

AGM DISPLAY COPY

**C&C GROUP PLC**

**C&C EXECUTIVE SHARE OPTION PLAN**

Amendments approved by shareholders on 18 December 2008 [and 3 July 2013]  
Amendments to Part One of Rules approved by Board on 2009  
UK Inland Revenue Reference (Part Two): X22302

## CONTENTS

	Page
<b>PART ONE.....</b>	<b>1</b>
<b>1. DEFINITIONS AND INTERPRETATION.....</b>	<b>1</b>
<b>2. ELIGIBILITY .....</b>	<b>1</b>
<b>3. GRANT OF OPTIONS .....</b>	<b>1</b>
<b>4. LIMITS .....</b>	<b>2</b>
<b>5. EXERCISE OF OPTIONS .....</b>	<b>3</b>
<b>6. TAKEOVER, RECONSTRUCTION AND WINDING-UP .....</b>	<b>6</b>
<b>7. VARIATION OF CAPITAL .....</b>	<b>7</b>
<b>8. ALTERATIONS.....</b>	<b>7</b>
<b>9. MISCELLANEOUS.....</b>	<b>8</b>
<b>PART TWO.....</b>	<b>9</b>
<b>1. DEFINITIONS AND INTERPRETATION.....</b>	<b>10</b>
<b>2. ELIGIBILITY .....</b>	<b>11</b>
<b>3. GRANT OF OPTIONS .....</b>	<b>11</b>
<b>4. LIMITS .....</b>	<b>12</b>
<b>5. EXERCISE OF OPTIONS .....</b>	<b>13</b>
<b>6. TAKEOVER, RECONSTRUCTION AND WINDING-UP .....</b>	<b>15</b>
<b>7. VARIATION OF CAPITAL .....</b>	<b>16</b>
<b>8. ALTERATIONS.....</b>	<b>17</b>
<b>9. MISCELLANEOUS.....</b>	<b>18</b>
<b>SCHEDULE.....</b>	<b>20</b>

## PART ONE : NON-TAX FAVOURED OPTIONS

### 1. DEFINITIONS AND INTERPRETATION

- (1) In this Plan, unless the context otherwise requires:

"**the Board**" means the board of directors of the Company or the remuneration committee appointed by such board of directors;

"**the Company**" means C&C Group plc (registered in Ireland No. 383466);

"**Control**" means control within the definition given by section 432 of the Taxes Consolidation Act 1997;

"**the Grant Date**" in relation to an option means the date on which the option was granted;

"**Group Company**" means the Company or any other company of which the Company has Control;

"**Participant**" means a person who holds an option granted under the Plan;

"**Performance Condition**" means the condition set out in the Schedule to the Plan or such other objective term(s) that the person granting the option shall apply, which shall be notified to the Participant on the Grant Date, to such option in addition to the terms set out in these rules the satisfaction of which shall determine the extent to which (if at all) an option is capable of exercise;

"**the Plan**" means for options granted under this Part One, the C&C Executive Share Option Plan as herein set out comprising Rules 1 to 9 of this Part One but subject to any alterations or additions made under Rule 8 below; and

"**the Trustee**" means the trustee or trustees or the time being of any trust established for the benefit of all or most of the employees of the Company and/or other Group Companies.

- (2) Any reference in the Plan to any enactment includes a reference to that enactment as from time to time modified, extended or re-enacted.

### 2. ELIGIBILITY

- (1) A person is eligible to be granted an option only if he is an employee (including an executive director) of a Group Company.

### 3. GRANT OF OPTIONS

- (1) Subject to sub-rule (2) below and Rule 4 below, the Board or the Trustee may (but, in the case of the Trustee, only following a recommendation of the Board) grant to any person who is eligible to be granted an option in accordance with Rule 2, an option to acquire shares in the Company, upon the terms set out in this Part One of the Plan and such Performance Condition as the grantor of the option may specify; and for this purpose an option to acquire includes an option to purchase and an option to subscribe for shares.

- (2) An option may only be granted under the Plan:

- (a) within the period of 6 weeks beginning with:
    - (i) the date on which the Plan is adopted by the Company; or
    - (ii) the dealing day next following the date on which the Company announces its results for any period; or
    - (iii) the removal of any restriction imposed under statute, order or regulation (including any regulation, order or requirement imposed by any regulatory authority) which had previously prevented the grant of an option under subparagraph (ii) above; or
  - (b) at any other time when the circumstances are considered by the Board to be sufficiently exceptional to justify the grant thereof; and
  - (c) prior to 3 July 2016.
- (3) The price at which shares may be acquired by the exercise of an option granted under the Plan shall be determined by the Board before the grant thereof, but shall not be less than:
- (a) if shares of the same class as those shares are quoted in the Official List of The Irish Stock Exchange Limited, the price shall not be less than:
    - (i) the price of shares of that class (as derived from the Irish Stock Exchange Daily Official List) on the Grant Date or the day immediately preceding the Grant Date, as selected by the Board, (and if the day immediately preceding the Grant Date is not a dealing day, the price at the close of the dealing day immediately preceding this day can be used); or
    - (ii) if the Board so determines, the average of the prices of shares of that class for the three dealing days preceding the Grant Date

provided that no such dealing day shall fall before the day on which the Company last announced its results for any period; and
  - (b) if shares of the same class as those shares are not so quoted then, if the grant is expressed to be conditional on admission of shares of that class to listing on the Irish Stock Exchange Limited in connection with an initial public offering of shares by the Company, the price shall be the price at which shares are offered in the initial public offering, otherwise the price shall not be less than the market value of the shares as determined by the Board on the Grant Date; and
  - (c) in the case of an option to acquire shares only by subscription, the price shall not be less than the nominal value of those shares.
- (4) An option granted under the Plan to any person:
- (a) shall not, except as provided in Rule 5(4) below, be capable of being transferred, assigned or charged by him and any purported transfer, assignment or charge shall cause the option to lapse forthwith; and
  - (b) shall lapse forthwith if he is adjudged bankrupt.

