

DE LA RUE¹ plc

**RULES
of the
DE LA RUE¹ (1999)⁴
SHARESAVE SCHEME**

(Adopted by a resolution of the Board on 1st December 1999 and amended by resolution of a committee of the Board on 16th February 2000 and approved by the Inland Revenue under the Income and Corporation Taxes Act 1988 on 21st February 2000 under reference SRS2453; amended by resolution of a committee of the Board on 21st June 2000 and approved by the Inland Revenue on 21st June 2000; and amended by resolution of a committee of the Board on 13th December 2000 and approved by the Inland Revenue on 19th December 2000; and extended and altered by resolution of the directors' effective 17th July 2002 and approved by the Inland Revenue on 17th July 2002 and amended by resolution of a committee of the Board on 25th November 2004 and approved by the Inland Revenue by letter dated 16th November 2004; and amended by the Remuneration Committee on 22 November 2007 and approved by HM Revenue & Customs on 28 November 2007; and amended by the Remuneration Committee on 20 November 2008 and approved by HM Revenue & Customs on 17 March 2009; and amended by resolution of the Remuneration Committee on 24 May 2012 and approved by HM Revenue & Customs on 20 September 2012); and amended by the Finance Act 2013 on 17 July 2013

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RULES OF THE DE LA RUE¹ (1999) SHARESAVE SCHEME

1. DEFINITIONS

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

"Appropriate Period"	the meaning given by Paragraph 38(3) ⁵ of Schedule 3 ⁵ to ITEPA ⁵ ;
"Associated Company"	an associated company of the Company within the meaning that expression bears in Paragraph 47 ⁵ of Schedule 3 to ITEPA ⁵ , save in respect of Rule 6.3 and sub-rule 6.7(E) where the meaning given in Paragraph 35(4) of Schedule 3 to ITEPA shall apply ⁸ ;
"the Board"	the board of directors of the Company or a duly authorised committee thereof;
"Bonus Date"	in respect of Savings Contracts entered into prior to 23 July 2013 ⁹ where the Repayment under the Savings Contract made in connection with an Option is taken as including the maximum bonus, the earliest date on which the maximum bonus is payable and, in any other case, the earliest date on which the standard bonus is payable under such Savings Contract;
[]⁹	[]⁹
"the Company"	De La Rue plc ¹ (registered in England and Wales under No. 3834125);
"Continuous Service"	the meaning given to "continuous employment" in Part XIV of ³ the Employment Rights ³ Act 1996 ³ ;
"Control"	the meaning given by Section 995 ⁸ of the Taxes Act;
"Date of Grant"	the date on which the Board ⁸ grants an option following acceptance of ⁸ a duly completed form of application;

"Date of Invitation"	the date on which the Board ⁸ invites applications for Options;
"Dealing Day"	any day on which the London Stock Exchange is open for the transaction of business;
"Eligible Employee"	<p>any individual who:-</p> <p>(A) (1) is a director (who is required to work at least 25 hours a week exclusive of meal breaks) or an employee of a Participating Company; and</p> <p>(2) is chargeable to tax in respect of his office or employment under Section 15 ITEPA⁵ and ordinarily resident in the UK⁷; and</p> <p>(3) has such qualifying period (if any) of Continuous Service with any one or more Participating Companies (taken consecutively)⁸ (being a period commencing not earlier than 5 years prior to the Date of Grant) as the Board⁸ may determine; or</p> <p>(B) is a director or employee and is nominated by the Board either individually or as a member of a category of such directors or employees;</p>
"Employees' Share Scheme"	the meaning given by Section 1166 of the Companies Act 2006 ⁸ ;
"Exercise Price"	the amount payable on the exercise of an Option, whether in whole or in part, being an amount equal to the relevant Option Price multiplied by the number of Shares in respect of which the Option is exercised;

