

## Notice of Annual General Meeting (Company No: 5819555)

**Notice is hereby given that the Annual General Meeting of Energetix Group plc (“the Company”) will be held at 12pm on Thursday 20 May 2010 at Capenhurst Technology Park Capenhurst Chester CH16EH for the following purposes:**

### Ordinary Business

To consider and, if thought fit, pass the following resolutions, all of which will be proposed as ordinary resolutions:

- 1. TO** receive and adopt the audited financial statements of the Company for the financial year ended 31 December 2009, the directors’ report and the auditors’ report on those financial statements.
- 2. TO** re-elect Alan Aubrey as a director who retires by rotation.
- 3. TO** re-elect Adrian Hutchings as a director who retires by rotation.
- 4. TO** re-appoint Grant Thornton UK LLP as the auditors of the Company to hold office from the conclusion of the meeting until the conclusion of the next meeting at which accounts are laid before the Company.
- 5. TO** authorise the Directors to determine the remuneration of the auditors of the Company.

### Special Business

To consider and, if thought fit, pass the following resolutions, of which resolutions 6, 10 and 11 will be proposed as ordinary resolutions and resolutions 7, 8 and 9 will be proposed as special resolutions:

- 6. (i) THAT**, in accordance with section 551 of the Companies Act 2006, the Directors be generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company (“Rights”) up to an aggregate nominal amount of £919,250.10 provided that this authority shall, unless renewed, varied or revoked by the Company, expire on 31 May 2011 or at the conclusion of the Company’s next annual general meeting, whichever is the earlier, save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the Directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired, and further,

**(ii) THAT** the board be and it is hereby generally and unconditionally authorised to exercise all powers of the Company to allot equity securities (within the meaning of Section 560 of the said Act) in connection with a rights issue in favour of Ordinary shareholders where the equity securities respectively attributable to the interests of all Ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of Ordinary shares held by them up to an aggregate nominal amount of £919,250.10 provided that this authority shall expire on 31 May 2011 or at the conclusion of the Company’s next annual general meeting, whichever is the earlier, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the board may allot equity securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

This authority is in substitution for all previous authorities conferred on the Directors in accordance with section 80 of the Companies Act 1985 or section 551 of the Companies Act 2006.

- 7. THAT**, subject to the passing of resolution 6 and in accordance with section 570 of the Companies Act 2006, the Directors be generally empowered to allot equity securities (as defined in section 560 of the Companies Act 2006) pursuant to the authority conferred by resolution 6, as if section 561(1) of the Companies Act 2006 did not apply to any such allotment, provided that this power shall be limited to:

**(i)** the allotment of equity securities in connection with a rights issue in favour of Ordinary shareholders where the equity securities respectively attributable to the interests of all Ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of Ordinary shares held by them, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or any legal or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange, and

**(ii)** the allotment (otherwise than pursuant to sub-paragraph (i)) of equity securities up to an aggregate nominal amount of £137,887.50.

## Notice of Annual General Meeting continued

This power shall expire on 31 May 2011 or at the conclusion of the Company's next annual general meeting (unless renewed, varied or revoked by the Company prior to or on that date) save that the Company may, before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

This authority is in substitution for all previous authorities conferred on the Directors in accordance with section 95 of the Companies Act 1985 or section 570 of the Companies Act 2006.

### 8. THAT:

(i) the Articles of Association of the Company be amended by deleting all the provisions of the Company's Memorandum of Association which, by virtue of section 28 of the Companies Act 2006, are to be treated as provisions of the Company's Articles of Association; and

(ii) the Company adopts Articles of Association (a copy of which is produced to the meeting and initialled by the Chairman of the Company for the purposes of identification) in substitution for and to the exclusion of the existing Articles of Association.

### 9. TO authorise the Company generally and unconditionally in accordance with section 701 of the Companies Act 2006 to make market purchases (within the meaning of section 693(4) of the Companies Act 2006) of Ordinary shares of £0.05 each provided that:

(i) The maximum aggregate number of Ordinary shares that may be purchased is 5,515,500.

(ii) The minimum price (excluding expenses) which may be paid for each Ordinary share is £0.05.