#### **4. LIMITS**

- (1) No person shall be granted options which would, at the time they are granted, cause the aggregate price at which he may acquire shares in pursuance of options granted to him one week after the date when the Company's shares are admitted to the Official List of The Irish Stock Exchange Limited, in any financial year under this Plan to exceed 150% of the salary of such person, unless the Board determines that there are very exceptional circumstances (for example, recruitment of a director) warranting a higher grant; and for the purposes of this sub-rule a person's salary shall be taken to be his basic salary before tax (excluding benefits in kind) expressed as an annual rate, payable by the Group Companies to him at that time.
- (2) From the day after the date when the Company's shares are admitted to the Official List of The Irish Stock Exchange Limited, no options shall be granted which would, at the time they are granted, cause the number of shares in the Company which shall have been or may be issued in pursuance of options granted in the previous ten years ending with that date (or, if shorter, in the period commencing the day after the date when the Company's shares are admitted to the Official List of The Irish Stock Exchange Limited and ending with the proposed date of grant), or been issued in that period otherwise than in pursuance of options, under this Plan or under any other employees' share scheme adopted by the Company (other than the Joint Share Ownership Plan as adopted by shareholder resolution on 18 December 2008, as amended from time to time), to exceed such number as represents 10 per cent. of the ordinary share capital of the Company in issue at that time.
- (3) From the day after the date when the Company's shares are admitted to the Official List of The Irish Stock Exchange Limited, no options shall be granted which would, at the time they are granted, cause the number of shares in the Company which shall have been or may be issued in pursuance of options granted in the previous ten years ending with that date (or, if shorter, in the period commencing the day after the date when the Company's shares are admitted to the Official List of The Irish Stock Exchange Limited and ending with the proposed date of grant) under this Plan or under any other executive share scheme adopted by the Company (other than the Joint Share Ownership Plan as adopted by shareholder resolution on 18 December 2008, as amended from time to time), to exceed such number as represents 5 per cent. of the ordinary share capital of the Company in issue at that time.
- (4) Any option granted under the Plan shall be limited and take effect so that the above limits are complied with.

## **5. EXERCISE OF OPTIONS**

- (1) The exercise of any option granted under the Plan shall be effected in such form and manner as the Board may from time to time prescribe and, unless the Board determines otherwise, any notice of exercise shall take effect only when received by the Company together with the relevant exercise monies or an agreement to provide such monies pursuant to arrangements acceptable to the Company.
- (2) Subject to sub-rules (4) and (5) below and to sub-rules (1), (3) and (5) of Rule 6 below, an option granted under the Plan may not be exercised before the third anniversary of the Grant Date.
- (3) An option may only be exercised if the Performance Condition has been satisfied, and where an option becomes capable of exercise under sub-rules (4) or (5)(a) below or under sub-rules (1), (3) and (5) of Rule 6, the Board, acting fairly and reasonably, shall determine whether or not the Performance Condition has been satisfied at that earlier time, taking into account the performance of the Company from the Grant Date to date of the relevant event.

- (4) If any Participant dies, any option granted to him may (and must, if at all) be exercised by his personal representatives within 12 months after the date of his death, provided that his death occurs at a time when either he is a director or employee of a Group Company or he is entitled to exercise the option by virtue of sub-rule (5) below. Any option not exercised before the expiry of this 12 month period shall forthwith lapse on such expiry.
- (5) If any Participant ceases to be a director or employee of a Group Company (otherwise than by reason of his death), the following provisions apply in relation to any option granted to him:
  - (a) if he so ceases by reason of injury, ill-health, disability, redundancy, or by reason only that his office or employment is in a company which ceases to be a Group Company, or relates to a business or part of a business which is transferred to a person who is not a Group Company, the option may be exercised within the six month period commencing on the date of cessation and, if not exercised, shall lapse on the expiry of this period;
  - (b) if he so ceases by reason of retirement, the option may be exercised within the period of six months from the third anniversary of the Grant Date (and subject to sub-rule (4) above will lapse if not exercised at the end of that period); and
  - (c) if he so ceases for any other reason, the option shall immediately lapse.
- (6) A Participant shall not be treated for the purposes of sub-rule (4) and (5) above as ceasing to be a director or employee of a Group Company until such time as he is no longer a director or employee of any Group Company.
- (7) Notwithstanding any other provision of the Plan, an option granted under the Plan may not be exercised after the expiration of the period of seven years (or such shorter period as the Board may have determined before its grant) beginning with the Grant Date.
- (8) Within 30 days after an option under the Plan has been exercised by any person, the Board on behalf of the Company shall procure the transfer to him (or a nominee for him) of the number of shares in respect of which the option has been exercised unless the Board considers that transfer thereof would not be lawful in all relevant jurisdictions.
- (9) It is a condition of exercise of any option that in a case where a Group Company (or former Group Company) is obliged to (or would suffer a disadvantage if it were not to) account for any tax (in any jurisdiction) for which the person in question is liable by virtue of the exercise of the option and/or for any social security contributions (and when granting an option to a UK tax resident person, the grantor can if it so wishes specify that this shall include secondary national insurance contributions in the UK) (together, the “**Tax Liability**”), that person has either:
  - (a) made a payment to the Group Company (or former Group Company) of an amount equal to the Tax Liability; or
  - (b) entered into arrangements acceptable to that or another Group Company (or former Group Company) to secure that such a payment is made (whether by authorising the sale of some or all of the shares on his behalf and the payment to the Group Company (or former Group Company) of the relevant amount out of the proceeds of sale or otherwise).
- (10) Subject to sub-rule (e) below, where an option has been exercised by a Participant in respect of any number of shares, and those shares are not yet been allotted or transferred to him (or his nominee), the Board may determine that, in substitution for his right to acquire such number of those shares as the Board may decide (but in full and final satisfaction of that right), he shall be

paid by way of additional employment income a sum equal to the cash equivalent (as defined in sub-rule (a) below of that number of shares in accordance with the following provisions of this Rule 5(10).

