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THIS AGREEMENT is made the << >> day of << >> month << >> year << >> and year>>

PARTIES

- (1) <<Name of Company>> of << >> at <<Registered Office>> ("the Company"); and
- (2) <<Name>> of <<Address>>

RECITALS

(A) The Company has a share capital divided into << >> ordinary shares of << >> each of which are held as follows:

Name	No of Shares
<< >>	<< >>
<< >>	<< >>
<< >>	<< >>
<< >>	<< >>

(B) The Grantee is an employee of the Company and is an eligible employee for the purposes of Part 4 of Schedule 5 ITEPA (Earnings and Pensions) Act 2003 ('ITEPA') and the Company has granted an option to subscribe for Ordinary Shares to the Grantee.

(C) The Company has offered an option for commercial reasons in order to retain the services of the Grantee as part of a scheme or arrangements the main purpose, or one of the purposes, of which is the avoidance of tax.

(D) The Company is a qualifying company for the purposes of Part 3 of Schedule 5 ITEPA.

(E) The Option is intended to qualify as an enterprise management incentive under the provisions of ITEPA and Schedule 5 ITEPA.

IT IS HEREBY AGREED AS FOLLOWS:

1. Interpretation

1.1 In this Agreement (unless otherwise requires) the following words and expressions have the following meanings:

"the Board"

means for the time being of the Company the persons who are at that time directors of duly authorised for the purposes

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of this Agreement;

- "Option"** the right to subscribe for the Option Shares granted by the Company to the Grantee in Clause 2 below;
- "Option Exercise Period"** the period of <<maximum ten years to qualify for tax relief>> commencing on [the date hereof];
- "Option Shares"** << >> ordinary shares (being such number as represents << >> per cent of the issued ordinary share capital, as enlarged by the issue thereof) subject to adjustment under Clause 5;
- "Ordinary Shares"** fully paid ordinary shares of << >> each in the capital of the Company;
- "Sale"** the acceptance of an offer or the completion of an agreement whereunder any person firm or company:-
- (a) is or becomes bound to purchase, and the ordinary shareholders of the Company shall become bound to sell, not less than 90% in nominal value of the ordinary shares in the Company; or
 - (b) is or becomes bound to purchase, and the Company becomes bound to sell, the whole or substantially the whole of its undertaking business and assets;
- "Schedule 5"** Schedule 5 to the Income Taxes (Earnings and Pensions) Act 2003.
- "Subscription Price"** the price at which each Option Share may be acquired on the exercise of the Option, being, as at the date of this Agreement, << >> per Option Share, but subject to adjustment under Clause 5.

1.2 Words denoting the singular shall include the plural and vice versa. Words denoting the masculine gender shall include the feminine gender.

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1.3 References herein to a clause, sub-clause, paragraph or sub-paragraph are, unless otherwise stated, to the clause, sub-clause, paragraph or sub-paragraph of this Agreement.

1.4 Clause headings are for reference only and are to be ignored in construing the meaning of this Agreement.

1.5 References herein to an enactment shall be deemed to include references to such enactment as amended or re-enacted.

1.6 References herein to a month shall be references to a calendar month.

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2. Grant of Option

2.1 In consideration of the sum of £10,000 (the receipt of which is hereby acknowledged) the Company hereby grants to the Grantee the right to subscribe for the Option Shares at the Subscription Price exercisable in accordance with Clause 3.

2.2 Except as otherwise provided in this Agreement the Option shall not be exercisable by the Grantee and may not be transferred, assigned, or charged. Any purported assignment or charge shall entitle the Company to cancel the Option.

2.3 By signing this Agreement the Grantee declares that he works for the Company for at least 20% of his working time.

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3. Exercise of Option

3.1 The Option may be exercised at any time during the Option Exercise Period by the Grantee giving notice of exercise in writing to the Company secretary a duly completed form of exercise accompanied by payment of the Subscription Price for the Option Shares.

3.2 The Option may not be exercised in part only of the Option Shares and shall automatically terminate if not exercised by the expiration of the Option Exercise Period or any extension of the Option Exercise Period contemplated in Clauses 6 and 7 (if earlier).

3.3 Within 7 days of receipt of the notice of exercise, the Board shall issue to the Grantee the Option Shares credited to him in full and as fully paid.

3.4 All of the Option Shares issued shall on issue rank pari passu in all respects with the Company's existing Ordinary Shares but the Option Shares issued shall not be entitled to dividends or distributions declared or recommended or payable in respect of the period in which the Option is exercised.

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4. Cessation of the Option

4.1 If at any time the Grantee ceases to be an employee of the Company or any of its subsidiaries for a period of 90 days, the Option will lapse and the Grantee shall have no further rights under this Agreement.

