

**RULES OF THE SOLID STATE SUPPLIES PLC  
ALL-EMPLOYEE SHARE OWNERSHIP PLAN**

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## 1. DEFINITIONS

1.1 The following words and expressions have the following meanings:

<b>"Accumulation Period"</b>	in relation to Partnership Shares, the period during which the Trustees accumulate a Qualifying Employee's Partnership Share Money before acquiring Partnership Shares or repaying it to the employee
<b>"Acquisition Date"</b>	(a) in relation to Partnership Shares, where there is no Accumulation Period, the meaning given by paragraph 40(2) of the Schedule  (b) in relation to Partnership Shares, where there is an Accumulation Period, the meaning given by paragraph 42(3) of the Schedule; and  (c) in relation to Dividend Shares, the meaning given by paragraph 56(3) of the Schedule
<b>"Associated Company"</b>	the same meaning as in section 416 of ICTA 1988
<b>"Award Date"</b>	in relation to Free Shares or Matching Shares, the date on which such Shares are awarded
<b>"Award"</b>	(a) in relation to Free Shares and Matching Shares, the appropriation of Free Shares and Matching Shares in accordance with the Plan; and  (b) in relation to Partnership Shares, the acquisition of Partnership Shares on behalf of Qualifying Employees in accordance with the Plan
<b>"Capital Receipt"</b>	the same meaning as in paragraph 79 of the Schedule
<b>"Close Company"</b>	the same meaning as in section 414 of ICTA 1988
<b>"the Company"</b>	Solid State Supplies plc (Company No. 771335) whose registered office is at Unit 2 Eastlands Lane Paddock Wood Kent TN12 6BU

<b>"Connected Company"</b>	the same meaning as in paragraph 16(4) of the Schedule
<b>"Control"</b>	the same meaning as in section 840 of ICTA 1988
<b>"Dealing Day"</b>	a day on which the Stock Exchange is open for the transaction of business
<b>"the Deed"</b>	Solid State Supplies plc All-Employee Share Ownership Plan Trust Deed
<b>"Dividend Shares"</b>	Shares acquired on behalf of a Participant from reinvestment of dividends under Part D of the Plan and which are subject to the Plan
<b>"Free Share Agreement"</b>	an agreement in the terms set out in Appendix A
<b>"Free Shares"</b>	Shares awarded under Part A of the Plan which are subject to the Plan
<b>"Group Plan"</b>	the Plan as established by the Company and extending to its Subsidiaries which are Participating Companies
<b>"Holding Period"</b>	(a) in relation to Free Shares, the period specified by the Company as mentioned in Rule 5.12;  (b) in relation to Matching Shares, the period specified by the Company as mentioned in Rule 7.5; and  (c) in relation to Dividend Shares, the period of 3 years from the Acquisition Date
<b>"ICTA 1988"</b>	the Income and Corporation Taxes Act 1988
<b>"Initial Market Value"</b>	the Market Value of a Share on an Award Date. Where the Share is subject to a restriction or risk of forfeiture, the Market Value shall be determined without reference to that restriction or risk
<b>"Market Value"</b>	on any day the average of the middle market quotations of a Share as derived from the Daily Official List of the Stock Exchange for the 5 immediately preceding Dealing Days