- (a) For the purpose of this Rule 5(10), the cash equivalent of a share is the amount by which the market value of that share exceeds the option price. The market value of a share for this purpose is either:
  - (i) if on the day of exercise, shares are quoted in the Irish Stock Exchange Daily Official List, the middle-market quotation of a Share, as derived from that List, on that day; or
  - (ii) if Shares are not so quoted, such value of a share as the Board reasonably determines.
- (b) Subject to Rule 5(10)(c), as soon as reasonably practicable after the Board has determined under this Rule 5(10) that a Participant shall be paid a sum in substitution for his right to acquire any number of shares:
  - (i) the Company shall pay to him or procure the payment to him of that sum in cash; and
  - (ii) if he has already paid the Company for those shares, the Company shall return to him the amount so paid by him.
- (c) There shall be deducted from any payment under this Rule 5(10) such amounts (on account of tax or similar liabilities) as may be required by law or as the Board may reasonably consider to be necessary or desirable.
- (d) If the Committee so decides, the whole or any part of the sum payable under sub-rule (b)(i) above (but after any deductions under sub-rule (c) above) shall, instead of being paid to the Participant in cash, be applied on his behalf:
  - (i) in subscribing for shares at a price equal to the market value by reference to which the cash equivalent is calculated; or
  - (ii) in purchasing such shares or;
  - (iii) partly in one way and partly in the other

and the Company shall allot or transfer to him (or his nominee) or procure the transfer to him (or his nominee) of the shares so subscribed for or purchased.

- (e) This Rule 5(10) shall not apply in relation to options made into any jurisdiction where the presence of this Rule would cause:
  - (i) the grant of the option to be unlawful or for it to fall outside any applicable securities law exclusion or exemption; or
  - (ii) adverse tax or social security consequences for the Participant or any Group Company as determined by the Board.
- (11) All shares allotted under the Plan shall rank *pari passu* in all respects with the shares of the same class for the time being in issue save as regards any rights attaching to such shares by reference to a record date prior to the date of the allotment.

- (12) If shares of the same class as those allotted under the Plan are listed in The Irish or London Stock Exchange Official List, the Company shall apply to the Irish or London Stock Exchange for any shares so allotted to be admitted to the appropriate list and for permission for such shares to be traded.

## **6. TAKEOVER, RECONSTRUCTION AND WINDING-UP**

- (1) Subject to sub-rule (4) below, if any person obtains Control of the Company as a result of making a general offer to acquire shares in the Company, or having obtained such Control makes such an offer, the Board shall notify every Participant thereof and, subject to earlier lapse of the option under sub-rules (4), (5) and (7) of Rule 5 above, an option granted under the Plan may be exercised, subject to sub-rule (9) of Rule 5, within one month (or such longer period as the Board may permit) of such notification, and to the extent that it is not exercised within that period shall (notwithstanding any other provision of the Plan) lapse on the expiration thereof.
- (2) For the purposes of sub-rule (1) above, 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.
- (3) Subject to sub-rule (4) below, if any person becomes bound or entitled to acquire shares in the Company under section 204 of the Irish Companies Act 1963, or if the Court sanctions a compromise or scheme of arrangement under section 201 of the Irish Companies Act 1963, or if the Company passes a resolution for voluntary winding up, or if an order is made for the compulsory winding up of the Company, the Board shall forthwith notify every Participant thereof and any option granted under the Plan may, subject to earlier lapse of the option under sub-rules (4), (5) and (7) of Rule 5 above, may be exercised, subject to sub-rule (9) of Rule 5, within one month of such notification, and to the extent that it is not exercised within that period shall (notwithstanding any other provision of the Plan) lapse on the expiration thereof.
- (4) If:
- (a) the events referred to in this Rule 6 are part of an arrangement (a “**Reorganisation**”) which will mean that the Company will be under the control of another company or the business of the Company is carried on by another company;
  - (b) the persons who owned the shares in the Company immediately before the change of control will immediately afterwards own more than 75% of the shares in that other company; and
  - (c) notice of the offer of a replacement option is given
- then an option shall not become exercisable as a result of that Reorganisation but shall be released and shall be replaced by an equivalent new option over shares as determined by the board in the other company, unless the Board determines otherwise. Following this replacement of the option these rules shall continue to apply to the new option mutatis mutandis to take account of this replacement.
- (5) Where the Board has in contemplation a compromise or scheme of arrangement to be sanctioned by the Court under section 201 of the Companies Act 1963 (a “**Scheme**”), or where notice has been given of a meeting to consider a resolution for the voluntary winding up of the Company:
- (a) the Board may forthwith notify every Participant thereof, and may determine that any option granted under the Plan and not already capable of exercise may, subject to earlier lapse of the option under sub-rules (4), (5) and (7) of Rule 5 above, may, subject to sub-



rule (9) of Rule 5, be exercised in accordance with this sub-rule within such time as the Board may specify;

- (b) any exercise of an option pursuant to paragraph (a) above shall be conditional on the Scheme becoming effective and upon some person thereby obtaining Control of the Company or upon the resolution being passed, as the case may be, and on the date on which that condition is satisfied (the “**Effective Date**”) the exercise of the option shall take effect, and the Effective Date shall be deemed to be the date of exercise of the Option;
- (c) no option may be exercised pursuant to paragraph (a) above after the Effective Date;
- (d) where the Board has determined as provided in paragraph (a) above then any exercise of an option made within the time specified under paragraph (a) but not made pursuant to (a) may at the election of the Participant and with the agreement of the Board be conditional as described in paragraph (b).