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unless the Grantee has been legally successful claim against wrongful dismissal health.

employee in circumstances where it competent jurisdiction that he has a ny of its subsidiaries for unfair or e an employee for reasons of ill

4.2 If the Option continues to be an employee of the Company or any of its subsidiaries at that time, the Option shall lapse automatically.

ceases to be an employee of the Company or any of its subsidiaries at that time, the Option shall lapse automatically.

4.3 In the event of the death of the Grantee, the Option shall lapse automatically.

Option shall lapse automatically.

5. Variation of Capital

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5.1 Subject to sub-Clause 5.2, in the event of an increase or reduction of the share capital of the Company (whenever effected) by way of capitalisation, sub-division, or otherwise, the Board may make such adjustments as it thinks fit under sub-Clause 5.2 below.

5.1 Subject to sub-Clause 5.2, in the event of an increase or reduction of the share capital of the Company (whenever effected) by way of capitalisation, sub-division, or otherwise, the Board may make such adjustments as it thinks fit under sub-Clause 5.2 below.

5.2 An adjustment made under sub-Clause 5.1 shall be to one or more of the following:

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5.2.1 the number of Option Shares exercisable; or

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5.2.2 the Subscription Price of the Option Shares.

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5.3 Except in the case of an adjustment under sub-Clause 5.2 above shall be subject to confirmation in writing by the auditors for the time being of the Company that such adjustment is in their opinion fair and reasonable.

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5.4 An adjustment under sub-Clause 5.2 above shall have the effect of reducing the nominal value of the Option Shares, but the Board may be authorised to capitalise from the reserves of the Company the amount by which the nominal value of the Option Shares is reduced and to apply such sum in paying up the Option Shares; and so that on exercise of the Option the Board may capitalise such sum (if any) and apply the same in paying up the Option Shares.

5.4 An adjustment under sub-Clause 5.2 above shall have the effect of reducing the nominal value of the Option Shares, but the Board may be authorised to capitalise from the reserves of the Company the amount by which the nominal value of the Option Shares is reduced and to apply such sum in paying up the Option Shares; and so that on exercise of the Option the Board may capitalise such sum (if any) and apply the same in paying up the Option Shares.

5.5 As soon as reasonable after making any adjustment under sub-Clause 5.2 above, the Board shall give notice in writing thereof to the Grantee.

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5.6 The Company will not be obliged to subscribe for new shares or grant any option or other right to any person, including the Grantee, at any time in the period prior to the exercise of the Option, if the Grantee has been exercised, for so long as the Grantee holds the Option, unless the new shares to be issued are offered to the Grantee before the Option is exercised, and, in the period before the Option is exercised, the Grantee on the basis that his allocation of new shares is on the assumption that he is the holder of the Option. This procedure will be governed by the provisions contained in Section 561 of the Companies Act 2006 and will not permit that procedure to be

5.6 The Company will not be obliged to subscribe for new shares or grant any option or other right to any person, including the Grantee, at any time in the period prior to the exercise of the Option, if the Grantee has been exercised, for so long as the Grantee holds the Option, unless the new shares to be issued are offered to the Grantee before the Option is exercised, and, in the period before the Option is exercised, the Grantee on the basis that his allocation of new shares is on the assumption that he is the holder of the Option. This procedure will be governed by the provisions contained in Section 561 of the Companies Act 2006 and will not permit that procedure to be

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excluded or disapp

73 of the Companies Act 2006.

6. **Winding Up**

If at any time while the Op meeting of the Company liquidation of the Compa commencement of such wi any meeting called for th liquidation of the Company under this Clause.

and notice is duly given of a general will be proposed for the voluntary exercisable notwithstanding the shall give to the Grantee notice of ng a resolution for the voluntary time give him notice of his rights

7. **Sale**

The Company undertakes use all reasonable endeav opportunity to exercise the Sale is completed before agree otherwise the Option respect of the Option Share

sale during the Option Period it will Grantee shall have an adequate is completed provided that if such ion then unless the Parties shall ntee shall have no further right in

8. **Automatic Transfer**

8.1 If at any time after the Option, the Gra any of its subsidiari employee in circum competent jurisdiction any of its subsidiari an employee for re forthwith to submit or assignments in r to the Company (a sale of the Option Clause 8.5 below) "Continuing Membe issued (the "Offer P

been issued to the Grantee under e an employee of the Company or s the Grantee has ceased to be an en legally established by a court of sful claim against the Company or dismissal or he has ceased to be or his executors will be obliged cates and duly executed transfers are together with notice in writing ng the Company his agent for the price (as determined under sub- of the Company at that time (the all expire 30 days after it has been

8.2 In a notice of acc Continuing Member wish to acquire and divided pro rata holdings of shares but so that no such number of shares th

ontained in the Sale Notice, the specify the number of shares they tion, the shares to be sold will be ng Members according to their commencement of the Offer Period all be obliged to acquire a greater notice of acceptance.