(iii) The maximum price (excluding expenses) which may be paid for each Ordinary share is the higher of:

(a) 105 per cent of the average market value of an Ordinary share in the Company for the five business days prior to the day the purchase is made; and

(b) the value of an Ordinary share calculated on the basis of the higher of the price quoted for:

- the last independent trade of; and
- the highest current independent bid for,

any number of the Company's Ordinary shares on the trading venue where the purchase is carried out.

(iv) The authority conferred by this resolution shall expire on the earlier of 31 May 2011 or at the conclusion of the Company's next annual general meeting, whichever is the earlier, save that the Company may, before the expiry of the authority granted by this resolution, enter into a contract to purchase Ordinary shares which will or may be executed wholly or partly after the expiry of such authority.

### 10. TO adopt the Energetix Group Plc Company Share Option Plan 2010 in the form of the draft Rules produced to the meeting and initialled by the Chairman for identification purposes ("the CSOP") and that the Directors of the Company be authorised to do all acts and things necessary to establish and carry into effect the CSOP, including the making of such amendments to the draft Rules as they believe are necessary or expedient for the purpose and giving such undertakings on behalf of the Company as might be required by HMRC in order to secure approval for the same under schedule 4 to the Income Tax (Earnings and Pensions) Act 2003.

### 11. TO adopt the Energetix Group plc Sharesave Scheme 2010 in the form of the draft Rules produced to the meeting and initialled by the Chairman for identification purposes ("the SAYE Scheme") and that the Directors of the Company be authorised to do all acts and things necessary to establish and carry into effect the SAYE Scheme, including the making of such amendments to the draft Rules as they believe are necessary or expedient for the purpose and giving such undertakings on behalf of the Company as might be required by HMRC in order to secure approval for the same under schedule 3 to the Income Tax (Earnings and Pensions) Act 2003.

### BY ORDER OF THE BOARD

**P M Barry**  
**Secretary**

Registered Office:  
Steam Packet House  
76 Cross Street  
Manchester  
M2 4JU

# Notes for the AGM

- 1.** In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, only those members entered on the Company's register of members not later than 12pm on 18 May 2010, or, if the meeting is adjourned, shareholders entered on the Company's register of members not later than 48 hours before the time fixed for the adjourned meeting shall be entitled to attend, vote and speak at the meeting.
- 2.** As at 22 April 2010 (being the last business day prior to the publication of this Notice) the Company's issued share capital consists of 55,155,008 ordinary shares of £0.05 each, carrying one vote each.
- 3.** A member entitled to attend, speak and vote at the meeting is entitled to appoint one or more proxies (who need not be members of the Company) to attend, speak and vote instead of him. A form of proxy is enclosed. Completion of the proxy does not preclude a member from subsequently attending, voting and speaking at the meeting in person if he or she so wishes.
- 4.** Any corporation which is a member of the Company may authorise a person (who need not be a member of the Company) to act as its representative to attend, speak and vote (on a show of hands or a poll) on its behalf.
- 5.** In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the Chairman of the meeting as its corporate representative with instructions to vote on a poll or on a show of hands in accordance with the direction of all of the other corporate representatives for the shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the Chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll or on a show of hands and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives ([www.icsa.org.uk](http://www.icsa.org.uk)) for further details of this procedure. The guidance includes a sample form of appointment letter if the Chairman is being appointed as described in (i) above.
- 6.** To be valid for the meeting, a form of proxy should be completed, signed (together with any power of attorney or any other authority under which it is signed or a duly certified copy of such power or authority) or in the case of a corporation be executed under its common seal or as a deed or signed on its behalf by an attorney or officer duly authorised to sign it and lodged at the Company's Registrars, Neville Registrars Limited, whose address is Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA no later than 48 hours before the time for which the meeting is convened.
- 7.** In order to revoke a proxy appointment, a member must sign and date a notice clearly stating his/her intention to revoke his/her proxy appointment and deposit it at the office of the Company's registrar's no later than 48 hours before the time for which the meeting is convened.
- 8.** Documents for Inspection – The following documents are available for inspection at Steam Packet House, 76 Cross Street, Manchester M2 4JU during business hours on any weekday (excluding Saturdays) from the date of this notice until the close of the meeting:
  - a register of interests of Directors and their families in the shares of the Company;
  - copies of all Directors' service or consultancy agreements; and
  - Articles of Association of the Company.