## **7. VARIATION OF CAPITAL**

- (1) In the event of any variation of the share capital of the Company, the Board may make such adjustments as it considers appropriate under sub-rule (2) below.
- (2) An adjustment made under this sub-rule shall be to one or more of the following:
  - (a) the number of shares in respect of which any option granted under the Plan may be exercised;
  - (b) the price at which shares may be acquired by the exercise of any such option; or
  - (c) where any such option has been exercised but no shares have been allotted or transferred pursuant to such exercise, the number of shares which may be so allotted or transferred and the price at which they may be acquired.
- (3) An adjustment under sub-rule (2) above may have the effect of reducing the price at which shares may be acquired by the exercise of an option to less than their nominal value, 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 nominal value of the shares in respect of which the option is exercised and which are to be allotted pursuant to such exercise exceeds the price at which the same may be subscribed for and to apply such sum in paying up such amount on such shares; and so that on exercise of any option in respect of which such a reduction shall have been made the Board shall capitalise such sum (if any) and apply the same in paying up such amount as aforesaid.

## **8. ALTERATIONS**

- (1) Subject to sub-rules (2), (4) and (5) below, the Board may at any time alter this Plan.
- (2) Subject to sub-rule (3) below, no alteration or addition to the advantage of the persons to whom options may be granted may be made under sub-rule (1) above to any of the provisions concerning eligibility, the limits on individual participation and the number of shares which may be issued under the Plan, the terms of exercise, the rights attaching to the shares acquired, the non-assignability of options and adjustment of options on a variation of capital without the prior approval by ordinary resolution of the Company in general meeting.
- (3) Sub-rule (2) above shall not apply to:

- (a) any minor alteration to benefit the administration of this Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for Participants or any Group Company; or
  - (b) any alteration or addition solely relating to a Performance Condition.
- (4) No alteration or addition to the disadvantage of any Participant shall be made under sub-rule (1) above unless:
  - (a) the Board shall have invited every relevant Participant to give an indication as to whether or not he approves the alteration or addition, and
  - (b) the alteration or addition is approved by a majority of those Participants who have given such an indication.
- (5) No alteration which solely relates to a Performance Condition subject to which an option has been granted shall be made under sub-rule (1) above unless:
  - (a) there shall have occurred an event which shall have caused the Committee, following discussions with the Irish Association of Investment Managers, to consider that the Performance Condition would not, without the alteration, achieve its original purpose;
  - (b) the Committee shall act fairly and reasonably in making the alteration; and
  - (c) the amended Performance Condition will, in the reasonable opinion of the Committee, be not materially more difficult to satisfy than the unamended Performance Condition would have been but for the event in question.

## **9. MISCELLANEOUS**

- (1) The rights and obligations of any individual under the terms of his office or employment with any Group Company shall not be affected by his participation in the Plan or any right which he may have to participate therein, and an individual who participates therein shall and does waive any and all rights to compensation or damages in consequence of the termination of his office or employment for any reason whatsoever insofar as those rights arise or may arise from his ceasing to have rights under or be entitled to exercise any option under the Plan as a result of such termination.
- (2) In the event of any dispute or disagreement as to the interpretation of the Plan, or as to any question or right arising from or related to the Plan, the decision of the Board shall be final and binding upon all persons.
- (3) 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 a Group 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 or in an electronic communication to an address for the time being notified for that purpose to the person giving the notice.
- (4) This Part One of the Plan and all options granted under it shall be governed and construed in accordance with Irish law.

## SCHEDULE TO PART ONE

### PHANTOM OPTIONS

The Rules of the C&C Executive Share Option Plan, Part One shall apply to a right (a "**Phantom Option**") to receive a cash sum granted or to be granted under this Schedule as if it was an option, except as set out in this Schedule. Where there is any conflict between the Rules and this Schedule, the terms of this Schedule shall prevail.

1. The Committee may grant or procure the grant of a Phantom Option.
2. Each Phantom Option shall relate to a given number of notional Shares.
3. On the exercise of the Phantom Option the holder of that option shall be entitled to a cash sum which shall be equal to the "**Cash Value**" of the notional shares subject to option, where the Cash Value of a notional share is the market value of a share on the date of exercise of the Phantom Option. For the purposes of this Schedule, the market value of a share on any day shall be determined in accordance with Rule 5(10).
4. The cash sum payable under paragraph 3 above shall be paid by the employer of the Participant as soon as practicable after the exercise of the Phantom Option, net of any deductions (on account of tax or similar liabilities) as may be required by law.
5. For the avoidance of doubt, a Phantom Option shall not confer any right on the holder of such an option to receive shares or any interest in shares.

## PART TWO : UK INLAND REVENUE APPROVED OPTIONS

### 1. DEFINITIONS AND INTERPRETATION

(1) In this Plan, unless the context otherwise requires:

"**the Board**" means the board of directors of the Company or the remuneration committee appointed by such board of directors;

"**the Company**" means C&C Group plc (registered in Ireland No. [TBC]);

"**Control**" means control within the definition given by section 719 of ITEPA;

"**the Grant Date**" in relation to an option means the date on which the option was granted;

"**Group Company**" means:

- (a) a Participating Company or a body corporate which is (within the meaning of section 736 of the UK Companies Act 1985) the Company's holding company or a subsidiary of the Company's holding company; or
- (b) a body corporate which is (within the meaning of section 258 of that Act) a subsidiary undertaking of a body corporate within paragraph (a) above and has been designated by the Board for this purpose;

"**the Irish Stock Exchange**" means The Irish Stock Exchange Limited;

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

"**the London Stock Exchange**" means London Stock Exchange plc;

"**Participant**" means a person who holds an option granted under the Plan;

"**Participating Company**" means the Company or any Subsidiary to which the Board has with the approval of the Inland Revenue resolved that the Plan shall for the time being extend;

"**Performance Condition**" means such other objective term(s) that the person granting the option shall apply, which shall be notified to the Participant on the Grant Date, to such option in addition to the terms set out in these rules the satisfaction of which shall determine the extent to which (if at all) an option is capable of exercise;

"**the Plan**" means for options granted under this Part Two, the C&C Executive Share Option Plan as herein set out comprising Rules 1 to 9 of this Part Two but subject to any alterations or additions made under Rule 8 below;

"**Schedule 4**" means Schedule 4 to ITEPA;

"**Specified Retirement Age**" means 65 years;

"**Subsidiary**" means a body corporate which is a subsidiary of the Company within the meaning of section 736 of the UK Companies Act 1985 and is under the Control of the Company;

"**the Trustee**" means the trustee or trustees or the time being of any trust established for the benefit of all or most of the employees of the Company and/or Subsidiaries;

and expressions not otherwise defined herein have the same meanings as they have in Schedule 4.

