any Award Holder has the right pursuant to the Rules to:

- (i) receive legal title to Shares the subject of a Restricted Award;
- (ii) be transferred legal and beneficial title to Shares pursuant to a Contingent Award;
- (iii) exercise an Option or a CSOP Option; or
- (iv) receive a payment of cash pursuant to a SAR or a Cash Award.

and "**Vesting**", "**Vests**" and "**Vest**" shall be construed accordingly. For the avoidance of doubt, an Award shall not be treated as ~~Vesting~~**Vested** if, and to the extent that, it has been reduced in accordance with the provisions of Rule 7.2.

1.3 In this Plan any reference to a statutory or regulatory provision shall be deemed to include that provision as it may from time to time be amended or re-enacted, and, wherever the context so admits or requires, the singular shall include the plural and vice versa and the masculine shall include the feminine.

## 2. GRANT OF AWARDS

2.1 Subject to the restrictions contained in the Rules:

- 2.1.1 the Directors may, from time to time, in their absolute discretion, select Eligible



Participants to be granted Awards;

- 2.1.2 Awards may be granted in such form and to such Eligible Participants over or in respect of such number of Shares or cash as the Directors may, from time to time, in their absolute discretion, determine, with the consent of the Trustee, where necessary; and
- 2.1.3 the Vesting of Awards may be subject to a Performance Target.
- 2.2 No person shall be entitled as of right to be granted an Award pursuant to this Plan.
- 2.3 For the avoidance of doubt, the Performance Target subject to which the Vesting of Awards may be granted ~~must be objective and~~ may include terms and conditions relating to the financial or other performance of the Company, or any business carried on by the Company or the financial or other performance of the proposed Award Holder (as employee of the Company) and the Vesting of the Award may be dependent upon the length of or continued employment by the Company of the proposed Award Holder. The Performance Target shall not be capable of being re-tested. References in this Rule 2.3 to "the Company" shall, if applicable, be construed as references to "the Group" or any member of the Group.
- 2.4 An Award shall not be granted other than with the prior approval of the Directors. The Grantor shall grant Awards by deed in such form as the Directors shall decide so that it constitutes a binding contract between the Grantor and the Award Holder. A single deed of grant may be executed in favour of any number of Eligible Participants and in respect of any combination of Awards. Alternatively, an Award may also be granted by resolution of the Grantor.
- 2.5 If and for so long as the Shares are listed on the Official List and traded on the London Stock Exchange's market for listed securities:
- 2.5.1 Awards shall only be granted:
- 2.5.1.1 within the period of 42 days immediately after the Date of Approval;  
or
  - 2.5.1.2 within the period of 42 days immediately after the preliminary announcement of the Company's final, interim or quarterly results in respect of any financial period; or
  - 2.5.1.3 in relation to a grant to a new joiner, within 42 days of an Eligible Participant joining the Company or a member of the Group; or
  - 2.5.1.4 at any other time but only if, in the opinion of the Directors, the circumstances are exceptional,

**PROVIDED THAT** in the event of there being a restriction by statute, order, regulation or government directive from granting Awards within any such period, Awards may be granted within a period of 42 days after the lifting of such

- restriction; and
- 2.5.2 the Grantor shall in granting Awards be bound by the provisions (as from time to time in force) of the Model Code.
- 2.6 No Award shall be granted under the Plan more than ten years after the Date of Approval.
- 2.7 Following the grant of an Award to an Eligible Participant the Grantor shall send him an Award Certificate specifying the following:
  - 2.7.1 whether the Award is a Restricted Award, Contingent Award, an Option, a CSOP Option, a SAR, a Cash Award or a combination of these;
  - 2.7.2 if the Award is a Restricted Award, a Contingent Award, an Option or a CSOP Option, the number of Shares the subject of the Award;
  - 2.7.3 if the Award is an Option, the Option Price or if the Award is a CSOP Option, the CSOP Option Price;
  - 2.7.4 if the Award is a SAR, the number of Shares and formula by reference to which the cash payment will be calculated;
  - 2.7.5 if the Award is a Cash Award, the amount of cash;
  - 2.7.6 the Date of Grant;
  - 2.7.7 the Performance Target (if any);
  - 2.7.8 any other ~~objective~~ condition upon the satisfaction of which Vesting of the Award is expressed to be conditional;
  - 2.7.9 the date or dates on which the Award may Vest (subject to its terms);
  - 2.7.10 a statement of the matters relating to an Eligible Participant's contract of employment referred to in Rule 9 below; and
  - 2.7.11 such other information as the Directors may consider appropriate.
- 2.8 Subject to Rule 3.3.3, no Award or any interest in it (including the Shares relating to a Restricted Award prior to Vesting) shall be capable of being sold, assigned, transferred, pledged, charged or otherwise encumbered and any attempt to sell, assign, transfer, pledge, charge or otherwise encumber an Award shall cause the Award to lapse automatically.
- 2.9 Subject to Rule 2.11, the total number of unissued Shares or Shares to be transferred out of treasury in respect of which Awards may be granted under this Plan shall not, when aggregated with the number of Shares issued or transferred out of treasury, or capable of issue or of being transferred out of treasury, pursuant to options, awards or rights granted under this Plan (including, for the avoidance of doubt, the Approved CSOP Schedule to the

Plan) and any other Executive Share Scheme adopted by the Company in the previous 10 years, exceed 5% of the ordinary share capital of the Company in issue at the time of grant.

2.10 Subject to Rule 2.11, the total number of unissued Shares or Shares to be transferred out of treasury in respect of which Awards may be granted under this Plan shall not, when aggregated with the number of Shares issued or transferred out of treasury, or capable of issue or of being transferred out of treasury, in the previous 10 years pursuant to options, awards or rights granted under this Plan (including, for the avoidance of doubt, the Approved CSOP Schedule to the Plan) and any other Employees' Share Scheme adopted by the Company, exceed 10% of the ordinary share capital of the Company in issue at the time of grant.