"Invitation Period"	<p>the period of 42 days commencing:</p> <ul style="list-style-type: none"> (A) the day immediately following the day on which the Company makes an announcement of its results for the last preceding financial year, half-year or other period; (B) any day on which the Board resolves that exceptional circumstances exist which justify the grant of Options; (C) any day on which a change to the legislation affecting savings-related share option schemes approved by HM Revenue & Customs⁸ under ITEPA⁵ is proposed or takes effect; or (D) any day on which a new Savings Contract prospectus is announced or takes effect;
"ITEPA"	the Income Tax (Earnings and Pensions) Act 2003 ⁵ ;
"the London Stock Exchange"	London ³ Stock Exchange plc ³ ;
"Key Feature"	has the meaning given by Paragraph 42(2B) of Schedule 3 to ITEPA ⁸ ;
"Market Value"	<p>in relation to a Share on any day:-</p> <ul style="list-style-type: none"> (A) if and so long as the Shares are admitted to listing by the UK Listing Authority⁸ and traded on the London Stock Exchange, its middle market quotation (as derived from the Daily Official List of the London Stock Exchange); or (B) subject to (A) above, its market value, determined in accordance with Part VIII of the Taxation of Chargeable Gains Act 1992 (but,

when Shares are subject to a Restriction, determined on the basis that no such Restriction applies)⁹ and agreed in advance with Shares and Assets Valuation at HM Revenue & Customs⁸;

[]⁹

[]⁹

"Maximum Contribution" the lesser of:-

- (A) such maximum monthly contribution as may be permitted pursuant to Paragraph 25⁵ of Schedule 3⁵ to ITEPA⁵; or
- (B) such maximum monthly contribution as may be determined from time to time by the Board;

[]⁹

[]⁹

"Minimum Contribution" the minimum Monthly Contribution allowed by the Board being an amount which is not less than the minimum Monthly Contribution permitted under any Savings Contract and not greater than £10 or such other amount as may be specified in sub-paragraph (3)(b)⁵ of Paragraph 25⁵ of Schedule 3⁵ to ITEPA⁵;

"Monthly Contributions" monthly contributions agreed to be paid by a Participant under the Savings Contract made in connection with his Option;

"Option" a right to acquire Shares under the Scheme which is either subsisting or (where the context so admits or requires) is proposed to be granted;

"Option Price" the price per Share, as determined by the Board⁸, at which an Eligible Employee may acquire Shares upon the exercise of an Option being not less than:-

- (A) 80 per cent. of the Market Value on the Dealing Day immediately preceding the Date of Invitation (or, if the Board⁸ so determines, 80 per cent. of the average of the Market Values on the three Dealing Days immediately preceding the Date of Invitation or 80 per cent. of the Market Value at such other time as may be agreed in advance in writing with HM Revenue & Customs⁸); and
- (B) if the Shares are to be subscribed, their nominal value,

but subject to any adjustment pursuant to Rule 10;

"Participant"

a director or employee, or former director or employee, to whom an Option has been granted, or (where the context so admits or requires) the personal representatives of any such person;

"Participating Company"

- (A) the Company; and
- (B) any other company which is under the Control of the Company, is a Subsidiary of the Company and is for the time being designated by the Board as a Participating Company;

"Repayment"

in relation to a Savings Contract, the aggregate of the Monthly Contributions which the Participant has agreed to make and any bonus due at the Bonus Date;

"Restriction"

has the same meaning given by Paragraph 48(3) of Schedule 3 to ITEPA⁹;

"Savings Contract"

a contract under a certified contractual savings scheme (within the meaning of Section 703 of the Income Tax (Trading and Other Income) Act 2005)⁸ approved by

	HM Revenue & Customs ⁸ for the purpose of Schedule 3 ⁵ to ITEPA ⁵ ;
"the Scheme"	the De La Rue ¹ (1999) ⁴ Sharesave Scheme in its present form or as from time to time amended in accordance with the provisions hereof;
"Share"	a share in the capital of the Company which satisfies the conditions specified in Paragraphs 18 to 22, Part 4 of Schedule 3 to ITEPA ⁵ ;
"Specified Age"	(for the purposes of Rule 6.5 in respect of Options granted prior to 17 July 2013) ⁹ in relation to a Participant, age 65 ⁶ ;
"Subsidiary"	the meaning given by Section 1156 and Schedule 6 of the Companies Act 2006 ⁸ ;
"Taxes Act"	the Income Tax Act 2007 ⁸ ;
"Treasury Shares"	means Shares to which Sections 724 to 732 of the Companies Act 2006 apply ⁸ ;
"Trustee"	the trustee or trustees for the time being of any employee's share trust ⁸ ; and
"UK Listing Authority"	the Financial Conduct Authority as the competent authority for listing in the United Kingdom under Part VI of the Financial Services and Markets Act 2000. ⁴

1.2 In this Scheme, unless the context requires otherwise:-

- (A) the headings are inserted for convenience only and do not affect the interpretation of any Rule;
- (B) a reference to a Rule is a reference to a Rule of this Scheme;
- (C) a reference to a statute or statutory provision includes a reference:-