- (2) Any reference in the Plan to any enactment includes a reference to that enactment as from time to time modified, extended or re-enacted.

## **2. ELIGIBILITY**

- (1) Subject to sub-rule (3) below, a person is eligible to be granted an option provided that he is on the grant day a full-time director or a qualifying employee of a Participating Company.

- (2) For the purposes of sub-rule (1) above:

- (a) an individual shall be treated as a **full-time director** of a Participating Company if he is obliged to devote to the performance of the duties of his office or employment with Participating Companies not less than 25 hours a week (excluding meal breaks);
- (b) a **qualifying employee**, in relation to a Participating Company, is an employee whether full-time or part-time of a Participating Company (other than one who is a director of a Participating Company).

- (3) A person is not eligible to be granted an option under the Plan at any time:

- (a) within twelve months immediately preceding the date on which he is bound to retire in accordance with the terms of his contract of employment or, if earlier, his anticipated retirement date; or
- (b) when he is not eligible to participate in the Plan by virtue of paragraph 9 of Schedule 4.

## **3. GRANT OF OPTIONS**

- (1) Subject to sub-rule (2) below and Rule 4 below, the Board or the Trustee may by deed (but, in the case of the Trustee, only following a recommendation of the Board) grant to any person who is eligible to be granted an option in accordance with Rule 2, an option to acquire shares in the Company that satisfy the requirements of paragraphs 16 to 20 of Schedule 4, on the Grant Date and, subject to Rule 7(5), at the date of exercise of the option, upon the terms set out in this Part Two of the Plan and such Performance Condition as the grantor of the option may specify; and for this purpose an option to acquire includes an option to purchase and an option to subscribe for shares.

- (2) An option may only be granted under the Plan:

- (a) within the period of 6 weeks beginning with:
- (i) the date on which the Plan is adopted by the Company; or
- (ii) the date on which Part Two of the Plan is approved by the UK Inland Revenue under Schedule 4; or
- (iii) the dealing day next following the date on which the Company announces its results for any period; or
- (iv) the removal of any restriction imposed under statute, order or regulation (including any regulation, order or requirement imposed by any regulatory authority) which had previously prevented the grant of an option under sub-paragraph (iii) above; or

- (b) at any other time when the circumstances are considered by the Board to be sufficiently exceptional to justify the grant thereof; and
  - (c) prior to 3 July 216.
- (3) The price at which shares may be acquired by the exercise of an option granted under the Plan shall be determined by the Board before the grant thereof, but shall not be less than the higher of:
- (a) if shares of the same class as those shares are quoted in the Official List of the London Stock Exchange, the price shall not be less than:
    - (i) the middle-market quotation of shares of that class (as derived from the London Stock Exchange Daily Official List) on the Grant Date or the day immediately preceding the Grant Date, as selected by the Board, (and if the day immediately preceding the Grant Date is not a dealing day, the middle-market quotation at the close of the dealing day immediately preceding this day can be used); or
    - (ii) if the Board so determines, the average of the middle-market quotations for the three dealing days preceding the Grant Date

provided that no such dealing day shall fall before the day on which the Company last announced its results for any period; and
  - (b) if shares of the same class as those shares are not so quoted, the market value (within the meaning of Part VII of the Taxation of Chargeable Gains Act 1992) of shares of that class, as agreed in advance with Shares Valuation of the UK Inland Revenue, on the Grant Date; and
  - (c) in the case of an option to acquire shares by subscription, the nominal value of those shares.
- (4) An option granted under the Plan to any person:
- (a) shall not, except as provided in Rule 5(4) below, be capable of being transferred, assigned or charged by him and any purported transfer, assignment or charge shall cause the option to lapse forthwith; and
  - (b) shall lapse forthwith if he is adjudged bankrupt.

#### **4. LIMITS**

- (1) No person shall be granted options under Part Two of the Plan which would, at the time they are granted, cause the aggregate market value of the shares which he may acquire in pursuance of options granted to him under Part Two of the Plan or under any other share option scheme, not being a savings-related share option scheme approved under Schedule 3 of ITEPA, approved under Schedule 4 and established by the Company or by any associated company of the Company (and not exercised) to exceed or further exceed £30,000.
- (2) No person shall be granted options which would, at the time they are granted, cause the aggregate price at which he may acquire shares in pursuance of options granted to him one week after the date when the Company's shares are admitted to the Official List of The Irish Stock Exchange Limited, in any financial year under this Plan to exceed 150% of the salary of such person, unless the Board determines that there are very exceptional circumstances (for example, recruitment of a director) warranting a higher grant; and for the purposes of this sub-

rule a person's salary shall be taken to be his basic salary before tax (excluding benefits in kind) expressed as an annual rate, payable by the Group Companies to him at that time.