2.11 For the purposes of the Plan Limits in Rules 2.9 and 2.10 (but not, for the avoidance of doubt, in Rule 2.12):

2.11.1 Shares under any option, award or right which has been released or cancelled or has lapsed without being exercised or having vested shall be ignored;

2.11.2 to the extent that the Directors determine that the Vesting of Awards will be satisfied by the transfer of Shares already in issue (other than out of treasury) or Awards are so satisfied by the transfer of Shares already in issue (other than out of treasury), those Awards shall not be treated as granted over unissued Shares or Shares to be transferred out of treasury; and

2.11.3 Shares held in or transferred out of treasury may be excluded for the purposes of calculating the Plan Limits if the prevailing view (at the time any determination of the Plan Limits is made) of institutional investors as set out in any guidelines published by investor protection committees or similar bodies is that such Shares need not count towards such limits.

For the purposes of all the Plan Limits (including, for the avoidance of doubt, the Plan Limit in Rule 2.12), Shares which are issued to any employee benefit trust established by the Company in order to satisfy Awards under the Plan shall count towards the Plan Limits.

2.12 In addition to the Plan Limits set out in Rules 2.9 and 2.10 above for so long as the Company is a subsidiary of Parent Company:

2.12.1 subject to Rule 2.12.2, the total number of unissued Shares in respect of which Awards may be granted under this Plan shall not, when aggregated with the number of Shares issued, or capable of issue, pursuant to options, awards or rights granted under any other Employees' Share Scheme adopted by the Company, exceed 10% of the Company's share capital as at the date of approval of the Plan by the shareholders of Parent Company and, for the avoidance of doubt, Awards that have lapsed in accordance with this Plan will not be counted for the purposes of calculating this 10% limit;

2.12.2 the limit in Rule 2.12.1 may only be exceeded if the shareholders of Parent Company approve the grant of the Awards that would cause that limit to be

exceeded in accordance with the HKSE Listing Rules and provided that, notwithstanding any other provision of this Plan, the total number of unissued Shares in respect of which Awards may be granted under this Plan does not, when aggregated with the number of Shares capable of issue pursuant to options, awards or rights granted under any other Employees' Share Scheme adopted by the Company, exceed 30% of the Company's share capital from time to time; and

- 2.12.3 for the avoidance of doubt, in the event that the Company cancels Awards held by an Award Holder and offers new Awards to the same person, the grant of such new Awards must be within the limit in Rule 2.12.1.
- 2.13 For the avoidance of doubt, if an Eligible Participant is granted an Award which has limited effect because of the application of Rules 2.9, 2.10 or 2.12 that Award shall be treated as having been granted in respect of such number of Shares as will ensure that the Plan Limits are not exceeded calculated on such basis as the Directors in their absolute discretion determine.
- 2.14 Subject to Rule 2.15, an Award may not be granted to an Eligible Participant if the Market Value of the Shares subject to that Award, when added to the Market Value of the Shares subject to any other Award granted to the Eligible Participant in that Financial Year or in the previous two Financial Years, has an average annual Market Value of more than two times their Base Salary. For these purposes:
- 2.14.1 the Market Value of Shares subject to any Award shall be deemed to be the Market Value of the Shares as at the Date of Grant of the Award in question;
- 2.14.2 the "average annual Market Value" shall be calculated by adding together the Market Value of all of the Shares subject the proposed Award and any other Award granted to the Eligible Participant in that Financial Year or in the previous two Financial Years and dividing the whole amount by three; and
- 2.14.3 if any Award is a Cash Award, references above to the Market Value of Shares subject to the Award shall be deemed to be a reference to the amount of cash under the Cash Award.
- 2.15 Subject to Rule 2.16, if the Directors consider that exceptional circumstances exist, an Eligible Participant may be granted an Award that causes the limit in Rule 2.14 to be exceeded provided that in no circumstances may the average annual Market Value of Shares subject to Awards granted to an Eligible Participant in three consecutive Financial Years exceed four times their Base Salary.
- 2.16 Subject to Rule 2.17, no Eligible Participant may be granted a Contingent Award, Option or a CSOP option if such grant would entitle that Eligible Participant to acquire a number of Shares in any 12 month period that represents more than 1% of the ordinary share capital of the Company from time to time.

- 2.17 An Eligible Participant may be granted an Award that would cause the limit in Rule 2.16 to be exceeded if the grant of such Award is made with the prior approval of the shareholders of Parent Company in accordance with the HKSE Listing Rules.
- 2.18 Other than in respect of a Restricted Award, an Award Holder has no right (including as to dividends or voting) in respect of the Shares subject to his Award prior to it Vesting.

### 3. **VESTING RIGHTS**

- 3.1 Notwithstanding any other provision of this Plan, an Award shall in no circumstances Vest after the expiry of the Award Period. To the extent that an Award has not otherwise lapsed by the expiry of the Award Period, it shall lapse automatically at the end of the Award Period.
- 3.2 Subject to the Directors having determined the extent to which any Performance Target has been satisfied and subject to Rules 3.3, 4.7 and 6, an Award shall Vest on or as soon as practicable following the date or dates set out in the Award Certificate (or in the absence of any such date or dates being expressed in the Award Certificate, the third anniversary of the Date of Grant). Following its Vesting in accordance with this Rule 3.2, an Option or a CSOP Option shall remain exercisable (save as provided in Rule 3.4) at any time during the Award Period and shall lapse automatically, if it remains unexercised, on the expiry of the Award Period.
- 3.3 If an Award Holder ceases to be an Eligible Participant (and does not immediately again become an Eligible Participant) by reason of:
- 3.3.1 redundancy (as determined by the Directors); or
  - 3.3.2 injury, ill-health or disability (in each case evidenced to the satisfaction of the Directors) or dismissal for redundancy (within the meaning of the Employment Rights Act 1996); or
  - 3.3.3 death; or
  - 3.3.4 the transfer or sale of the company or business or part of the business by which or in which he is employed and by virtue of which he is an Eligible Participant to a person other than a member of the Group; or
  - 3.3.5 at the discretion of the Directors at the relevant time, the termination of his office or employment in circumstances other than those stated above,

the Directors shall, in their absolute discretion, acting fairly and reasonably, determine whether and on what basis his Award shall Vest (and where Vesting is phased over time, whether and on what basis any Vesting should be accelerated). In exercising such discretion, the Directors may take into account (i) the extent to which any applicable Performance Target has, in the opinion of the Directors, been achieved; and (ii) the proportion of any applicable Performance Period that has elapsed, to the date of cessation. To the extent the Award does not Vest, it shall lapse automatically. An Option, to the extent

it Vests, may be exercised (in the event of death, by the Award Holder's personal representative) during the period of six (or twelve in the event of the death of the Award Holder) months following the Vesting Date. At the end of the six (or twelve) month period, to the extent the Option has not been exercised, it shall lapse automatically.