<b>“Matching Shares”</b>	Shares awarded under Part C of the Plan and which are subject to the Plan
<b>“Material Interest”</b>	the same meaning as in paragraph 15 of the Schedule
<b>“NICs”</b>	National Insurance Contributions
<b>“Participant”</b>	an individual who has received under the Plan an Award of Free Shares, Matching Shares or Partnership Shares, or on whose behalf Dividend Shares have been acquired
<b>“Participating Company”</b>	the Company and such of its Subsidiaries as have executed deeds of adherence to the Plan under clause 16 of the Trust Deed
<b>“Partnership Shares”</b>	Shares awarded under Part B of the Plan and which are subject to the Plan
<b>“Partnership Share Agreement”</b>	an agreement in the terms set out in Appendix B
<b>“Partnership Share Money”</b>	money deducted from a Qualifying Employee’s Salary pursuant to a Partnership Share Agreement and held by the Trustees to acquire Partnership Shares or to be returned to such a person
<b>“Performance Allowances”</b>	The criteria for an Award of Free Shares where: <ul style="list-style-type: none"> <li>(a) whether Shares are awarded; or</li> <li>(b) the number or value of Shares awarded</li> </ul> is conditional on performance targets being met
<b>“the Plan”</b>	Solid State Supplies plc All-Employee Share Ownership Plan
<b>“Plan Shares”</b>	(a) Free Shares, Matching Shares or Partnership Shares awarded to Participants; <ul style="list-style-type: none"> <li>(b) Dividend Shares acquired on behalf of Participants, and</li> <li>(c) shares in relation to which paragraph 115(5) (company reconstructions: new shares) of the Schedule applies</li> </ul> that remain subject to the Plan

<b>“Plan Termination Notice”</b>	a notice issued under paragraph 120 of the Schedule
<b>“Profit Sharing Scheme”</b>	a profit-sharing scheme approved by the Board of Inland Revenue under Schedule 9 of ICTA 1988
<b>“Qualifying Corporate Bond”</b>	the same meaning as in section 117 of the Taxation of Chargeable Gains Act 1992
<b>“Qualifying Employee”</b>	an employee who must be invited to participate in an award in accordance with Rule 3.5 and any employee who the Company has invited in accordance with Rule 3.6
<b>“Qualifying Period”</b>	(a) in the case of Free Shares 12 months before the Award is made  (b) in the case of Partnership Shares and Matching Shares where there is an Accumulation period 6 months before the before the start of the Accumulation Period  (c) in the case of Partnership Shares and Matching Shares where there is no Accumulation Period 18 months before the deduction of Partnership Share Money relating to the Award
<b>“Redundancy”</b>	the same meaning as in the Employment Rights Act 1996
<b>“Relevant Employment”</b>	employment by the Company or any Associated Company
<b>“Retirement Age”</b>	age 60 years
<b>“Salary”</b>	the same meaning as in paragraph 48 of the Schedule
<b>“the Schedule”</b>	Schedule 8 to the Finance Act 2000
<b>“Shares”</b>	ordinary shares in the capital of the Company which comply with the conditions set out in paragraph 59 of the Schedule
<b>“the Stock Exchange”</b>	the London Stock Exchange Limited

<b>"Subsidiary"</b>	any company which is for the time being under the Control of the Company
<b>"Tax Year"</b>	a year beginning on 6 April and ending on the following 5 April
<b>"the Trustees"</b>	the trustees or trustee of the Plan
<b>"the Trust Fund"</b>	all assets transferred to the Trustees to be held on the terms of the Trust Deed and the assets from time to time representing such assets, including any accumulations of income
<b>"the Trust Period"</b>	the period of 80 years beginning with the date of the Deed

1.2 References to any Act, or Part, Chapter, or section (including ICTA 1988) shall include any statutory modification, amendment or re-enactment of that Act, for the time being in force.

1.3 Words of the feminine gender shall include the masculine and vice versa and words in the singular shall include the plural and vice versa unless, in either case, the context otherwise requires or it is otherwise stated.

## 2. PURPOSE OF THE PLAN

The purpose of the Plan is to enable employees of Participating Companies to acquire shares in a company which give them a continuing stake in that company.

## 3. ELIGIBILITY OF INDIVIDUALS

3.1 Subject to rule 3.4, individuals are eligible to participate in an Award only if:

- (a) they are employees of a Participating Company;
- (b) they have been such employees at all times during any Qualifying Period;
- (c) they are eligible on the date(s) set out in paragraph 13(1) of the Schedule; and
- (d) they do not fail to be eligible under either or both Rules 3.2 or 3.3

3.2 Individuals are not eligible to participate in an Award of Shares if they have, or within the preceding twelve months have had, a Material Interest in:

- (a) a Close Company whose Shares may be appropriated or acquired under the Plan; or