- (3) From the day after the date when the Company's shares are admitted to the Official List of The Irish Stock Exchange Limited, no options shall be granted which would, at the time they are granted, cause the number of shares in the Company which shall have been or may be issued in pursuance of options granted in the previous ten years ending with that date (or, if shorter, in the period commencing the day after the date when the Company's shares are admitted to the Official List of The Irish Stock Exchange Limited and ending with the proposed date of grant), or been issued in that period otherwise than in pursuance of options, under this Plan or under any other employees' share scheme adopted by the Company (other than the Joint Share Ownership Plan as adopted by shareholder resolution on 18 December 2008, as amended from time to time), to exceed such number as represents 10 per cent. of the ordinary share capital of the Company in issue at that time.
- (4) From the day after the date when the Company's shares are admitted to the Official List of The Irish Stock Exchange Limited, no options shall be granted which would, at the time they are granted, cause the number of shares in the Company which shall have been or may be issued in pursuance of options granted in the previous ten years ending with that date (or, if shorter, in the period commencing the day after the date when the Company's shares are admitted to the Official List of The Irish Stock Exchange Limited and ending with the proposed date of grant) under this Plan or under any other executive share scheme adopted by the Company (other than the Joint Share Ownership Plan as adopted by shareholder resolution on 18 December 2008, as amended from time to time), to exceed such number as represents 5 per cent. of the ordinary share capital of the Company in issue at that time.
- (5) For the purposes of sub-rule (1) above, the market value of the shares in relation to which an option was granted shall be calculated:
  - (a) in the case of an option granted under the Plan, as on the day by reference to which the price at which shares may be acquired by the exercise thereof was determined in accordance with Rule 3(3) above;
  - (b) in the case of an option granted under any other approved scheme, as at the time when it was granted or, in a case where an agreement relating to the shares has been made under paragraph 22 of Schedule 4, such earlier time or times as may be provided in the agreement; and
  - (c) in the case of any other option, as on the day or days by reference to which the price at which shares may be acquired by the exercise thereof was determined.
- (6) Any option granted under the Plan shall be limited and take effect so that the above limits are complied with.

## **5. EXERCISE OF OPTIONS**

- (1) The exercise of any option granted under the Plan shall be effected in such form and manner as the Board may from time to time prescribe and, unless the Board determines otherwise, any notice of exercise shall take effect only when received by the Company together with the relevant exercise monies or an agreement to provide such monies pursuant to arrangements acceptable to the Company.
- (2) Subject to sub-rules (4) and (5) below and to sub-rules (1) and (3) of Rule 6 below, an option granted under the Plan may not be exercised before the third anniversary of the Grant Date.

- (3) An option may only be exercised if the Performance Condition has been satisfied, and where an option becomes capable of exercise under sub-rules (4) and (5)(a) below or under sub-rules (1) and (3) of Rule 6, the Board, acting fairly and reasonably, shall determine whether or not the Performance Condition has been satisfied at that earlier time, taking into account the performance of the Company from the Grant Date to date of the relevant event.
- (4) If any Participant dies before exercising an option granted to him under the Plan and at a time when either he is a director or employee of a Group Company or he is or would be entitled to exercise the option by virtue of sub-rule (5) below, the option may (and must, if at all) be exercised by his personal representatives within 12 months after the date of his death.
- (5) If any Participant ceases to be a director or employee of a Group Company (otherwise than by reason of his death), the following provisions apply in relation to any option granted to him under the Plan:
  - (a) if he so ceases by reason of injury, ill-health, disability, redundancy (as defined in the Employment Rights Act 1996 and/or in the Employment Rights (Northern Ireland) Order 1996), or by reason only that his office or employment is in a company which ceases to be a Group Company, or relates to a business or part of a business which is transferred to a person who is not a Group Company, the option may be exercised within the exercise period and, if not exercised, shall lapse on the expiry of the exercise period;
  - (b) if he so ceases by reason of retirement on reaching the age at which he is bound to retire in accordance with the terms of his contract of employment, retirement at or above the Specified Retirement Age, the option may be exercised within the period of six months from the third anniversary of the Grant Date (and subject to sub-rule (4) above will lapse if not exercised at the end of that period); and
  - (c) if he so ceases for any other reason, the option shall immediately lapse.

and in this sub-rule **the exercise period** is the period of six months from the date of his cessation.

- (6) A Participant shall not be treated for the purposes of sub-rule (5) above as ceasing to be a director or employee of a Group Company until such time as he is no longer a director or employee of any Group Company.
- (7) Notwithstanding any other provision of the Plan, an option granted under the Plan may not be exercised after the expiration of the period of seven years (or such shorter period as the Board may have determined before its grant) beginning with the Grant Date.
- (8) A Participant shall not be eligible to exercise an option under the Plan at any time when he is not eligible to participate in the Plan by virtue of paragraph 9 of Schedule 4.
- (9) Within 30 days after an option under the Plan has been exercised by any person, the Board on behalf of the Company shall procure the transfer to him (or a nominee for him) of the number of shares in respect of which the option has been exercised unless the Board considers that transfer thereof would not be lawful in all relevant jurisdictions.
- (10) It is a condition of exercise of any option that in a case where a Group Company (or former Group Company) is obliged to (or would suffer a disadvantage if it were not to) account for any tax (in any jurisdiction) by virtue of the exercise of the option and/or for any social security contributions payable by or assessable on the person in question, which for the



avoidance of doubt does include secondary national insurance contributions in the UK, (together, the "Tax Liability"), that person has either:

- (a) made a payment to the Group Company (or former Group Company) of an amount equal to the Tax Liability; or
  - (b) entered into arrangements acceptable to that or another Group Company (or former Group Company) to secure that such a payment is made (whether by authorising the sale of some or all of the shares on his behalf and the payment to the Group Company (or former Group Company) of the relevant amount out of the proceeds of sale or otherwise).
- (11) All shares allotted under the Plan shall rank *pari passu* in all respects with the shares of the same class for the time being in issue save as regards any rights attaching to such shares by reference to a record date prior to the date of the allotment.
- (12) If shares of the same class as those allotted under the Plan are listed in the Official List of the Irish Stock Exchange or the London Stock Exchange, the Company shall apply to the Irish Stock Exchange or the London Stock Exchange for any shares so allotted to be admitted to the appropriate list and for permission for such shares to be traded.