3.4 Save as provided by Rule 3.3, if an Award Holder ceases to be an Eligible Participant (and does not immediately again become an Eligible Participant) his Award shall lapse automatically on the date of such cessation.

3.5 An Award shall forthwith lapse automatically in the event that the Award Holder is adjudicated bankrupt or a bankruptcy order is made against him pursuant to Chapter I of Part IX of the Insolvency Act 1986.

3.6 After an Award has been granted the Directors may, acting fairly and reasonably, if they consider it appropriate, vary the Performance Target or other ~~objective~~ condition attaching to such Award (if any) **PROVIDED THAT** no such variation shall be made unless an event or events have occurred in consequence of which the Directors reasonably consider, having due regard to the interests of the shareholders of the Company, that the terms of the Performance Target should be so varied for the purpose of ensuring that either:

3.6.1 the criteria against which the performance of the Company, business or the Award Holder will then be measured will be a fairer measure of such performance; or

3.6.2 any amended performance condition will afford a more effective incentive to the Award Holder,

and will be no more difficult to satisfy than the Performance Target was when first set.

3.7 To the extent the Directors determine that a Performance Target has not been satisfied or is no longer capable of being satisfied, any Awards the Vesting of which is stated to be conditional upon the satisfaction of that Performance Target will lapse automatically.

3.8 If and to the extent a Restricted Award lapses, the beneficial title of the Shares the subject of that Award shall revert to the Trustee (or a third party nominated by the Company). As a condition of grant of a Restricted Award, the Award Holder acknowledges and confirms that, where a Restricted Award has lapsed, the Company may do all acts and things it considers necessary or expedient to affect the reversion. The Award Holder also agrees to execute any documents, at the request of the Company, which the Company considers are necessary to facilitate the reversion.

#### 4. **RELEASE OF SHARES**

4.1 Subject to the terms of this Rule 4, when an Award Vests:

4.1.1 in relation to a Restricted Award, the Directors shall procure the transfer to the Award Holder of the legal title to the relevant Shares within 30 days of the Vesting Date;

- 4.1.2 in relation to a Contingent Award, the Directors shall procure the transfer to the Award Holder of the legal and beneficial title to the relevant Shares within 30 days of the Vesting Date;
  - 4.1.3 in relation to an Option or a CSOP Option, the Award Holder shall then be entitled to exercise his Option or CSOP Option in accordance with Rule 3.2 and further to any such exercise the Directors shall procure the transfer to the Award Holder of the legal and beneficial title to the relevant Shares within 30 days of the exercise date; and
  - 4.1.4 in relation to a SAR and a Cash Award, the Directors shall procure the payment of cash to the Award Holder as soon as practicable following the Vesting Date (and such a payment may be made, where appropriate, via the relevant Participating Company's payroll).
- 4.2 The Directors may decide that, in substitution for the Shares to which the Award Holder would otherwise be entitled on the Vesting (and, where applicable, exercise) of a Restricted Award, a Contingent Award, or an Option (but not a CSOP Option), he shall be paid in cash (subject to any necessary withholdings in respect of tax and social security), as follows:
- 4.2.1 in the case of a Restricted Award or a Contingent Award, the gross cash payment will be equal to the Market Value of the relevant Shares on the Vesting Date;
  - 4.2.2 in the case of an Option, the gross cash payment will be equal to the aggregate Market Value of the relevant Shares on the Vesting Date less the aggregate Option Price (if any).

As soon as reasonably practicable after the Directors have made their decisions in accordance with this Rule 4.2 they shall procure the making of the cash payment subject, in the case of a Restricted Award, to the reversion to the Trustee (or a third party nominated by the Company) of the beneficial title of the Shares in respect of which that Award Vests and as a condition of the grant of a Restricted Award, the Award Holder acknowledges and confirms that the Company may do all acts and things it considers necessary or expedient to affect the reversion and the Award Holder agrees to execute any documents, at the request of the Company, which the Company considers are necessary to facilitate the reversion.

- 4.3 To exercise an Option or a CSOP Option, in whole or in part, an Award Holder shall deliver to the Secretary of the Company a notice in writing together with his Award Certificate specifying the number of Shares in respect of which the Option or the CSOP Option is being exercised and shall arrange for payment in full of the Option Price (if any) or the CSOP Option price in respect of the Shares over which the Option or the CSOP Option is to be exercised to the Company's satisfaction. The effective date of exercise of such Option or CSOP Option shall be the date on which the Secretary of the Company or his agent processes such notice (being a date no later than 14 days from the date of receipt of such notice).