- (1) to that statute or provision as from time to time consolidated, modified, re-enacted or replaced by any statute or statutory provision;
- (2) to any repealed statute or statutory provision which it re-enacts (with or without modification); and
- (3) to any subordinate legislation made under it;
- (D) words in the singular include the plural, and vice versa;
- (E) a reference to the masculine shall be treated as a reference to the feminine, and vice versa;
- (F) if a period of time is specified and starts from a given day or the day of an act or event, it is to be calculated exclusive of that day;
- (G) a reference to "a year" shall be a period calculated by reference to a previous or subsequent anniversary of a particular date;
- (H) any reference to writing or written form shall include any legible format capable of being reproduced on paper, irrespective of the medium used⁵.

2. **APPLICATION FOR OPTIONS**

2.1 The Board may, during any Invitation Period, invite applications for Options from all Eligible Employees. Invitations may be made by letter, poster, circular, advertisement, electronically, or by any other means or combination of means determined by the Board⁵, and []⁵ shall include details of:-

- (A) eligibility;
- (B) the Option Price;
- (C) the Minimum Contribution payable;
- (D) the Maximum Contribution payable;
- (E) whether, for the purpose of determining the number of Shares over which an Option is to be granted, the Repayment under the Savings Contract is to be taken:-

- (i) as including any specified bonus;
 - (ii) []⁹; or
 - (iii) as not including a bonus;
- (F) the date by which applications made pursuant to Rule 2.3 must be received (being neither earlier than 14 days, or such lesser number of days as may be agreed in advance with HM Revenue & Customs⁸, nor later than 25 days after the Date of Invitation);
- (G) whether the Shares over which an Option is to be granted are subject to a Restriction and, if so, the details of such Restriction⁹,

and the Board may determine and include in the invitations details of the maximum number of Shares over which applications for Options are to be invited in that Invitation Period.

2.2 An application for an Option must incorporate or be accompanied by a proposal for a Savings Contract.

2.3 An application for an Option shall be []⁵ in such form as the Board⁸ may from time to time prescribe save that it shall provide for the applicant to state:-

- (A) the Monthly Contributions which he wishes to make under the Savings Contract (being a multiple of £1 and not less than the Minimum Contribution) to be made in connection with the Option for which application is made;
- (B) that his proposed Monthly Contributions (when taken together with any Monthly Contributions he makes under any other Savings Contract) will not exceed the Maximum Contribution;
- (C) if Eligible Employees may elect for the Repayment under the Savings Contract to be taken as including []⁹ the standard bonus, or as not including a bonus, his election in that respect.

2.4 Each application for an Option shall provide that, in the event of excess applications, each application shall be deemed to have been modified or withdrawn in accordance

with the steps to be³ taken by the Board⁸ to scale down applications pursuant to Rule 3.

2.5 Proposals for a Savings Contract shall be limited to such building society, bank or other person specified in Section 704 of the Income Tax (Trading and Other Income) Act 2005⁸ as the Board⁸ may designate.

2.6 Each application shall be deemed to be for an Option over the largest whole number of Shares which can be acquired at the Option Price with the Repayment under the Savings Contract entered into in connection with the Option.

3. **SCALING DOWN**

3.1 If valid applications are received for a total number of Shares in excess of any maximum number of Shares determined by the Board pursuant to Rule 2.1, or any limitation under Rule 5, the Board⁸ shall scale down applications by taking, at its absolute discretion, any of the following steps until the number of Shares available equals or exceeds such total number of Shares applied for:-

- (A) []⁹ so far as necessary, by reducing the proposed Monthly Contributions pro rata to the excess over such amount as the Board⁸ shall determine for this purpose being not less than the minimum Monthly Contribution permitted under the Savings Contract and then, so far as necessary, selecting by lot; or
- (B) by treating each election for a bonus as an election for no bonus and then, so far as necessary, by reducing the proposed Monthly Contributions pro rata to the excess over such amount as the Board⁸ shall determine for this purpose being not less than the minimum Monthly Contribution permitted under the Savings Contract and then, so far as necessary, selecting by lot; or
- (C) by reducing the proposed Monthly Contributions pro rata to the excess over such amount as the Board shall determine for this purpose being not less than the minimum Monthly Contribution permitted under the Savings Contract and then, so far as necessary, selecting by lot; or
- (D) by treating any applications for a 5 year savings contract as an application for a 3 year savings contract and then, so far as necessary, by reducing the proposed