- (b) a company which has Control of such a company or is a member of a consortium which owns such a company.
- 3.3 Individuals are not eligible to participate in an Award of Free Shares in any Tax Year if in that Tax Year:
- (a) they have been awarded shares under a Profit-Sharing Scheme established by the Company or a Connected Company, or are to be awarded such shares at the same time; or
  - (b) they have received (or are to receive at the same time) an Award under another plan established by the Company or a Connected Company and approved under the Schedule, or if they would have received such an Award but for their failure to meet a performance target (see Rule 5.5).
- 3.4 Individuals are not eligible to participate in an Award of Partnership Shares or Matching Shares in any Tax Year if in that Tax Year they have received (or are to receive at the same time) an Award under another plan established by the Company or a Connected Company (as defined in paragraph 16(4) of the Schedule) and approved under the Schedule, or if they would have received such an Award but for their failure to meet a performance target (see Rule 5.5).

#### **Employees who must be invited to participate in Awards**

- 3.5 Individuals shall be eligible to receive an Award of shares under the Plan if they meet the requirements in Rule 3.1 and are chargeable to income tax in respect of their employment under Case I of Schedule E.

In this case they shall be invited to participate in any Awards of Free Shares, Partnership Shares or Matching Shares, and acquisitions of Dividend Shares, as are set out in the Plan.

#### **Employees who may be invited to participate in Awards**

- 3.6 The Company may also invite any employee who meets the requirements in Rule 3.1 to participate in any Award of Free Shares, Partnership Shares or Matching Shares, and acquisitions of Dividend Shares, as are set out in the Plan.

#### **4. PARTICIPATION ON SAME TERMS**

- 4.1 Every Qualifying Employee shall be invited to participate in an Award on the same terms. All who do participate in an Award shall do so on the same terms.
- 4.2 The Company may make an Award of Free Shares to Qualifying Employees by reference to their remuneration, length of service or hours worked.
- 4.3 The Company may make an Award of Free Shares to Qualifying Employees by reference to their performance as set out in Rule 5.5.

## PART A

### 5. FREE SHARES

- 5.1 Every Qualifying Employee shall enter into an agreement with the Company (a "Free Share Agreement") in the terms of the draft in Appendix A to these Rules.
- 5.2 The Trustees, acting with the prior consent of the Company, may from time to time award Free Shares.
- 5.3 The number of Free Shares to be awarded by the Trustees to each Qualifying Employee on an Award Date shall be determined by the Company in accordance with this Rule.

#### **Maximum annual Award**

- 5.4 The Initial Market Value of the Shares awarded to a Qualifying Employee in any Tax Year shall not exceed £3,000.

#### **Allocation of Free Shares by reference to performance**

- 5.5 The Company may stipulate that the number of Free Shares (if any) to be awarded to each Qualifying Employee on a given Award Date shall be determined by reference to Performance Allowances.
- 5.6 If Performance Allowances are used, they shall apply to all Qualifying Employees.
- 5.7 (a) Performance Allowances shall be determined by reference to such fair and objective criteria (performance targets) relating to business results as the Company shall determine over such period as the Company shall specify;
- (b) performance targets must be set for performance units of one or more employees; and
- (c) for the purposes of an Award of Free Shares an employee must not be a member of more than one performance unit.
- 5.8 Where the company decides to use Performance Allowances it shall, as soon as reasonably practicable:
- (a) notify each employee participating in the Award of the performance targets and measures which, under the Plan, shall be used to determine the number or value of Free Shares awarded to him; and
- (b) notify all Qualifying Employees of the Company or, in the case of a Group Plan, of any Participating Company, in general terms, of the



performance targets and measures to be used to determine the number or value of Free Shares to be awarded to each Participant in the Award

- 5.9 The Company shall determine the number of Free Shares (if any) to be awarded to each Qualifying Employee by reference to performance using Method 1 or Method 2. The same method shall be used for all Qualifying Employees for each Award.

**Performance Allowances: method 1**

5.10 By this method:

- (a) at least 20% of Free Shares awarded in any performance period shall be awarded without reference to performance;
- (b) the remaining Free Shares shall be awarded by reference to performance; and
- (c) the highest Award made to an individual by reference to performance in any period shall be no more than four times the highest Award to an individual without reference to performance.