- 4.4 An Award Holder unconditionally and irrevocably agrees as a condition of his right to have Shares (including the legal title to Shares in respect of a Restricted Award) delivered to him on the Vesting of a Restricted Award or a Contingent Award, or on the exercise an Option or a CSOP Option, or to receive cash on the Vesting of a SAR or a Cash Award or in accordance with Rule 4.2, or otherwise to benefit under the Plan:
- 4.4.1 to place the Company in funds and to indemnify the Company in respect of all liability to income tax which the Company is liable to account for on behalf of the Award Holder directly to any taxation authority (including, but without limitation, through the PAYE system) and all liability to social security which the Company is liable to account for on behalf of the Award Holder to any taxation authority (including, but without limitation, primary class 1 (employee's) national insurance contributions) which arises in connection with an Award; or
  - 4.4.2 to permit the Company to sell or procure the sale at the best price which can reasonably be obtained, following Vesting (including further to the exercise of an Option or a CSOP Option), such number of Shares allocated or allotted to the Award Holder, as will provide the Company with an amount equal to the tax and/or social security for which it is obliged to account to the relevant tax authorities in accordance with Rule 4.4.1 above and the Company hereby agrees duly and punctually to account for such tax and/or social security to the relevant tax authority; and
  - 4.4.3 where stated as a condition of Vesting of an Award and permitted by law, to place the Company in funds and to indemnify the Company in respect of all or such part as determined by the Directors of the liability to employer's social security (including, but without limitation to secondary class 1 (employer's) national insurance contributions) and to permit the Company to sell or procure the sale at the best price which can be reasonably obtained such number of Shares allocated or allotted to the Award Holder following Vesting (including further to the exercise of an Option or a CSOP Option) as will provide the Company with an amount equal to the employer's social security arising in connection with an Award or, if so required by the Company, and, to the extent permitted by law, to enter into a joint election or such other arrangements under which the liability for all or such part as determined by the Directors of such employer's social security liability is transferred to the Award Holder; and
  - 4.4.4 to sign or execute, promptly, all documents (including documents of transfer or powers of attorney) required by the Company to effect the terms of this provision, and references in this Rule 4.4 to "the Company" shall, if applicable, be construed as references to any "member of the Group".
- 4.5 Except in the case of Restricted Awards, Shares which are:
- 4.5.1 issued under the Plan will rank equally in all respects with the Shares then in issue, except that they shall not rank for any right attaching to Shares by reference to a record date preceding the Vesting Date; and



- 4.5.2 transferred under the Plan, including treasury Shares, shall not be entitled to any rights attaching to Shares by reference to a record date preceding the Vesting Date.
- 4.6 The Company shall use all reasonable endeavours to procure that, as soon as reasonably practicable after the issue of Shares pursuant to the grant of a Restricted Award or the Vesting of an Award (whether Shares are issued to the Trustee or otherwise), if other Shares in issue are listed on the Official List and admitted to trading on the London Stock Exchange's market for listed securities, the Company will apply to the UK Listing Authority for those Shares to be admitted to listing on the Official List and to the London Stock Exchange for these Shares to be admitted to trading on the London Stock Exchange's market for listed securities.
- 4.7 The Vesting of an Award shall be subject to any restrictions on dealing set out in the Model Code or otherwise imposed by statute, order, regulation or government directive. Shares acquired on the grant of a Restricted Award or following the Vesting of any other Award shall also be held subject to such dealing restrictions and to the Articles of Association of the Company. If on the Vesting Date the Award Holder would be restricted from immediately selling all or any of the Shares obtained following the Vesting of a Restricted Award, a Contingent Award or following the exercise of an Option or a CSOP Option, the Vesting of that Award (or the exercise of an Option or a CSOP Option, as applicable) shall be delayed until the Award Holder is able to sell his Shares without such restrictions. All allotments, issues and acquisitions by way of transfer of Shares will be subject to such consents (if any) of H M Treasury or other authorities, approvals or consents as may for the time being be necessary and it shall be the responsibility of the Award Holder to comply with any requirements to be fulfilled in order to obtain or obviate the necessity for any such consent.

## 5. **ADJUSTMENT OF AWARDS**

- 5.1 Upon the occurrence of any Relevant Event the number or nominal value of Shares comprised in each Award and, where appropriate, the Option Price or CSOP Option Price thereunder may be adjusted in such manner (including retrospective adjustment where a Relevant Event occurs after the date of exercise of an Option or a CSOP Option but the record date relating to such Relevant Event precedes such date of exercise) as the Directors may deem appropriate, provided always that no material increase shall be made to the aggregate Option Price in respect of any Option or the aggregate CSOP Option Price in respect of any CSOP Option, as applicable.
- 5.2 Apart from under this Rule 5.2, no adjustment under Rule 5.1 in relation to an Option or a CSOP Option can have the effect of reducing the Option Price or the CSOP Option Price to less than the nominal value of a Share. Where an Option or a CSOP Option subsists over both issued and unissued Shares, any such adjustment may only be made if the reduction in the Option Price or the CSOP Option Price in respect of both the issued and the unissued Shares can be made to the same extent. If the Directors determine that an adjustment to the Option Price or the CSOP Option Price below nominal value should be made, any adjustment to Options or CSOP Options over unissued Shares shall only be

made if and to the extent that the Directors will be authorised to:

- 5.2.1 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 or the CSOP Option is exercisable exceeds the adjusted aggregate Option Price or the adjusted CSOP Option Price; and
  - 5.2.2 apply such sum in paying up such amount on such Shares so that, on exercise of any Option or CSOP Option in respect of which such a reduction shall have been made, the Directors shall capitalise such sum (if any) and apply the same in paying up such amount.
- 5.3 Notice of any adjustments to an Award shall be given to the Award Holders by the Grantor who may call in Award Certificates for endorsement or replacement.

## 6. TAKEOVERS, RECONSTRUCTIONS AND WINDING UP

6.1 If:

- (a) a general offer is made to acquire all of the issued ordinary share capital of the Company (or such part thereof as is not at the time owned by the offeror or any company controlled by the offeror or any person acting in concert with the offeror) and, after the announcement of the general offer, the offeror (and any such company or person) acquires Control of the Company; or
- (b) a general offer is made to acquire all of the issued shares of the Company (or such part thereof as is not at the time owned by the offeror or any company controlled by the offeror or any person acting in concert with the offeror) which are of the same class as Shares and, after the announcement of the general offer, the offeror (and any such company or person) acquires Control of the Company,

subject to the provisions of Rules 6.2 and 6.3, the Directors shall, in their discretion, acting fairly and reasonably, determine whether and on what basis Awards shall Vest (and where Vesting is phased over time, whether and on what basis any Vesting should be accelerated). In exercising such discretion, the Directors may take into account (i) the extent to which any applicable Performance Target has, in the opinion of the Directors, been achieved; and (ii) the proportion of any applicable Performance Period that has elapsed, to the date of the change of Control. To the extent the Award does not Vest, it shall lapse automatically. An Option or CSOP Option, to the extent it Vests, may, subject to Rule 6.2, be exercised during the period of six months following the Vesting Date. At the end of the six month period, to the extent the Option or CSOP Option has not been exercised it shall lapse automatically.