Monthly Contributions pro rata to the excess over such amount as the Board⁸ shall determine for this purpose being not less than the minimum Monthly Contribution permitted under the Savings Contract and then, so far as necessary, selecting by lot;

- 3.2 If the number of Shares available is insufficient to enable an Option based on Monthly Contributions of the minimum amount permitted under the Savings Contract to be granted to each Eligible Employee making a valid application, the Board⁸ may, as an alternative to selecting by lot, determine in its absolute discretion that no Options shall be granted.
- 3.3 If the Board⁸ so determines, the provisions in Rule 3.1(A), (B), (C) and (D) may be modified or applied in any manner as may be agreed in advance with HM Revenue & Customs⁸.
- 3.4 If, in applying the scaling down provisions contained in this Rule 3, Options cannot be granted within the 30 day period referred to in Rule 4.2 below, the Board⁸ may extend that period by 12 days regardless of the expiry of the relevant Invitation Period.

4. **GRANT OF OPTIONS**

- 4.1 No Option shall be granted to any person if:-
- (A) at the Date of Grant that person shall have ceased to be an Eligible Employee.
- (B) []⁹
- 4.2 Within 30 days of any Dealing Day by reference to which the Option Price was fixed (which date shall be within an Invitation Period) the Board⁸ may, subject to Rule 3 above, grant to each Eligible Employee who has submitted a valid application, an Option in respect of the number of Shares for which application has been deemed to be made under Rule 2.6.
- 4.3 The Board⁸ shall issue to each Participant an option certificate in such form (not inconsistent with the provisions of the Scheme) as the Board may from time to time prescribe. Each such certificate shall specify the Date of Grant of the Option, the number and class of Shares over which the Option is granted, the Option Price, the

Bonus Date and whether the Shares over which the Option is granted are subject to any Restriction and, if so, details of such Restriction⁹.

4.4 Except as otherwise provided in these Rules, every Option shall be personal to the Participant to whom it is granted and shall not be transferable.

4.5 No amount shall be paid in respect of the grant of an Option.

5. **SCHEME ALLOCATION LIMITS**⁸

5.1 The maximum number of Shares which may be allocated under the Scheme on any day shall not, when added to the aggregate of the number of Shares which have been allocated in the previous 10 years under the Scheme and under any other Employees' Share Scheme adopted by the Company, exceed such number as represents 10 per cent of the ordinary share capital of the Company in issue immediately prior to that day.

5.2 References in this Rule 5 to the "allocation" of Shares shall mean:

(A) in the case of any option, conditional share award or other similar award pursuant to which Shares may be acquired:

(i) the grant (whether by the Company, the Trustee or otherwise) of the option, conditional share award or other similar award to acquire Shares, pursuant to which Shares may be issued; and

(ii) in so far as not previously taken into account under (A) above from the date of grant, any subscription for Shares which are issued for the purpose of satisfying any option, conditional share award or other similar award to acquire Shares; and

(B) in relation to other types of Employees' Share Scheme, the issue and allotment of Shares,

and references to "allocated", in this Rule 5, shall be construed accordingly.

5.3 In determining the above limits no account shall be taken of:

- (A) any allocation (or part thereof) where the option, conditional share award or other similar award to acquire Shares was released, lapsed or otherwise became incapable of vesting;
- (B) any allocation (or part thereof) in respect of which the Board or the Trustee has determined shall be satisfied otherwise than by the issue of Shares; and
- (C) such number of additional Shares as would otherwise have been issued on the exercise of an option for monetary consideration (*the exercise price*) but in respect of which the exercise price is not paid, in substitution for the issue of such lesser number of shares as have a market value equal only to the gain which the option holder would have made on exercise (*equity-settled SAR alternative*).

5.4 References to the issue and allotment of Shares shall include the transfer of Treasury Shares, but only until such time as the guidelines issued by institutional investor bodies cease to provide that they need to be so included.