8.3 If the Continuing Me the offer made by shares comprised in Sale Notice shall b acceptance (or su accepting the offer Continuing Membe

shall during the Offer Period accept ct of all (but not part only) of the le of the shares comprised in that piry of 28 days after the date of ose of the Continuing Members l unanimously agree) when such se money to the Company, who

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shall transfer to such person and shall issue to such Continuing Member

the shares to be sold and shall issue the certificates therefor.

8.4 If the offer made by the Company in respect of all of the shares to be sold requires that any shares to be sold shall be the Continuing Member's shares to the extent that the Company is unable to purchase such shares, the Company shall apply mutatis mutandis the provisions of Clause 8.3.

accepted during the Offer Period in the Sale Notice, the Grantee may accept the offer if and to the extent that the Company is unable to purchase such shares from its distributable reserves and is lawfully authorised to do so under the Memorandum and Articles of Association referred to in sub-Clause 8.3. The Company shall transfer such shares to the Company.

8.5 The prescribed price for the shares to be sold shall be the price certified by the Company as the fair value of the shares as between a willing seller and a willing buyer. The value to be given to the shares shall be such proportion of the value of all the issued shares as is attributable to the shares comprised in the Sale Notice. In so certifying, the Company shall act as arbitrators and not as experts. The costs of the Grantee. The costs of the auditors shall be borne by the Grantee.

used in a Sale Notice shall be the price certified by the Company as the fair value of the shares as between a willing seller and a willing buyer. The value to be given to the shares shall be such proportion of the value of all the issued shares as is attributable to the shares comprised in the Sale Notice. In so certifying, the Company shall act as arbitrators and not as experts. The costs of the Grantee. The costs of the auditors shall be borne by the Grantee.

8.6 All shares to be sold shall be transferred by the Grantee with full title guarantee and with all rights attached to the shares.

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9. Drag Along

9.1 If any of the Continuing Members who have Voting Control wish to sell their shares to a bona fide offeror, the Continuing Members wishing to sell shall offer to sell all his holding of Ordinary Shares at the same time and on the same terms.

Company together then having Voting Control to any person who has made a bona fide offer to purchase all the shares, the Continuing Members shall give notice to require the Grantee to sell all his holding of Ordinary Shares to the proposed purchaser on the same terms as the offer for the share.

9.2 For the purpose of this Clause, "Voting Control" means an interest or control in the capital of the Company which entitles the holder to vote in excess of 50 per cent of the total voting rights conferred by all the shares in the Company at any general meeting or the right to direct how such votes are cast.

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10. EMI Scheme

The Company shall within the same time as the same in a form prescribed by Schedule 5 and the Grantee shall meet the requirements of the Regulations by reasonable endeavours to ensure that the option is a qualifying option within the meaning of the Regulations.

The Company shall deliver particulars of the EMI Scheme to HM Revenue & Customs as required by Schedule 5. The Company shall use all reasonable endeavours to ensure that the option granted under this Agreement is a qualifying option within the meaning of the Regulations and 2 of Schedule 5.

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11. Company re-organisation

If there is a company re-organisation, the Grantee may with the agreement of the Company be granted a replacement of shares in consideration of the release of rights in respect of the shares set out in Schedule 5.

the meaning set out in Schedule 5 the company (as defined in Schedule 5) in consideration of the release of rights in respect of the shares in accordance with Part VI of

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12. Miscellaneous

12.1 Any notice or other communication may be given by post by the Company to the Grantee to his address as the Grantee's service for this purpose. If such first-class post, it shall be deemed to have been received 48 hours after it was put into the post provided it is properly addressed.

in connection with this Agreement and the same by post, in the case of the time being, and in the case of this Agreement or to such other communication as an address for the Company as an address for other communication is given by post, it shall be deemed to have been received 48 hours after it was put into the post provided it is properly addressed.

12.2 The Grantee shall keep copies of all notices and documents sent by the Company.

copies of all notices and documents sent by the Company.

12.3 This Agreement (including any notices and documents sent therefrom or associated therewith) shall fall to be governed by, and construed in accordance with, the law of England and Wales. Any dispute, controversy, claim, proceedings or claim relating to this Agreement (including any notices and documents sent therefrom or associated therewith) shall fall to be governed by, and construed in accordance with, the law of England and Wales.

equal matters and obligations arising from or in connection with this Agreement shall be governed by, and construed in accordance with, the law of England and Wales. Any dispute, controversy, claim, proceedings or claim relating to this Agreement (including any notices and documents sent therefrom or associated therewith) shall fall to be governed by, and construed in accordance with, the law of England and Wales.

IN WITNESS WHEREOF the Parties have hereunto set their hands and seals at the place and on the day first above written.

Agreement the day and year first above written.

SIGNED for and on behalf of the Company
<<Name>>

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SIGNED by the Grantee
<<Name>>

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OPTION SCHEME

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