## **6. TAKEOVER, RECONSTRUCTION AND WINDING-UP**

- (1) Subject to sub-rule (6) below, if any person obtains Control of the Company as a result of making a general offer to acquire shares in the Company, or having obtained such Control makes such an offer, the Board shall notify every Participant thereof and, subject to earlier lapse of the option under sub-rules (4), (5) and (7) of Rule 5 above, an option granted under the Plan may be exercised, subject to sub-rule (10) of Rule 5, within one month (or such longer period not exceeding six months as the Board may permit) of such notification, and to the extent that it is not exercised within that period shall (notwithstanding any other provision of the Plan) lapse on the expiration thereof.
- (2) For the purposes of sub-rule (1) above, 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.
- (3) Subject to sub-rule (6) below, if any person becomes bound or entitled to acquire shares in the Company under sections 428 to 430F of the Companies Act 1985 or section 204 of the Irish Companies Act 1963, or if the Court sanctions a compromise or scheme of arrangement under section 425 of the Companies Act 1985 or section 201 of the Irish Companies Act 1963, or if the Company passes a resolution for voluntary winding up, or if an order is made for the compulsory winding up of the Company, the Board shall forthwith notify every Participant thereof and any option granted under the Plan may, subject to earlier lapse of the option under sub-rules (4), (5) and (7) of Rule 5 above, may be exercised, subject to sub-rule (10) of Rule 5, within one month of such notification, and to the extent that it is not exercised within that period shall (notwithstanding any other provision of the Plan) lapse on the expiration thereof.
- (4) If any company ("the acquiring company"):
- (a) obtains Control of the Company as a result of making:
    - (i) a general 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 the shares which may be acquired by the exercise of options granted under the Plan, or
- (b) obtains control of the Company in pursuance of a compromise or arrangement sanctioned by the court under section 425 of the Companies Act 1985 or Article 418 of the Companies (Northern Ireland) Order 1986 or overseas legislation accepted by the Inland Revenue as being closely comparable, or
- (c) becomes bound or entitled to acquire shares in the Company under sections 428 to 430F of that Act or Articles 421 to 423 of that Order or overseas legislation accepted by the Inland Revenue as being closely comparable ,

any Participant may at any time within the appropriate period (which expression shall be construed in accordance with paragraph 26(3) of Schedule 4), by agreement with the acquiring company, release any option granted under the Plan which has not lapsed ("**the old option**") in consideration of the grant to him of an option ("**the new option**") which (for the purposes of paragraph 27 of Schedule 4) is equivalent to the old option but relates to shares in a different company (whether the acquiring company itself or some other company falling within paragraph 16(b) or (c) of Schedule 4).

- (5) The new option shall not be regarded for the purposes of sub-rule (4) above as equivalent to the old option unless the conditions set out in paragraph 27(4) of Schedule 4 are satisfied, but so that the provisions of the Plan shall for this purpose be construed as if:
  - (a) the new option were an option granted under the Plan at the same time as the old option;
  - (b) except for the purposes of the definitions of "Group Company", "Participating Company" and "Subsidiary" in Rule 1(1) above and the reference to "the Board" in Rule 5(6) above, the expression "the Company" were defined as "a company whose shares may be acquired by the exercise of options granted under the Plan"; and
  - (c) Rule 8(2) below were omitted.
- (6) If:
  - (a) the events referred to in this Rule 6 are part of an arrangement (a "Reorganisation") which will mean that the Company will be under the control of another company or the business of the Company is carried on by another company;
  - (b) the persons who owned the shares in the Company immediately before the change of control will immediately afterwards own more than 75% of the shares in that other company; and
  - (c) notice of the offer of a replacement option pursuant to sub-rule (4) is given

then an option shall not become exercisable as a result of that Reorganisation and subject to earlier lapse under sub-rules (4), (5) and (7) of Rule 5 above, shall lapse three months following the notification of the Reorganisation to every Participant. Where sub-rule (4) is applied in these circumstances, the provisions of sub-rule (5) will also apply but with the omission of paragraph (c) of sub-rule (5).

## 7. VARIATION OF CAPITAL

- (1) Subject to sub-rule (3) below, in the event of any variation of the share capital of the Company, the Board may make such adjustments as it considers appropriate under sub-rule (2) below.
- (2) An adjustment made under this sub-rule shall be to one or more of the following:
  - (a) the number of shares in respect of which any option granted under the Plan may be exercised;
  - (b) the price at which shares may be acquired by the exercise of any such option; or
  - (c) where any such option has been exercised but no shares have been allotted or transferred pursuant to such exercise, the number of shares which may be so allotted or transferred and the price at which they may be acquired.
- (3) At a time when the Plan is approved by the Inland Revenue under Schedule 4, no adjustment under sub-rule (2) above shall be made without the prior approval of the Inland Revenue.
- (4) An adjustment under sub-rule (2) above may have the effect of reducing the price at which shares may be acquired by the exercise of an option to less than their nominal value, 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 nominal value of the shares in respect of which the option is exercised and which are to be allotted pursuant to such exercise exceeds the price at which the same may be subscribed for and to apply such sum in paying up such amount on such shares; and so that on exercise of any option in respect of which such a reduction shall have been made the Board shall capitalise such sum (if any) and apply the same in paying up such amount as aforesaid.
- (5) If the shares subject to any option cease to satisfy the requirements of paragraphs 16 to 20 of Schedule 4 at any time after the Grant Date then:
  - (a) the Board shall as soon as practicable notify the Inland Revenue of this;
  - (b) the grantor of the option will not be required to allot, transfer or procure the allotment or transfer of shares which satisfy those requirements upon the exercise of any option;
  - (c) for the avoidance of doubt, all unexercised options shall continue to exist; and
  - (d) the Plan shall continue to exist but if the Inland Revenue withdraw their approval of the Plan under Schedule 4, it shall continue to exist as an unapproved share option plan.