6. **RIGHTS OF EXERCISE AND LAPSE OF OPTIONS**

- 6.1
- (A) Save as provided in Rules 6.2, 6.3, 6.4 and Rule 7, an Option shall not be exercised earlier than the Bonus Date under the Savings Contract entered into in connection therewith.
 - (B) Save as provided in Rule 6.2, an Option shall not be exercised later than 6 months after the Bonus Date under the Savings Contract entered into in connection therewith.
 - (C) Save as provided in Rules 6.2, 6.3 and 6.4 an Option may only be exercised by a Participant whilst he is a director or employee of a Participating Company.
 - (D) []⁹

6.2 An Option may be exercised by the personal representatives of a deceased Participant:-

- (A) within 12 months following the date of his death if such death occurs before the Bonus Date; or

- (B) within 12 months following the Bonus Date in the event of his death on or⁸ within 6 months after the Bonus Date.

6.3 An Option may be exercised by a Participant within 6 months following his ceasing to hold the office or employment by virtue of which he is eligible to participate in the Scheme with a Participating Company by reason of:-

- (A) injury, disability, redundancy within the meaning of the Employment Rights³ Act 1996³ or the Employment Rights (Northern Ireland) Order 1996⁵, or⁶ retirement⁹; or
- (B) his office or employment being in a company of which the Company ceases to have Control; or
- (BA) his office or employment being in a Company which ceases to be an Associated Company by reason of a change of control within the meaning of Section 450 and 451 of the Corporation Tax Act 2010⁹;
- (C) the transfer of his contract of employment (which relates to a business or part of a business) to a person who is neither an Associated Company nor a company of which the Company has Control;
- (CA) a relevant transfer within the meaning of the Transfer of Undertakings (Protection of Employment) Regulations 2006⁹; or
- (D) any other reason provided the Option has been held for at least 3 years at the date of such cessation⁶ []⁹.

A Participant shall not be treated for the purposes of this Rule 6.3 or 6.7(E)⁸ as ceasing to hold an office or employment until he ceases to hold an office or employment with any Participating Company or Associated Company.⁴

6.4 If, at the Bonus Date, a Participant holds an office or employment in a company which is not a Participating Company but which is:-

- (A) an Associated Company of the Company (but not because it was demerged by the Company); or
- (B) a company of which the Company has Control,

his Option may be exercised within 6 months of such Bonus Date.

6.5 An Option granted prior to 17 July 2013 (but no other Option)⁹ may be exercised by a Participant within 6 months following the date he reaches the Specified Age if he continues after that date to hold the office or employment by virtue of which he is eligible to participate in the Scheme.

6.6 []⁸

6.7 An Option granted to a Participant shall lapse upon the occurrence of the earliest of the following:

- (A) subject to (B) below, 6 months after the Bonus Date under the Savings Contract entered into in connection with the Option;
- (B) where the Participant dies before the Bonus Date, 12 months after the date of death, and where the Participant dies in the period of 6 months after the Bonus Date, 12 months after the Bonus Date;
- (C) the expiry of any of the 6 month periods specified in Rule 6.3(A) to (D), save that if at the time any of such applicable periods expire, time is running under the 12 month periods specified in Rule 6.2, the Option shall not lapse by reason of this Rule 6.7 until the expiry of the relevant 12 month period in Rule 6.2;
- (D) the expiry of any of the periods specified in Rules 7.3 to 7.5, save where an Option is released in consideration of the grant of a New Option over New Shares in the Acquiring Company (during one of the periods specified in Rules 7.3 and 7.4) pursuant to Rule 7.6;
- (E) the Participant ceasing to hold any office or employment with a Participating Company or any Associated Company for any reason other than those specified in Rule 6.3 or as a result of his death;
- (F) subject to Rule 7.5, the passing of an effective resolution, or the making of an order by the Court, for the winding-up of the Company;

- (G) the Participant being deprived (otherwise than on death) of the legal or beneficial ownership of the Option by operation of law, or doing anything or omitting to do anything which causes him to be so deprived or become bankrupt; and
- (H) before an Option has become capable of being exercised, the Participant giving notice that he intends to stop paying Monthly Contributions, or being deemed under the terms of the Savings Contract to have given such notice, or making an application for Repayment of the Monthly Contributions.