If this Method is used:

- the Free Shares awarded without reference to performance (paragraph (a) above) shall be awarded on the same terms mentioned in Rule 4; and
- the Free Shares awarded by reference to performance (paragraph (b) above) need not be allocated on the same terms mentioned in Rule 4.

**Performance Allowances: method 2**

5.11 By this method:

- (a) some or all Free Shares shall be awarded by reference to performance;
- (b) the Award of Free Shares to Qualifying Employees who are members of the same performance unit shall be made on the same terms, as mentioned in Rule 4; and
- (c) Free Shares awarded for each performance unit shall be treated as separate Awards.

**Holding Period for Free Shares**

- 5.12 The Company shall, in relation to each Award Date, specify a Holding Period throughout which a Participant shall be bound by the terms of the Free Share Agreement.

- 5.13 The Holding Period shall, in relation to each Award, be a specified period of not less than 3 years nor more than 5 years, beginning with the Award Date and shall be the same for all Participants who receive an Award at the same time. The Holding Period shall not be increased in respect of Free Shares already awarded under the Plan.
- 5.14 A Participant may during the Holding Period direct the Trustees:
- (a) to accept an offer for any of their Free Shares if the acceptance or agreement shall result in a new holding being equated with those shares for the purposes of capital gains tax; or
  - (b) to accept an offer of a Qualifying Corporate Bond (whether alone or with other assets or cash or both) for their Free Shares if the offer forms part of such a general offer as is mentioned in paragraph (c); or
  - (c) to accept an offer of cash, with or without other assets, for their Free Shares if the offer forms part of a general offer which is made to holders of shares of the same class as their shares, or to holders of shares in the same company and which is made in the first instance on a condition such that if it is satisfied the person making the offer shall have control of that company, within the meaning of section 416 ICTA 1988; or
  - (d) to agree to a transaction affecting their Free Shares or such of them as are of a particular class, if the transaction would be entered into pursuant to a compromise, arrangement or scheme applicable to or affecting;
    - (i) all of the ordinary share capital of the company or, as the case may be, all the shares of the class in question; or
    - (ii) all the shares, or all the shares of the class in question, which are held by a class of shareholders identified otherwise than by reference to their employment or their participation in a plan approved under the Schedule.

## **PART B**

### **6. PARTNERSHIP SHARES**

- 6.1 The Company may at any time invite every Qualifying Employee to enter into an agreement with the Company (a "Partnership Share Agreement") in the terms of the draft in Appendix B to these Rules.
- 6.2 Partnership Shares shall not be subject to any provision under which they may be forfeit.

#### **Maximum amount of deductions**

- 6.3 The amount of Partnership Share Money deducted from an employee's Salary shall not exceed £125 in any month. If the Salary is not paid monthly, the £125 limit shall be calculated proportionately.
- 6.4 The amount of Partnership Share Money deducted from an employee's Salary over an Accumulation Period shall not exceed 10% of the total of the payments of Salary made to such employee over that Accumulation Period or if there is no Accumulation Period, 10% of the Salary payment from which the deduction is made.
- 6.5 Any amount deducted in excess of that allowed by Rule 6.3 or 6.4 shall be paid over to the employee, subject to both deduction of income tax under PAYE and NICs, as soon as practicable.

#### **Minimum amount of deductions**

- 6.6 The minimum amount to be deducted under the Partnership Share Agreement in any month shall be the same in relation to all Partnership Share Agreements entered into in response to invitations issued on the same occasion. It shall not be greater than £10.

#### **Notice of possible effect of deductions on benefit entitlement**

- 6.7 Every Partnership Share Agreement shall contain a notice under paragraph 38 of the Schedule.

#### **Restriction imposed on number of Shares awarded**

- 6.8 The Company may specify the maximum number of Shares to be included in an Award of Partnership Shares.
- 6.9 The Partnership Share Agreement shall contain an undertaking by the Company to notify each Qualifying Employee of any restriction on the number of Shares to be included in an Award.
- 6.10 The notification in Rule 6.9 above shall be given:

- (a) if there is no Accumulation Period, before the deduction of the Partnership Share Money relating to the Award; and
- (b) if there is an Accumulation Period, before the beginning of the Accumulation Period relating to the Award.