- 6.2 If any person becomes entitled to acquire Shares under section 979 of the Companies Act 2006 (or would be but for the fact that there were no dissenting shareholders of the Company) the Directors shall, in their discretion, acting fairly and reasonably, determine whether Awards shall vest. In exercising such discretion, the Directors may take into account (i) the extent to which any applicable Performance Target has, in the opinion of

the Directors, been achieved; and (ii) the proportion of any applicable Performance Period that has elapsed, to the date on which any person becomes so entitled. To the extent Awards do not Vest, they shall lapse automatically. In the case of an Option or a CSOP Option, to the extent it Vests, the Grantor shall forthwith notify each Award Holder (holding Options or CSOP Options) thereof and each such Award Holder shall be entitled to exercise his Option or CSOP Option at any time within the period of one month from the date on which the relevant person first became so entitled under this Rule 6.2. At the end of this period, to the extent that the Option or CSOP Option has not been exercised, it shall lapse automatically.

- 6.3 If the shareholders of the Company pass a resolution approving a scheme of arrangement or compromise between the Company and its shareholders under section 899 of the Companies Act 2006 under which any person would obtain Control of the Company, the Directors shall, in their discretion, acting fairly and reasonably, determine whether Awards shall Vest and the date of any such Vesting. In exercising such discretion, the Directors may take into account (i) the extent to which any applicable Performance Target has, in the opinion of the Directors, been achieved; and (ii) the proportion of any applicable Performance Period that has elapsed, to the likely date on which any person would obtain Control of the Company. To the extent Awards do not Vest, they shall lapse automatically. An Option or a CSOP Option, to the extent it Vests, may be exercised for the period of six months commencing on the date determined by the Directors. On the expiry of the six month period, to the extent the Option or the CSOP Option has not been exercised, it shall lapse automatically.
- 6.4 If any of the events referred to in Rules 6.1 to 6.3 inclusive is for the purpose of establishing a holding company of the Company with substantially the same shareholders (with the same proportionate shareholdings) as the shareholders of the Company immediately before the occurrence of the relevant corporate event, the Directors may allow Awards to Vest or lapse on any basis they consider appropriate or, subject to the approval of the holding company, to be exchanged, within the time periods referred to in Rules 6.1 to 6.3 inclusive, on terms determined by the Directors for equivalent awards over shares in the holding company.
- 6.5 If any demerger, dividend in specie, super or special dividend or other similar event is proposed, which in the opinion of the Directors would affect the market value of Shares the subject of outstanding Awards to a material extent, the Directors may determine that Awards Vest. Where the Directors do so determine, they may take into account (i) the extent to which any applicable Performance Target has, in the opinion of the Directors, been achieved; and (ii) the proportion of any applicable Performance Period that has elapsed, to the date of the relevant event. The Directors may determine that to the extent Awards do not Vest, they shall lapse automatically. An Option or CSOP Option, to the extent it Vests, may be exercised during the period of six months following the Vesting Date. At the end of the six month period, to the extent the Option or CSOP Option has not been exercised it shall lapse automatically.
- 6.6 If notice is duly given of a general meeting at which a resolution will be proposed for the voluntary winding-up of the Company, the Directors may determine that Awards Vest.

Where the Directors do so determine, they may take into account (i) the extent to which any applicable Performance Target has, in the opinion of the Directors, been achieved; and (ii) the proportion of any applicable Performance Period that has elapsed, on the date it is envisaged the resolution will be passed. To the extent Awards do not Vest they shall lapse automatically. An Option or CSOP Option, to the extent it Vests, may be exercised at any time after the Directors have notified Award Holders that their Options or CSOP Options have Vested and before the resolution winding-up the Company has been passed. On the date on which the resolution winding-up the Company is passed, to the extent the Option or the CSOP Option has not been exercised, it shall lapse automatically.

## **7. MALUS AND CLAWBACK**

7.1 The provisions of this Rule 7 shall apply if, at any time before the second anniversary of the last day of the Financial Year in which a Relevant Mistake is made, the Directors determine and notify an Eligible Participant in writing that as a result of the Relevant Mistake the Award Holder has received an Excessive Cash Payment and/or an Excessive Share Award.

7.2 In respect of any Eligible Participant who has been notified of an Excessive Cash Payment and/or an Excessive Share Award in accordance with the provisions of Rule 7.1, the Directors may (in their absolute discretion and at any time):

7.2.1 before it otherwise Vests, reduce the number of Shares subject to any Restricted Award or Contingent Award held by the Award Holder that would otherwise become Vested to such an extent as the Directors determine to be appropriate (including, for the avoidance of doubt, to such an extent as would result in no Shares Vesting under the Award);

7.2.2 before it is exercised, reduce the number of Shares subject to any Option held by the Eligible Participant that would otherwise be acquired on exercise to such an extent as the Directors determine to be appropriate (including, for the avoidance of doubt, as to all the Shares under the Option); and/or

7.2.3 before it otherwise Vests, reduce the amount of any cash that may potentially be paid in relation to a Cash Award or SAR held by the Eligible Participant that would otherwise become payable to such an extent as the Directors determine to be appropriate (including, for the avoidance of doubt, reducing the cash payment to zero).

Notwithstanding any other provision of this Plan, to the extent that an Award has been reduced in accordance with this Rule 7.2, it shall never be capable of Vesting (or, in the case of an Option, of being exercised) and the Award Holder shall cease to have any interest in the reduced part of the Award (and shall have no entitlement whatsoever to compensation in relation to the reduced part).