7. TAKEOVER, SCHEME OF ARRANGEMENT, AND LIQUIDATION

- 7.1 If any person obtains Control of the Company as a result of making a general⁸ offer to acquire Shares which is either unconditional or is made on a condition such that if it is satisfied the person making the offer will have Control of the Company, an Option may be exercised within 6 months of the time when the person making the offer has obtained Control of the Company and any condition subject to which the offer is made has been satisfied or waived.
- 7.2 For the purpose of Rule 7.1 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.
- 7.3 If any person becomes bound or entitled to acquire Shares under Sections 979 to 982 or 983 to 985⁹ of the Companies Act 2006⁸, an Option may be exercised within one month of the date on which that person first became⁸ so bound or entitled.
- 7.4 If under Section 899 of the Companies Act 2006⁸ the Court sanctions a compromise or arrangement applicable to or affecting:
 - (A) all of the ordinary share capital of the Company or all of the shares of the same class as the Shares to which the Option relates; or
 - (B) all of the shares, or all of the shares of that same class, which are held by a class of shareholders otherwise than by reference to their employment or directorships or their participation in the Scheme or any other scheme approved by HM Revenue and Customs under Schedule 3 to ITEPA⁹,

an Option may be exercised within 6 months of the Court sanctioning the compromise or arrangement **PROVIDED THAT** an Option may not be exercised pursuant to this Rule 7.4 where:-

(A) the purpose and effect of the compromise or arrangement is that the Company becomes a Subsidiary of another company, such other company having substantially the same shareholders and approximate shareholdings as those of the Company immediately prior to the compromise or arrangement taking effect; and

(B) an offer of a New Option is made pursuant to Rules 7.6 and 7.7⁴.

7.5 If a resolution for the voluntary winding-up of the Company is passed, an Option may be exercised within 2 months from the date of the passing of the resolution.

7.6 If any company ("the Acquiring Company"):-

(A) obtains Control of the Company as a result of making -

(1) 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 Acquiring Company will have Control of the Company; or

(2) 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,

in either case ignoring any Shares which are already owned by it or any person connected to it⁹; or

(B) obtains Control of the Company in pursuance of a compromise or arrangement sanctioned by the Court under Section 899 of the Companies Act 2006⁸; or

(C) becomes bound or entitled to acquire shares under Sections 979 to 982 or 983 to 985⁹ of the Companies Act 2006⁸,

any Participant may at any time within the Appropriate Period, by agreement with the Acquiring Company, release any Option granted under the Scheme 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 39 of Schedule 3 to ITEPA⁵) 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 18(b) or (c)⁵ of Schedule 3⁵ to ITEPA⁵).

7.7 The New Option shall not be regarded for the purposes of Rule 7.6 as equivalent to the Old Option unless the conditions set out in Paragraph 39(4)⁵ of Schedule 3⁵ to ITEPA⁵ are satisfied but so that the provisions of the Scheme shall be construed as if:-

- (A) the New Option was granted under the Scheme at the same time as the Old Option;
- (B) except for the purposes of the definitions of "Participating Company" and "Subsidiary" in Rule 1, the reference to De La Rue¹ plc in the definition of "the Company" in Rule 1 were a reference to the different company mentioned in Rule 7.6 (provided that the scheme organiser (as defined in Schedule 3 of ITEPA) shall continue to be the Company⁸);
- (C) Rule 12.2 were omitted.

8. **MANNER OF EXERCISE**

8.1 An Option may only be exercised during the periods specified in Rules 6 and 7, and only with monies not exceeding the aggregate amount of the Monthly Contributions due and paid to the date of exercise and any interest or bonus thereon.

8.2 Exercise shall be by the delivery to the Secretary of the Company or other duly appointed agent (who act as agent for the Trustee)³, of an option certificate covering the Shares over which the Option is then to be exercised, with the notice of exercise in the prescribed form duly completed by the Participant (or by his duly authorised agent) together with any remittance for the Exercise Price payable (such payment to be made to the Company as agent for the Trustee where the Trustee will satisfy the exercise of the Option)^{3,8}, or authority to the Company to withdraw and apply monies equal to the Exercise Price from the Savings Contract, to acquire the Shares over which the Option is to be exercised. The effective date of exercise shall be the date of delivery of the notice of exercise.

9. **ISSUE OR TRANSFER OF SHARES**

- 9.1 Shares to be issued pursuant to the exercise of an Option shall be allotted within 28 days following the effective date of exercise of the Option.
- 9.2 The Board⁸ shall transfer any³ Shares to be transferred pursuant to the exercise of an Option within 28 days following the effective date of exercise of the Option.
- 9.3 Shares to be issued pursuant to the Scheme will rank pari passu in all respects with the Shares then in issue, except that they will not rank for any rights attaching to Shares by reference to a record date preceding the date of exercise.
- 9.4 Shares to be transferred pursuant to the Scheme will be transferred free of all liens, charges and encumbrances and together with all rights attaching thereto, except they will not rank for any rights attaching to Shares by reference to a record date preceding the date of exercise.
- 9.5 If and so long as the Shares are admitted to listing⁸ by the UK Listing Authority⁴ and traded on the London Stock Exchange, the Company shall apply for a listing for any Shares issued pursuant to the Scheme as soon as practicable after the allotment thereof.