# Explanatory notes on Resolutions

## **Resolution 1: To receive the accounts and directors' report.**

For each financial year, the directors must present the Report of directors, the audited financial statements and the independent auditors' report to shareholders at a General Meeting.

## **Resolutions 2 and 3: Re-election of Directors.**

Alan Aubrey and Adrian Hutchings retire by rotation and being eligible offer themselves for re-election, in accordance with Article 25 of the Articles of Association.

## **Resolutions 4 and 5: Re-appointment and remuneration of auditors.**

At every general meeting at which accounts are presented to shareholders, the Company is required to appoint auditors to serve until the next such meeting. Grant Thornton UK LLP has indicated that it is willing to continue as the Company's auditors for another year. You are asked to re-appoint them and authorise the directors to determine their remuneration.

## **Resolution 6: Directors' authority to allot new securities.**

The purpose of this resolution is to renew for a further period until the conclusion of the Annual General Meeting in 2011, the authority pursuant to Section 551 of the Companies Act 2006. This ordinary resolution, if approved by shareholders, would enable the Directors to exercise their existing power under the Company's Articles of Association to allot new shares in the capital of the Company.

If passed, paragraph (i) of resolution 6 would give the Directors authority to allot shares or grant rights to subscribe for, or convert any security into, shares in the Company up to an aggregate nominal value of £919,250.10 representing approximately one third (33.33%) of the Company's existing issued share capital (excluding shares held in treasury) and calculated as at 22 April 2010 (being the latest practicable date prior to publication of this notice). In accordance with the latest institutional guidelines issued by the Association of British Insurers ("ABI"), paragraph (ii) of resolution 6, if passed, would give the Directors authority to allot, including the shares referred to in paragraph (i) of resolution 6, further of the Company's shares in connection with a pre-emptive offer by way of a rights issue to shareholders up to a maximum nominal amount of £1,838,500.20, representing approximately two thirds (66.67%) of the Company's existing issued share capital (excluding shares held in treasury) and calculated as at 22 April 2010 (being the latest practicable date prior to publication of this notice).

Other than the allotment of Ordinary shares for the purposes of fulfilling the Company's obligations under its various employee share plans and for the provision of certain services, the Directors have no present intention of allotting any of the authorised Ordinary share capital of the Company which has not yet been allotted. However, it is considered prudent to maintain the flexibility that this authority provides.

## **Resolution 7: Dis-application of pre-emption rights.**

This special resolution authorises the Directors to allot equity securities of the Company either in connection with a rights issue or to persons other than existing shareholders, as if the pre-emption provisions of Section 561 of the Companies Act 2006 did not apply. Under Section 561, when new securities are allotted, they must first be offered to existing shareholders pro-rata to their holdings. This provision was designed to prevent the holdings of existing shareholders being diluted against their wishes by the allotment of new equity securities. Shareholders may waive this right of pre-emption. The authority contained in this resolution would be limited to the allotment of equity securities having an aggregate nominal value of £137,887.50 being a maximum of 2,757,750 Ordinary shares representing approximately five per cent of the total Ordinary share capital of the Company currently in issue (known as the Section 561 Amount), as at 22 April 2010 (being the latest practicable date prior to publication of this notice). The limit of five per cent is also derived from the ABI guidelines mentioned in the notes to resolution 6. Although the Directors have no present intention of making use of the authorities sought in resolution 7, they wish to retain the flexibility to act quickly and allot securities within these limits if they consider it in the interests of the Company to do so.

## **Resolution 8: Adoption of new articles of association.**

It is proposed in resolution 8 to adopt new articles of association (the "New Articles") in order to update the Company's current articles of association (the "Current Articles") primarily to take account of the implementation of the remaining provisions of the Companies Act 2006 on 1 October 2009.

The principal changes introduced in the New Articles are summarised in the explanatory notes which follow. Other changes, which are of a minor, technical or clarifying nature and also some more minor changes which merely reflect changes made by the Companies Act 2006 have not been noted.

A full copy of the New Articles is available for inspection on the Company's website, at the Company's registered office and will be available at the 2010 AGM.