## **8. ALTERATIONS**

- (1) Subject to sub-rules (2), (4) and (5) below, the Board may at any time alter this Plan. When doing so they shall have regard to the fact that, if an alteration is made to a key feature (as defined in paragraph 30(2) of Schedule 4) at a time when this Plan is approved by the Inland Revenue under Schedule 4, the approval will not thereafter have effect unless the Inland Revenue have approved the alteration. The Company shall notify the Inland Revenue of an alteration under this Rule 8 or any variation under Rule 7 which could cause the Plan to cease to be approved by the Inland Revenue under Schedule 4.
- (2) Subject to sub-rule (3) below, no alteration or addition to the advantage of the persons to whom options may be granted may be made under sub-rule (1) above to any of the provisions concerning eligibility, the limits on individual participation and the number of shares which may be issued under the Plan, the terms of exercise, the rights attaching to the shares acquired,

the non-assignability of options and adjustment of options on a variation of capital without the prior approval by ordinary resolution of the Company in general meeting.

- (3) Sub-rule (2) above shall not apply to:
  - (a) any minor alteration to benefit the administration of this Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for Participants or any Group Company; or
  - (b) any alteration or addition solely relating to a Performance Condition.
- (4) No alteration or addition to the disadvantage of any Participant shall be made under sub-rule (1) above unless:
  - (a) the Board shall have invited every relevant Participant to give an indication as to whether or not he approves the alteration or addition, and
  - (b) the alteration or addition is approved by a majority of those Participants who have given such an indication.
- (5) No alteration which solely relates to a Performance Condition subject to which an option has been granted shall be made under sub-rule (1) above unless:
  - (a) there shall have occurred an event which shall have caused the Committee, following discussions with the Irish Association of Investment Managers, to consider that the Performance Condition would not, without the alteration, achieve its original purpose;
  - (b) the Committee shall act fairly and reasonably in making the alteration; and
  - (c) the amended Performance Condition will, in the reasonable opinion of the Committee, be not more difficult to satisfy than the unamended Performance Condition would have been but for the event in question.

## **9. MISCELLANEOUS**

- (1) The rights and obligations of any individual under the terms of his office or employment with any Group Company shall not be affected by his participation in the Plan or any right which he may have to participate therein, and an individual who participates therein shall and does waive any and all rights to compensation or damages in consequence of the termination of his office or employment for any reason whatsoever insofar as those rights arise or may arise from his ceasing to have rights under or be entitled to exercise any option under the Plan as a result of such termination.
- (2) In the event of any dispute or disagreement as to the interpretation of the Plan, or as to any question or right arising from or related to the Plan, the decision of the Board shall be final and binding upon all persons.
- (3) 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 a Group 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 or in an electronic communication to an address for the time being notified for that purpose to the person giving the notice.

- (4) This Part Two of the Plan and all options granted under it shall be governed and construed in accordance with English law.

### **Performance Condition applying to options granted at or before admission**

1. The Performance Condition is that the option will be capable of exercise if  $E2 + E3 + E4$  is not less than the sum of  $E1 \times (1 + 0.05 + (CPI2-CPI1)/CPI1) + E1 \times (1 + 0.1 + (CPI3-CPI1)/CPI1) + E1 \times (1 + 0.15 + (CPI4-CPI1)/CPI1)$ ;

where in each case:

E1 is the earnings per share of the Company for the financial year of the Company ended 29 February 2004 (“the E1 year”);

E2 is the earnings per share of the Company for the financial year of the Company ending 28 February 2005 (“the E2 year”);

E3 is the earning per share of the Company for the financial year of the Company ending 28 February 2006 (“the E3 year”);

E4 is the earning per share of the Company for the financial year of the Company ending 28 February 2007 (“the E4 year”);

CPI1 is the consumer prices index for the last month in the E1 year;

CPI2 is the consumer prices index for the last month in the E2 year;

CPI3 is the consumer prices index for the last month in the E3 year; and

CPI4 is the consumer prices index for the last month in the E4 year;

2. For the purposes of this Performance Condition:
  - (a) the **earnings per share** of the Company shall be taken to be the earnings per share before any exceptional or extraordinary items as disclosed in the Company's annual statements and adjusted for any other adjustments that the Committee may decide;
  - (b) **financial year** of the Company has the same meaning as in Section 2 of the Companies Act 1963 to 1999; and
  - (c) the **consumer prices index** is the general index of retail prices (for all items) published by the Central Statistics Office or, if that index is not published for the month in question, any substituted index or index figures published by that office, or such other index or indices as the Committee may determine.
3. For the avoidance of doubt it is hereby confirmed that to the extent the Company's earnings per share are such that the option cannot be exercised following the publication of E4, this Performance Condition shall not be retested and the option shall forthwith lapse.
4. In accordance with Rules of the Plan, the Committee reserves the power to amend the Performance Condition as it considers appropriate.
5. The Committee shall determine the extent to which the Performance Condition has been satisfied and its calculations shall not be open to question and, in the absence of fraud, the Committee shall be under no liability to any person by reason thereof or of anything done or omitted by them for the purposes thereof or in connection therewith.
6. If the option becomes capable of exercise prior to the third anniversary of its Grant Date under the Rules (*for example, for "good" leavers and upon a change of control*) then the following provisions shall apply:
  - (a) if the date of the relevant exercise event (*death, cessation of employment, takeover, reconstruction, wind-up, etc*) is before the end of the financial year ending 28 February 2005 then the Performance Condition shall not have been met and the option shall lapse in its entirety; and
  - (b) if the date of the relevant exercise event is after the end of the financial year ending 28 February 2005 then the Committee acting fairly and reasonably shall determine the extent to which the Performance Condition has been satisfied.