**Plan with no Accumulation Period**

6.11 The Trustees shall acquire Shares on behalf of the Qualifying Employee using the Partnership Share Money. They shall acquire the Shares on the Acquisition Date. The number of Shares awarded to each employee shall be determined in accordance with the Market Value of the Shares on that date.

**Plan with Accumulation Period**

6.12 If there is an Accumulation Period, the Trustees shall acquire Shares on behalf of the Qualifying Employee, on the Acquisition Date, using the Partnership Share Money.

6.13 The number of Shares acquired on behalf of each Participant shall be determined by reference to the lower of:

- (a) the Market Value of the Shares at the beginning of the Accumulation Period; and
- (b) the Market Value of the Shares on the Acquisition Date.

6.14 If a transaction occurs during an Accumulation Period which results in a new holding of Shares being equated for the purposes of capital gains tax with any of the Shares to be acquired under the Partnership Share Agreement, the employee may agree that the Partnership Share Agreement shall have effect after the time of that transaction as if it were an agreement for the purchase of shares comprised in the new holding.

**Surplus Partnership Share Money**

6.15 Any surplus Partnership Share Money remaining after the acquisition of Shares by the Trustees:

- (a) may, with the agreement of the Participant, be carried forward to the next Accumulation Period; and
- (b) in any other case, shall be paid over to the Participant, subject to both deduction of income tax under PAYE and NICs, as soon as practicable.

**Scaling down**

6.16 If the Company receives applications for Partnership Shares exceeding the Award maximum determined in accordance with Rule 6.8 then the following steps shall be taken in sequence until the excess is eliminated.

Step 1. the excess of the monthly deduction chosen by each applicant over £10 shall be reduced pro rata ;

Step 2. all monthly deductions shall be reduced to £10];

Step 3. applications shall be selected by lot, each based on a monthly deduction of £10.

Each application shall be deemed to have been modified or withdrawn in accordance with the foregoing provisions, and each employee who has applied for Partnership Shares shall be notified of the change.

#### **Withdrawal from Partnership Share Agreement**

6.17 An employee may withdraw from a Partnership Share Agreement at any time by notice in writing to the Company. Unless a later date is specified in the notice, such a notice shall take effect 30 days after the Company receives it. Any Partnership Share Money then held on behalf of an employee shall be paid over to that employee as soon as practicable. This payment shall be subject to income tax under PAYE and NICs.

#### **Repayment of Partnership Share Money on withdrawal of approval or Termination**

6.18 If approval to the Plan is withdrawn or a Plan Termination Notice is issued in respect of the Plan, any Partnership Share Money held on behalf of employees shall be repaid to them as soon as practicable, subject to deduction of income tax under PAYE, and NICs.

## **PART C**

### **7. MATCHING SHARES**

7.1 The Partnership Share Agreement sets out the basis on which a Participant is entitled to Matching Shares in accordance with this Part of the Rules

#### **General requirements for Matching Shares**

7.2 Matching Shares shall:

- (a) be Shares of the same class and carrying the same rights as the Partnership Shares to which they relate;
- (b) subject to Rule 7.4, be awarded on the same day as the Partnership Shares to which they relate are acquired on behalf of the Participant; and
- (c) be awarded to all Participants on exactly the same basis.

#### **Ratio of Matching Shares to Partnership Shares**

7.3 The Partnership Share Agreement shall specify the ratio of Matching Shares to Partnership Shares for the time being offered by the Company and that ratio shall not exceed 2:1. The Company may vary the ratio before Partnership Shares are acquired. Employees shall be notified of the terms of any such variation before the Partnership Shares are awarded under the Partnership Share Agreement.

7.4 If the Partnership Shares on that day are not sufficient to produce a Matching Share, the match shall be made when sufficient Partnership Shares have been acquired to allow at least one Matching Share to be appropriated.