**Resolution 9: Approval for buy-back of shares.**

This resolution seeks authority for the Company to make market purchases of its own Ordinary shares and is proposed as a special resolution. If passed, the resolution gives authority for the Company to purchase up to 5,515,500 of its Ordinary shares, representing just under 10 per cent of the Company's issued Ordinary share capital (excluding treasury shares) as at 22 April 2010.

The resolution specifies the minimum and maximum prices which may be paid for any Ordinary shares purchased under this authority. The authority will expire at the conclusion of the Company's 2011 annual general meeting.

The Directors do not currently have any intention of exercising the authority granted by this resolution. The Directors will only exercise the authority to purchase Ordinary shares where they consider that such purchases will be in the best interests of shareholders generally and will result in an increase in earnings per Ordinary share.

The Company may either cancel any shares it purchases under this authority or transfer them into treasury (and subsequently sell or transfer them out of treasury or cancel them).

On 22 April 2010 the total number of share warrants outstanding amounted to 500,000 representing 0.9 per cent of the Company's issued Ordinary share capital (excluding treasury shares) on that date. If this authority to purchase shares was exercised in full the options would represent 1.0 per cent of the issued Ordinary share capital (excluding treasury shares) as it stands at the date of this notice. On 22 April 2010, the total number of options to subscribe for Ordinary shares in the Company amounted to 709,789. This represented 1.3 per cent of the Company's issued Ordinary share capital (excluding treasury shares) on that date. If this authority to purchase shares was exercised in full the options would represent 1.4 per cent of the issued Ordinary share capital (excluding treasury shares) as at that date.

**Resolutions 10 and 11: Approval of share schemes.**

The Directors believe that the recruitment, motivation and retention of employees is vital for the successful growth of the Group. The Directors consider that an important element in achieving these objectives is the ability to incentivise and reward staff by reference to the market performance of the Company in a manner which aligns the interests of those staff with the interest of shareholders generally. As a result, the Company proposes to establish HM Revenue and Customs approved company share option and share save schemes which the Directors believe are effective and tax efficient methods of creating a system of those incentives and rewards. Further details of the proposed schemes are set out at in the explanatory notes that follow.

**Recommendation**

**Your Directors believe that the proposals described in this booklet are in the best interests of the Company and its shareholders as a whole and recommend you to give them your support by voting in favour of all the resolutions, as they intend to in respect of their own beneficial shareholdings.**

# Appendix 1

## Explanatory notes of principal changes to the Company's Articles of Association

### 1. The Company's objects

The provisions regulating the operations of the Company are currently set out in the Company's memorandum and articles of association. The Company's memorandum contains, among other things, the objects clause which sets out the scope of the activities the Company is authorised to undertake. This is drafted to give a wide scope.

The Companies Act 2006 significantly reduces the constitutional significance of a company's memorandum. The Companies Act 2006 provides that a memorandum will record only the names of subscribers and the number of shares each subscriber has agreed to take in the company. Under the Companies Act 2006 the objects clause and all other provisions which are currently contained in a company's memorandum, for existing companies at 1 October 2009, will be deemed to be contained in a company's articles of association but the company can remove these provisions by special resolution.

Further the Companies Act 2006 states that unless a company's articles provide otherwise, a company's objects are unrestricted. This abolishes the need for companies to have objects clauses. For this reason the Company is proposing to remove its objects clause together with all other provisions of its memorandum which, by virtue of the Companies Act 2006, are to be treated as forming part of the Company's articles of association as of 1 October 2009. Resolution 9(i) confirms the removal of these provisions for the Company. As the effect of this resolution will be to remove the statement currently in the Company's memorandum of association regarding limited liability, the New Articles also contain an express statement regarding the limited liability of the shareholders.

### 2. Authorised share capital and unissued shares

The Companies Act 2006 abolishes the requirement for a company to have an authorised share capital and the New Articles reflect this. Directors will still be limited as to the number of shares they can at any time allot because allotment authority continues to be required under the Companies Act 2006, save in respect of employee share schemes.

### 3. Redeemable shares

Previously, if a company wished to issue redeemable shares, it must include in its articles the terms and manner of redemption. The Companies Act 2006 enables Directors to determine such matters instead provided they are so authorised by the articles. The New Articles contain such an authorisation. The Company has no plans to issue redeemable shares but if it did so the Directors would need shareholders' authority to issue new shares in the usual way.