7.3 To the extent that an Eligible Participant's Restricted Award, Contingent Award or Option is reduced in accordance with Rule 7.2 then:

- 7.3.1 the number of Shares or additional Shares in respect of which the Award in question would have Vested (or, in the case of an Option, would have been capable of being exercised) but for the reduction shall be deducted from the Eligible Participant's Excessive Share Award; and
  - 7.3.2 if the Eligible Participant does not have an Excessive Share Award or it has already been reduced to zero pursuant to Rule 7.3.1 and/or Rule 7.4.2, an amount equal to the Market Value as at the Vesting Date (or, in the case of an Option that has already Vested, as at the date the Option is reduced in accordance with Rule 7.2.2) of the Shares or additional Shares in respect of which the Award in question would have Vested (or, in the case of an Option, would have been capable of being exercised) but for the reduction, shall be deducted from the Eligible Participant's Excessive Cash Payment.
- 7.4 To the extent that an Eligible Participant's Cash Award or SAR is reduced in accordance with Rule 7.2 then:
  - 7.4.1 the cash or the additional cash in respect of which the Award in question would have Vested but for the reduction shall be deducted from the Eligible Participant's Excessive Cash Payment; and
  - 7.4.2 if the Eligible Participant does not have an Excessive Cash Payment or it has already been reduced to zero pursuant to Rule 7.4.1 and/or Rule 7.3.2, the maximum number of Shares that have a total Market Value (as at the Vesting Date of the Award in question) not in excess of the cash or the additional cash in respect of which the Award in question would have Vested but for the reduction, shall be deducted from the Eligible Participant's Excessive Share Award.
- 7.5 Subject to Rule 7.6, the provisions of Rule 7.2 to 7.4 inclusive shall continually be applied until such time as an Eligible Participant's Excessive Cash Payment and/or an Excessive Share Award have been reduced to zero. For the avoidance of doubt, and notwithstanding any other provision of this Rule 7, the Directors shall not operate the provisions of Rule 7.2 to 7.4 so as to reduce an Eligible Participant's Excessive Cash Payment and/or an Excessive Share Award to a number below zero.
- 7.6 The Directors may at any time, and in their absolute discretion, determine that Rules 7.2 to 7.4 inclusive shall cease to apply in relation to an Eligible Participant's Excessive Cash Payment and/or an Excessive Share Award. In these circumstances, the Directors may (in their absolute discretion) determine that the Eligible Participant shall pay to the Company (or to such other person as the Company directs) a cash payment equal to:
  - 7.6.1 the Excessive Cash Payment and/or the Market Value (as at the date on which the Directors makes its determination for the purpose of this Rule 7.6) of the Shares under the Excessive Share Award; less
  - 7.6.2 the amount of any income tax and/or social security which the Eligible Participant has paid (and will not be able to recover from the appropriate tax authority) in

connection with the Excessive Cash Payment and/or Excessive Share Award, as the case may be.

If the Directors do determine that the Eligible Participant will make a cash payment under this Rule 7.6, the Directors will notify the Eligible Participant of this determination in writing and will inform the Eligible Participant of the date or dates by which the payment shall be made. The Eligible Participant shall then be obliged to pay such cash payment in accordance with the terms so notified to him.

- 7.7 Notwithstanding any other provision of these Rules, if an Award Holder commits an act of gross misconduct at any time before the Vesting Date of an Award (or, in the case of an Option, at any time before it has been exercised), the Award will lapse in full and with immediate effect.

## 8. **ADMINISTRATION**

- 8.1 Any notice or other document which the Company is required or may desire to give to any Award Holder pursuant to this Plan shall be sufficiently given if delivered by electronic mail, personal delivery, first class post or airmail or any other means the Company and Eligible Participants use to communicate with each other. Any notice or communication from the Company to an Eligible Participant should be sent to the individual's last known e-mail or postal address in the records of the Company, as appropriate, and if so sent shall be deemed to have been duly given on the date of posting. Any document so sent to an Award Holder shall be deemed to have been duly delivered notwithstanding that he is then deceased (and whether or not the Company has notice of his death) except where his legal personal representatives have established their title to the satisfaction of the Company and supplied to the Company an address to which documents are to be sent. Any notice or communication from an Eligible Participant to the Company should be sent to the registered office of the Company, by electronic mail, personal delivery or first class post to the Company Secretary or by such other means as the Directors shall prescribe. Such notice shall be irrevocable and shall not be effective until received by the Company Secretary. It is the Eligible Participant's sole responsibility to ensure that all information contained therein is complete, accurate, current, true and correct.

- 8.2 The Directors shall have power from time to time to make or vary regulations for the administration and operation of this Plan provided that such regulations are not inconsistent with the provisions of this Plan.

## 9. **RELEVANCE OF CONTRACT OF EMPLOYMENT**

- 9.1 The grant of an Award will not form part of the Award Holder's entitlement to remuneration or benefits pursuant to his contract of employment nor does the existence of a contract of employment between any person and the Company or any member of the Group give such person any right or entitlement to have an Award granted to him in respect of any number of Shares or cash or any expectation that an Award will or might be granted to him whether subject to any conditions or at all.

- 9.2 The rights and obligations of an Award Holder under the terms of his contract of employment with the Company or any member of the Group shall not be affected by the grant of an Award.
- 9.3 The rights granted to an Award Holder upon the grant of an Award shall not afford the Award Holder any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with the Company or any member of the Group for any reason whatsoever.
- 9.4 An Award Holder shall not be entitled to any compensation or damages for any loss or potential loss which he may suffer by reason of his Award lapsing in consequence of the loss or termination of his office or employment with the Company or any member of the Group for any reason (including, without limitation, any breach of contract by his employer) or in any other circumstances whatsoever.