#### **Holding Period for Matching Shares**

7.5 The Company shall, in relation to each Award Date, specify a Holding Period throughout which a Participant shall be bound by the terms of the Partnership Share Agreement.

7.6 The Holding Period shall, in relation to each Award, be a specified period of not less than 3 years nor more than 5 years, beginning with the Award Date and shall be the same for all Participants who receive an Award at the same time. The Holding Period shall not be increased in respect of Matching Shares awarded under the Plan.

7.7 A Participant may during the Holding Period direct the Trustees:

- (a) to accept an offer for any of their Matching Shares if the acceptance or agreement shall result in a new holding being equated with those original Shares for the purposes of capital gains tax; or
- (b) to accept an offer of a Qualifying Corporate Bond (whether alone or with other assets or cash or both) for their Matching Shares if the offer forms part of such a general offer as is mentioned in paragraph (c); or
- (c) to accept an offer of cash, with or without other assets, for their Matching Shares if the offer forms part of a general offer which is made to holders of shares of the same class as their Shares or to the holders of shares in the same company, and which is made in the first instance on a condition such that if it is satisfied the person making the offer shall have control of that company, within the meaning of section 416 of ICTA 1988; or
- (d) to agree to a transaction affecting their Matching Shares or such of them as are of a particular class, if the transaction would be entered into pursuant to a compromise, arrangement or scheme applicable to or affecting;
  - (i) all of the ordinary share capital of the company or, as the case may be, all the shares of the class in question; or
  - (ii) all the shares, or all the shares of the class in question, which are held by a class of shareholders identified otherwise than by reference to their employment or their participation in a plan approved under the Schedule.

## **PART D**

### **8. DIVIDEND SHARES**

#### **Reinvestment of cash dividends**

- 8.1 The Free Share Agreement or Partnership Share Agreement, as appropriate, shall set out the rights and obligations of Participants receiving Dividend Shares under the Plan.
- 8.2 The Company may direct that any cash dividend in respect of Plan Shares held on behalf of Participants may be applied in acquiring further Plan Shares on their behalf.
- 8.3 Dividend Shares shall be Shares:
- (a) of the same class and carrying the same rights as the Shares in respect of which the dividend is paid; and
  - (b) which are not subject to any provision for forfeiture.
- 8.4 The Company may decide to:
- (a) apply all Participants' dividends, up to the limit specified in Rule 8.6, to acquire Dividend Shares;
  - (b) to pay all dividends in cash to all Participants; or
  - (c) to offer Participants the choice of either (a) or (b) above.
- 8.5 The Company may revoke any direction for reinvestment of cash dividends.
- 8.6 The amount applied by the Trustees in acquiring Dividend Shares shall not exceed £1,500 in each Tax Year. For the purposes of this Rule, the Dividend Shares are those acquired under this Plan and those acquired under any other plan approved under the Schedule. In exercising their powers in relation to the acquisition of Dividend Shares the Trustees must treat Participants fairly and equally.
- 8.7 If the amounts received by the Trustees exceed the limit in Rule 8.6, the balance shall be paid to the participant as soon as practicable.
- 8.8 The Trustees shall apply all the cash dividend to acquire Shares on behalf of the Participant on the Acquisition Date. The number of Dividend Shares acquired on behalf of each Participant shall be determined by the Market Value of the Shares on the Acquisition Date.

#### **Certain amounts not reinvested to be carried forward**



8.9 Subject to Rule 8.7, any amount that is not reinvested:

- (a) because the amount of the cash dividend is insufficient to acquire a Share; or
- (b) because there is an amount remaining after acquiring the Dividend Shares;

may be retained by the Trustees and carried forward to be added to the amount of the next cash dividend to be reinvested.

8.10 If, during the period of three years beginning with the date on which the dividend was paid:

- (a) it is not reinvested; or
- (b) the Participant ceases to be in relevant employment; or
- (c) a Plan Termination Notice is issued

the amount shall be repaid to the Participant as soon as practicable. On making such a payment, the Participant shall be provided with the information specified in paragraph 90 of the Schedule.