### 4. Provision for employees on cessation of business

The Companies Act 2006 provides that the powers of the Directors of a company to make provision for a person employed or formerly employed by the company or any of its subsidiaries in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary, may only be exercised by the Directors if they are so authorised by the company's articles or by the company in general meeting. The New Articles provide that the Directors may exercise this power.

### 5. Use of seals

A company currently requires authority in its articles to have an official seal for use abroad. After 1 October 2009 such authority will no longer be required. Accordingly the relevant authorisation has been removed in the New Articles.

The New Articles provide an alternative option for execution of documents (other than share certificates). Under the New Articles, when the seal is affixed to a document it may be signed by one authorised person in the presence of a witness, whereas previously the requirement was for signature by either a Director and the secretary or two Directors or such other person or persons as the Directors may approve.

### 6. Suspension of registration of share transfers

The Current Articles permit the Directors to suspend the registration of transfers. Under the Companies Act 2006 share transfers must be registered as soon as practicable. The power in the Current Articles to suspend the registration of transfers is inconsistent with this requirement. Accordingly, this power has been removed in the New Articles.

### 7. Vacation of office by Directors

The Current Articles specify the circumstances in which a Director must vacate office. The New Articles update these provisions to reflect the approach taken on mental and physical incapacity in the model articles for public companies produced by the Department for Business, Enterprise and Regulatory Reform, now the Department for Business Innovation and Skills.

## Appendix 2

### **Explanatory notes on the Energetix Group plc Company Share Option Plan 2010 and the Energetix Group plc Sharesave scheme 2010**

The Group is proposing to establish two share option schemes in relation to Ordinary Shares ("the Schemes"), namely the Energetix Group plc Company Share Option Plan 2010 ("the CSOP") and the Energetix Group plc Sharesave Scheme 2010 ("the SAYE Scheme") on the bases set out in these notes.

Grants under the Schemes may be made by the Company as subscription options or by an existing shareholder (including an employee benefit trust) over shares already issued.

#### **1. Potential grantees**

The grant of options to any individual under the CSOP is at the absolute discretion of the Remuneration Committee. An individual may only be granted options under the CSOP if he is a bona fide employee of the Group. Additionally, Executive Directors are required to work for the Group for at least 25 hours a week in order to be granted such options.

By contrast, all employees (and Executive Directors working at least twenty five hours each week) of the Group who have achieved the qualifying length of service at the proposed date of grant must be invited to participate in the SAYE Scheme on similar terms. It is envisaged that the qualifying period of service will initially be set at 3 months, but this period can be varied (up to a maximum of five years) by the Directors for future grants.

#### **2. Life of the Schemes and timing of grants**

Options may be granted at any time in the ten year period beginning with the date of approval of the Schemes by HMRC, but no grant may be made at any time when it would cause any person to be in breach of the AIM Rules or any other applicable rules relating to share dealings by Directors and employees.

Subject to the constraints of the AIM Rules, CSOP options may be granted at any time.

Options under the Sharesave Scheme may only be granted within the 42 days following approval of the Sharesave Scheme by HMRC and afterwards within 42 days of the publication of the Group's annual accounts.

#### **3. Individual limits on number of options**

There are limits on the number of share options that may be granted to any individual as follows:

- (a) under the CSOP, the grant of options is limited so that an individual will not be granted options if the total market value of the Ordinary Shares comprised in those options at the time of the proposed grant, when added to the total market value (at the date of their respective grants) of Ordinary Shares under unexercised options already granted to him under that or any other HMRC approved discretionary scheme (but not including the SAYE Scheme) would exceed £30,000;
- (b) under the SAYE Scheme, an individual who wishes to accept an invitation to apply for options to be granted to him or her must take out a 3 or 5 year savings contract (or a combination of both) with an approved savings body (and the Group has selected Yorkshire Building Society for this purpose). The individual makes a fixed monthly contribution over the life of the savings contract and on maturity receives a tax-free bonus. The monthly contribution can be a minimum of £10 and a maximum of £250 (or such other lower maximum amount as the Directors decide). If an individual is granted options on more than one occasion, the maximum total monthly contribution under all the relevant savings contracts is capped at £250. The maximum number of options an individual can be granted is calculated by dividing the total amount that will be repayable to him at the end of the relevant savings contract by the exercise price for each relevant option. The Sharesave Scheme contains detailed provisions for scaling back applications where any of the scheme limits on the number of shares that may be issued would otherwise be breached.