## 10. **GENERAL**

- 10.1 The decision of the Directors in relation to any dispute or question affecting any Award Holder or as to any rights or obligations of any person hereunder or in relation to the construction or effect of any Rule shall be final and conclusive.
- 10.2 The Company in general meeting or the Directors may at any time resolve to terminate this Plan in which event no further Awards shall be granted, but the provisions of this Plan shall in relation to Awards then subsisting continue in full force and effect.
- 10.3 The Company will at all times ensure that there are sufficient Shares available for issue or to be transferred in satisfaction of the grant of a Restricted Award and the Vesting of all other Awards. The Company shall pay or procure that the Trustee pays any stamp duty (or similar tax), if any, on the transfer of Shares.
- 10.4 The costs of introducing and administering the Plan will be borne by the Company. However, the Company can require any company in the Group to enter into such arrangement to reimburse the Company for any costs borne by the Company directly or indirectly in respect of such Group Company's officers or employees.
- 10.5 Benefits received under the Plan are not pensionable in any circumstances.
- 10.6 The Company and the Award Holder's employing company (if different) from time to time will collect, hold and process the Award Holder's personal information for the purposes of the administration of the Plan. The Company (or the employing company, as the case may be) will not use such personal information for any purpose other than the administration of the Plan (which shall include the provision of related information to any potential purchaser of the Company) unless the Award Holder's consent to that use is obtained.

## 11. **ALTERATIONS**

- 11.1 This Plan may be altered by the Directors from time to time subject to the following provisions of this Rule 11.

11.2 At any time when Shares are admitted to listing on the Official List and trading on the London Stock Exchange's market for listed securities, except with the prior sanction of the Company in general meeting, no alteration shall be made to this Plan to the advantage of Award Holders (present or future) which relates to:

11.2.1 who can be an Eligible Participant or Award Holder;

11.2.2 the Plan Limits and/or the limits set out in Rules 2.14 and 2.15 relating to the Market Value of the Shares which may be subject to Awards granted to individual Award Holders; and

11.2.3 the basis for determining an Award Holder's entitlement to and the terms on which Shares or cash can be acquired under the Plan,

**OTHER THAN** minor amendments 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 Eligible Participants, the Company or any member of the Group.

11.3 No alteration shall be effective to abrogate or alter adversely any subsisting rights of Award Holders except with such consent or sanction on the part of the Award Holders as would be required under the provisions of the Company's Articles of Association for a variation of class rights if the Awards constituted a single class of shares (or, where the Directors deem it appropriate, two or more classes of shares, as determined by the Directors, according to the Dates of Grant of the Awards) and as if such provisions applied 'mutatis mutandis' thereto.

## 12. **EXTENSION OF THE PLAN OVERSEAS**

12.1 The Company may adopt additional sections of the Rules or further plans applicable in any jurisdiction under which Awards may be granted subject to additional and/or modified terms and conditions, having regard to any securities, exchange control or taxation laws, which may apply to the Eligible Participant, the Company, and/or any member of the Group. Any additional sections must conform to the basic principles of the Plan and must not enlarge to the benefit of Eligible Participants the limits in the Rules.

## 13. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

Except as expressly provided by the Company, a person who is not an Award Holder or a Company who is not a member of the Group has no right under the Contracts (Rights of Third Parties) Act 1999 to rely upon or enforce any provisions of this Plan, but this does not affect any right or remedy of a third party which exists or is available apart from that Act. No Award Holder may declare himself a trustee of his rights under this Plan for the benefit of any third parties.

## 14. **GOVERNING LAW**

These Rules are governed by and shall be interpreted in accordance with the laws of England. Each Eligible Participant, the Company and all members of the Group, submit to



the exclusive jurisdiction of the English courts in relation to anything arising under the Plan.

## APPROVED CSOP SCHEDULE

*The preceding Rules of The Rank Group Plc 2010 Long Term Incentive Plan (the "Plan") apply to CSOP Options with and subject to the following amendments and provisions. References in this Approved CSOP Schedule to a particular "Rule" shall be to the applicable Rule under the Plan. If there is any inconsistency between the Plan and the Approved CSOP Schedule, the Approved CSOP Schedule will prevail.*

### 1. DEFINITIONS

1.1 The expressions defined in the Plan will have the same meaning in the Approved CSOP Schedule, save as otherwise stated, and for the purposes of the Approved CSOP Schedule, the following expressions shall, unless the context otherwise requires, bear the respective meanings set out below:

<b>"Appropriate Limit"</b>	£30,000 or such other limit as may be prescribed by paragraph 6 of Schedule 4 from time to time;
<b>"Appropriate Period"</b>	the period referred to in paragraph 26(3) of Schedule 4;
<b>"Associated Company"</b>	the meaning ascribed to it in paragraph 35 of Schedule 4;
<b>"Close Company"</b>	the meaning given by section 414(1) of the Income and Corporation Taxes Act 1988 as varied by paragraph 9 of Schedule 4;
<b>"Eligible Participant"</b>	A Full Time director or an employee (other than one who is a director) of any Participating Company, but excluding any Excluded Persons;
<b>"Excluded Persons"</b>	any person who has at the time of a proposed grant or exercise of a CSOP Option (or has had within the 12 months preceding the proposed grant or exercise) a material interest (within the meaning ascribed to it in Schedule 4) in (a) the Company (if it is a Close Company) or (b) a company which is a Close Company and either Controls the Company or is a member of a consortium which Controls the Company;
<b>"Full Time"</b>	in relation to a director, being required under the terms of his contract of employment to devote substantially the whole of his working time to the business of the Group, not being less than 25 hours per week (excluding meal breaks);
<b>"ITEPA"</b>	the Income Tax (Earnings and Pensions) Act 2003;
<b>"Market Value"</b>	in respect of a Share on any day:  (a) if the Shares are for the time being listed on the Official

List and traded on the London Stock Exchange's market for listed securities, an amount equal to the middle market quotation of a Share on the Dealing Day immediately preceding the Date of Grant, or if the Directors so decide, the average for the three or five Dealing Days immediately preceding the Date of Grant as ascertained from the Office List; and

- (b) if the Shares are not for the time being listed on the Official List and traded on the London Stock Exchange's market for listed securities, the value of a Share on that date as determined having regard to Part VIII of the Taxation of Chargeable Gains Act 1992 and agreed in advance with the Shares and Asset Valuation division of HMRC;

"Schedule 4" Schedule 4 to ITEPA; and

"Specified Age" 55 or such other age as specified in Schedule 4.