10. **ADJUSTMENTS**

- 10.1 The number of Shares over which an Option is granted, and the Option Price thereof shall be adjusted in such manner as the Board shall determine following any capitalisation issue (other than a scrip dividend)⁴, rights issue, subdivision, consolidation or reduction of share capital or any other variation of share capital⁴ of the Company, or (subject to the prior approval by ordinary resolution of the Company in general meeting) an open offer to Shareholders to the intent that (as nearly as may be without involving fractions of a Share or an Option Price calculated to more than two places of decimals) the Exercise Price payable in respect of an Option shall remain unchanged, provided that no adjustment made pursuant to this Rule 10.1 shall be made without the prior approval of HM Revenue & Customs⁸ (so long as the Scheme is approved by HM Revenue & Customs).

- 10.2 Subject to Rule 10.3, an adjustment may be made under Rule 10.1 which would have the effect of reducing the Option Price of unissued Shares to less than the nominal value of a Share, but only if, and to the extent that, the Board shall be authorised to capitalise from the reserves of the Company a sum equal to the amount by which the nominal value of the Shares in respect of which the Option is exercisable exceeds the adjusted Exercise Price, and so that on exercise of any Option in respect of which the Option Price has been reduced, the Board shall capitalise and apply such sum (if any) as is necessary to pay up the amount by which the aggregate nominal value of the Shares in respect of which the Option is exercised exceeds the Exercise Price for such Shares.
- 10.3 Where an Option subsists over both issued and unissued Shares, an adjustment permitted by Rule³ 10.2 may only be made if the reduction of the Option Price of both the issued and unissued Shares can be made to the same extent.
- 10.4 The Board⁸ may take such steps as it may consider necessary to communicate any adjustments made under this Rule 10 to Participants and to call in, cancel, endorse, issue or reissue any option certificate consequent upon such adjustment.

11. **ADMINISTRATION**

- 11.1 Any notice or other communication made under, or in connection with, the Scheme may be given by personal delivery, by electronic communication⁴ or by sending the same by post, in the case of a company to its registered office and in the case of an individual to his last known address, or, where he is a director or employee of the Company or an Associated 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, and where a notice or other communication is given by first-class post, it shall be deemed to have been received 48 hours after it was put into the post properly addressed and stamped. All references to written notices, certificates or documents shall include electronic communications.⁴
- 11.2 The Company may distribute to Participants, including electronically⁴, copies of any notice or document normally sent by the Company to the holders of Shares.

- 11.3 If any option certificate shall be worn out, defaced or lost, it may be replaced including electronically⁴ on such evidence being provided as the Board may require.
- 11.4 The Company shall at all times keep available for allotment unissued Shares at least sufficient to satisfy all Options under which Shares may be subscribed or procure that sufficient Shares are available for transfer to satisfy all Options under which Shares may be acquired.
- 11.5 The decision of the Board in any dispute relating to an Option or the due exercise thereof or any other matter in respect of the Scheme shall be final and conclusive.
- 11.6 The costs of introducing and administering the Scheme shall be borne by the Company.

12. **ALTERATIONS**

- 12.1 Subject to Rule 12.2, the Board may at any time alter or add to all or any of the provisions of the Scheme in any respect, provided that if an alteration or addition to a Key Feature of the Scheme⁵ is made at a time when the Scheme is approved by HM Revenue & Customs⁸ under Schedule 3⁵ to ITEPA⁵ it shall not have effect until it has been approved by HM Revenue & Customs⁸.
- 12.2 Subject to Rule 12.3, no alteration or addition to the advantage of present or future Participants or employees relating to eligibility, scheme limits, the Option Price, the basis of individual entitlement and the provisions for the adjustment of Options on a variation of share capital under Rule 10 shall be made without the prior approval by ordinary resolution of the members of the Company in general meeting.⁴
- 12.3 Rule 12.2 shall not apply to any alteration or addition which:-
- (A) is necessary or desirable in order to obtain or maintain the approval of HM Revenue & Customs⁸ of the Scheme under Schedule 3⁵ to ITEPA⁵ or any other enactment, to comply with or take account of the provisions of any proposed or existing legislation or law, to take advantage of any changes to existing legislation or law, to take account of any of the events mentioned in Rule 7, or to obtain or maintain favourable taxation treatment of the Company, any Subsidiary or any Participant; and

- (B) does not affect the basic principles of the Scheme, the definition of "Option Price", the limits on individual participation, or the limits in Rule 5.