#### **4. Aggregate limits on number of options**

The maximum number of Ordinary Shares which may be issued on the exercise of subscription options under the CSOP may not exceed 5 per cent of the issued Ordinary Share capital of the Company for time being during the 10 years from the date of approval of the CSOP.

The maximum number of Ordinary Shares which may be issued on the exercise of subscription options under the Sharesave Scheme similarly may not exceed 5 per cent of the issued Ordinary Share capital of the Company for the time being during the 10 years from the date of approval of the Sharesave Scheme.

The maximum number of Ordinary Shares which may be issued on the exercise of options in total under the CSOP and the Sharesave Scheme may not in aggregate exceed 10 per cent of the issued Ordinary Share Capital of the Company for the time being during the 10 years from the date of approval of the Schemes.

## Appendix 2 continued

### 5. Exercise Price

The price at which options may be exercised under the CSOP will be set by the Remuneration Committee at the date of grant but will not be less than the market value at the date of grant of the Ordinary Shares over which they are granted.

The price at which options may be exercised under the Sharesave Scheme will be set by the Directors at the date of grant and may be at a discount of up to a maximum of 20% against the market value at the date of grant of the Ordinary Shares over which they are granted.

### 6. Conditions of Exercise

Objective conditions may be imposed by the Remuneration Committee that have to be complied with before CSOP options may be exercised.

No conditions of exercise will be imposed in relation to options granted under the Sharesave Scheme.

### 7. Timing of Exercise

Other than in the case of a takeover or demerger or similar event, an option will be exercisable by the holder in relation to the CSOP at any time between the third and tenth anniversaries of the date of the grant. If an optionholder leaves employment by reason of injury, disability, ill-health redundancy or retirement at 65 any option may be exercised within 6 months of such event happening or, if the optionholder has died, within 12 months of his death by his personal representatives. If an optionholder leaves employment for any other reason, exercise of any outstanding options is at the Remuneration Committee's discretion. Any option not so exercised will lapse.

Other than in the case of a takeover or demerger or similar event, an option will generally be exercisable by the holder in relation to the Sharesave Scheme within the six month period after the bonus becomes payable on his or her relevant savings contract. Any option not so exercised will lapse. If an optionholder leaves employment earlier by reason of injury, disability, ill-health redundancy or retirement at 65 any option may be exercised within 6 months of such event happening or, if the optionholder has died, within 12 months of his death by his personal representatives. If an optionholder leaves employment for any other reason, any outstanding options lapse.

### 8. Status of options

All options are non-transferable. Ordinary Shares issued following exercise of any option will rank *pari passu* with the Ordinary Shares then in issue, save as regards any rights attaching to Ordinary Shares by reference to a record date prior to the date of exercise of the option. Options may be exercised in whole or in part subject to a minimum number of options that may be exercised at any one time.

### 9. Adjustment of options

The Remuneration Committee (or, in the case of the Sharesave Scheme, the Directors) may adjust (subject to confirmation in writing by the auditors for the time being that such adjustment is fair and reasonable in their opinion) the number of shares under option and available for option and/or the option price to take account of any shares issued by the Company (other than as consideration for an acquisition) and/or any capitalisation, consolidation, sub-division or reduction of the capital of the Company.

### 10. Adjustment of Schemes

The Schemes may be amended by the Remuneration Committee (or, in the case of the Sharesave Scheme, the Directors) but to the extent that any amendment would be advantageous in relation to certain rights of eligible employees or option holders the consent of the Company in general meeting is required.

The rules of the Schemes make detailed provision for the exercise and/or exchange of options in the event of a takeover or reverse takeover of the Company.

The CSOP requires optionholders to be responsible for any employer's National Insurance contributions otherwise payable by the Company on the grant and/or exercise and/or disposal of any options and to indemnify the Company against any income tax due in such circumstances.