## 2. GRANT OF CSOP OPTIONS

- 2.1 Rule 2.1.1 shall not apply to CSOP Options and shall be deleted for the purpose of the Approved CSOP Schedule and replaced by the following provision:

"subject to the restrictions set out elsewhere in the Plan, including for the avoidance of doubt, the Approved CSOP Schedule, the Directors may, from time to time, in their absolute discretion, select Eligible Participants to be granted CSOP Options, which shall be granted subject to the terms of the Plan which shall apply with and subject to the amendments and provisions set out in the Approved CSOP Schedule;"

- 2.2 In addition to the periods set out in Rule 2.5.1 CSOP Options may also be granted within the period of 42 days immediately following the Approved CSOP Schedule being approved by HMRC.
- 2.3 For the avoidance of doubt, a CSOP Option is the only type of Award that may be granted under the Approved CSOP Schedule.

## 3. CSOP OPTION LIMITS

- 3.1 Subject to the limits set out in Rules 2.9, 2.10, 2.14 and 2.15 of the Plan, the aggregate Market Value of Shares under CSOP Options which may be granted to an Eligible Participant under the Approved CSOP Schedule or under any other share option scheme approved under Schedule 4 established by the Company or an Associated Company of the Company (and not exercised), such aggregate Market Value being determined at the time the rights are obtained, shall not exceed the Appropriate Limit.
- 3.2 For the avoidance of doubt, if an Eligible Participant is granted a CSOP Option which has

limited effect because of the application of paragraph 3.1 above or Rules 2.9, 2.10, 2.14 or 2.15, that CSOP Option shall be in respect of such number of Shares as will ensure that the applicable limit is not exceeded.

#### 4. EXERCISE AND LAPSE OF CSOP OPTIONS

4.1 For the avoidance of doubt, Rule 4.2 shall not apply to CSOP Options and shall be deleted for the purpose of the Approved CSOP Schedule.

4.2 Rule 3.3 of the Plan shall not apply to CSOP Options and shall be deleted for the purpose of the Approved CSOP Schedule and replaced by the following provision:

"If an Award Holder ceases to be an Eligible Participant (and does not immediately again become an Eligible Participant) by reason of:

4.2.1 redundancy (within the meaning of the Employment Rights Act 1996); or

4.2.2 injury, ill-health or disability (in each case evidenced to the satisfaction of the Directors); or

4.2.3 retirement, at the Specified Age or over; or

4.2.4 death; or

4.2.5 the transfer or sale of the company or business or part of the business by which or in which he is employed and by virtue of which he is an Eligible Participant to a person other than a member of the Group; or

4.2.6 at the discretion of the Directors, acting fairly and reasonably, at the relevant time, the termination of his office or employment in circumstances other than those stated above,

his CSOP Option shall Vest to the extent permitted by the Directors, acting fairly and reasonably. In determining the extent to which the CSOP Option shall Vest, the Directors will take into account (i) the extent to which any applicable Performance Target has, in the opinion of the Directors, been achieved and (ii) the proportion of any applicable Performance Period that has elapsed, to the date of cessation, unless the Directors, acting fairly and reasonably, otherwise determine that the CSOP Option can be exercised over a greater number of Shares. To the extent the CSOP Option does not Vest, it shall lapse automatically. A CSOP Option, to the extent it Vests, may be exercised (in the event of death, by the Award Holder's personal representative) during the period of six (or twelve, in the event of the death of the Award Holder) months following the Vesting Date. At the end of the six (or twelve) month period, to the extent the CSOP Option has not been exercised, it shall lapse automatically."

4.3 A CSOP Option may not be exercised by an Excluded Person at any time, nor may a CSOP Option be exercised by the personal representatives of a deceased Award Holder who was

an Excluded Person at the date of his death. If the personal representatives of a deceased Award Holder are prevented from exercising in these circumstances the CSOP option will lapse.

**5. ADJUSTMENT OF CSOP OPTIONS**

Any adjustment purported to be made to CSOP Options in accordance with Rule 5 shall be subject to the prior approval of HMRC.

**6. TAKEOVERS, RECONSTRUCTIONS AND WINDING UP**

The following provision shall be inserted as a new Rule 6.7:

"Subject to Rule 6.4 (and where pursuant to Rule 6.4 the Directors determine that a CSOP Option should be exchanged, such exchange to be in accordance with this paragraph 6), if, in accordance with Paragraph 26(2) of Schedule 4, any company (the "Acquiring Company") obtains Control of the Company as a result of making a general offer or pursuant to a scheme of arrangement or compromise, or becomes entitled to acquire shares in the Company, any Award Holder can (subject to the remainder of this Rule), at any time within the Appropriate Period, by agreement with the Acquiring Company, release any CSOP Option ("the Old CSOP Option") in consideration of the grant to him of a CSOP Option ("the New CSOP Option") which is equivalent to the Old CSOP Option but relates to shares in a different company and so that the provisions of the Plan, including the Approved CSOP Schedule, will for this purpose be construed as if the New CSOP Option were an option granted under the Approved CSOP Schedule at the same time as the Old CSOP Option. The New CSOP Option will not be regarded as equivalent to the Old CSOP Option unless the conditions set out in Paragraph 27(4) of Schedule 4 are satisfied. References to Shares will, in relation to the New CSOP Option, be taken as references to shares of the company whose shares are under the New CSOP Option. References to the Company shall be taken to be references to the company whose shares are under the New CSOP Option, where appropriate. A New CSOP Option will not lapse under Rules 6.1 to 6.3 inclusive in respect of the change of Control which led to its grant."

**7. ALTERATIONS**

No alteration or amendment to the Plan, to the extent it applies to CSOP Options, shall take effect until approved in writing by HMRC if it is to a key feature of the Plan (as defined in paragraph 30 of Schedule 4).