#### **Holding Period for Dividend Shares**

8.11 The Holding Period shall be a period of 3 years, beginning with the Acquisition Date.

8.12 A Participant may during the Holding Period direct the Trustees:

- (a) to accept an offer for any of their Dividend Shares if the acceptance or agreement shall result in a new holding being equated with those shares for the purposes of capital gains tax; or
- (b) to accept an offer of a Qualifying Corporate Bond (whether alone or with other assets or cash or both) for their Dividend Shares if the offer forms part of such a general offer as is mentioned in paragraph (c); or
- (c) to accept an offer of cash, with or without other assets, for their Dividend Shares if the offer forms part of a general offer which is made to holders of shares of the same class as their shares or to holders of shares in the same company, and which is made in the first instance on a condition such that if it is satisfied the person making the offer shall have control of that company, within the meaning of section 416 of ICTA 1988; or
- (d) to agree to a transaction affecting their Dividend Shares or such of them as are of a particular class, if the transaction would be entered

into pursuant to a compromise, arrangement or scheme applicable to or affecting;

- (i) all of the ordinary share capital of the company or, as the case may be, all the shares of the class in question; or
- (ii) all the shares, or all the shares of the class in question, which are held by a class of shareholders identified otherwise than by reference to their employment or their participation in a plan approved under the Schedule.

8.13 Where a Participant is charged to tax in the event of their Dividend Shares ceasing to be subject to the Plan, they shall be provided with the information specified in paragraph 93(4) of the Schedule.

## 9. COMPANY RECONSTRUCTIONS

9.1 The following provisions of this Rule apply if there occurs in relation to any of a Participant's Plan Shares (referred to in this Rule as "the Original Holding"):

- (a) a transaction which results in a new holding (referred to in this Rule as "the New Holding") being equated with the Original Holding for the purposes of capital gains tax; or
- (b) a transaction which would have that result but for the fact that what would be the new holding consists of or includes a Qualifying Corporate Bond.

9.2 If an issue of Shares of any of the following description (in respect of which a charge to income tax arises) is made as part of a company reconstruction, those Shares shall be treated for the purposes of this Rule as not forming part of the New Holding:

- (a) redeemable shares or securities issued as mentioned in section 209(2)(c) of ICTA 1988;
- (b) share capital issued in circumstances such that section 210(1) of ICTA 1988 applies; or
- (c) share capital to which section 249 of ICTA 1988 applies.

9.3 In this Rule:

"Corresponding Shares" in relation to any New Shares, means the Shares in respect of which the New Shares are issued or which the New Shares otherwise represent;

"New Shares" means shares comprised in the New Holding which were issued in respect of, or otherwise represent, shares comprised in the Original Holding.

9.4 Subject to the following provisions of this Rule, references in this Plan to a Participant's Plan Shares shall be respectively construed, after the time of the company reconstruction, as being or, as the case may be, as including references to any New Shares.

9.5 For the purposes of the Plan:

- (a) a company reconstruction shall be treated as not involving a disposal of Shares comprised in the Original Holding; and
- (b) the date on which any New Shares are to be treated as having been appropriated to or acquired on behalf of the Participant

shall be that on which Corresponding Shares were so appropriated or acquired.

9.6 In the context of a New Holding, any reference in this Rule to shares includes securities and rights of any description which form part of the New Holding for the purposes of Chapter II of Part IV of the Taxation of Chargeable Gains Act 1992.

## 10 RIGHTS ISSUES

10.1 Any shares or securities allotted under clause 12 of the Trust Deed shall be treated as Plan Shares identical to the shares in respect of which the rights were conferred. They shall be treated as if they were awarded to or acquired on behalf of the Participant under the Plan in the same way and at the same time as those shares.

10.2 Rule 10.1 does not apply:

- (a) to shares and securities allotted as the result of taking up a rights issue where the funds to exercise those rights were obtained otherwise than by virtue of the Trustees disposing of rights in accordance with this rule; or
- (b) where the rights to a share issue attributed to Plan Shares are different from the rights attributed to other ordinary shares of the company.