12.4 No alteration or addition shall be made under Rule 12.1 which would abrogate or adversely affect the subsisting rights of a Participant, unless it is made:-

- (1) with the consent in writing of such number of Participants as hold Options to acquire not less than 75 per cent. of the Shares which would be issued or transferred if all Options granted and subsisting were exercised in respect of the maximum number of Shares the subject thereof; or
- (2) by a resolution at a meeting of Participants passed by not less than 75 per cent. of the Participants who attend and vote either in person or by proxy,

and for the purposes of this Rule 12.4 the Participants shall be treated as the holders of a separate class of share capital and the provisions of the Articles of Association of the Company relating to class meetings shall apply mutatis mutandis.

12.5 As soon as reasonably practicable after making any alteration or addition under Rule 12.1, the Board shall give written notice thereof to any Participant affected thereby.

13. **GENERAL**

13.1 The Scheme shall terminate upon 26 July 2022⁸ or at any earlier time by the passing of a resolution by the Board or an ordinary resolution of the Company in general meeting. Termination of the Scheme shall be without prejudice to the subsisting rights of Participants.

13.2 The Board shall notify HM Revenue & Customs⁸ if at any time the Company acts so as to terminate the approved status of the Scheme.

13.3 The Company and any Subsidiary of the Company may provide money to the trustees of any trust or any other person to enable them or him to acquire Shares to be held for the purposes of the Scheme, or enter into any guarantee or indemnity for these purposes, to the extent that such is not prohibited by Chapter 2 of Part 18 of the Companies Act 2006⁸.

- 13.4 The rights and obligations of any individual under the terms of his office or employment with the Company, a Participating Company, a Subsidiary of the Company, or an Associated Company shall not be affected by his participation in the Scheme or any right which he may have to participate therein, and an individual who participates therein shall waive all and any rights to compensation or damages in consequence of the termination of his office or employment with any such company for any reason whatsoever insofar as those rights arise, or may arise, from his ceasing to have rights under or be entitled to exercise any Option under the Scheme as a result of such termination, or from the loss or diminution in value of such rights or entitlements, including by reason of the operation of the terms of the Scheme or the provisions of any statute or law relating to taxation⁸.
- 13.5 By participating in the Scheme, the Participant consents to the collection, processing, transmission and storage by the Company, in any form whatsoever, of any data of a professional or personal nature which is necessary for the purposes of introducing and administering the Scheme. The Company may share such information with any Participating Company or Associated Company, the Trustee, its registrars, brokers, other third party administrator or any person who obtains Control of the Company or acquires the company, undertaking or part-undertaking which employs the Participant, whether within or outside of the European Economic Area⁸.
- 13.6 These Rules shall be governed by and construed in accordance with English law.

¹ By a resolution of a committee of the Board dated 16 February 2000, all references to New De La Rue were amended to De La Rue to reflect the change of name which took effect on 1 February 2000.

² Amended by directors' resolution passed on 21st June 2000 and approved by the Inland Revenue on 21st June 2000

³ Amended by directors' resolution passed on 13th December 2000 and approved by the Inland Revenue on 19th December 2000.

⁴ Amended pursuant to a directors' resolution effective on 17th July 2002 (which resolution was authorised by Shareholders on 17th July 2002) and approved by the Inland Revenue on 17 July 2002.

⁵ Amended by directors' resolution passed on 25 November 2004 and approved by the Inland Revenue by letter dated 16th November 2004.

⁶ Amended by resolution of the Remuneration Committee passed on 22 November 2007 and approved by HM Revenue & Customs by letter dated 28 November 2007.

⁷ Amended by resolution of the Remuneration Committee passed on 20 November 2008

⁸ Amended by resolution of the Remuneration Committee passed on 24 May 2012 (which resolution was authorised by shareholders on 26 July 2012) and approved by HM Revenue & Customs on 20 September 2012.

⁹ Amended by the Finance Act 2013 on 17 July 2013, and to record the withdrawal of seven-year Savings Contracts on 23 July 2013.