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**If you are in any doubt as to the action you should take, you are recommended to immediately consult your stockbroker, bank manager, solicitor, accountant or other independent adviser duly authorised pursuant to the Financial Services and Markets Act 2000.**

If you have sold or otherwise transferred all of your ordinary shares of 12.5 pence each in the share capital of Great Portland Estates plc, please forward this document and the accompanying form of proxy at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

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28 May 2010

Dear Shareholder

**Great Portland Estates plc Annual General Meeting 2010 – Adoption of new Long Term Incentive Plan and all-employee plans (Resolutions 9, 10 and 11)**

During the past year the Remuneration Committee of the Company (the “Committee”) undertook a full review of the remuneration arrangements for Executive Directors (which have remained broadly unchanged since 2006) to ensure the arrangements remained appropriate and supported the Company’s strategy. The Committee was assisted in its review by PricewaterhouseCoopers LLP (“PwC”).

As a result of the review, the Committee concluded that although the fundamental principles that underpin the Company’s approach to remuneration remain appropriate for the business, the prevailing executive incentives are not sufficiently aligned with its strategy going forward. Therefore, the Committee has recommended the following changes to the long-term incentive arrangements.

The Committee supports the overall ethos of the current Long Term Incentive Plan (“LTIP”) and Share Matching Plan (“SMP”) structures but notes that by operating them as separate plans they are overly complex. It is proposed, therefore, to simplify the structure of long-term incentives by combining these elements in a new plan, the 2010 LTIP, which will replace both the LTIP and SMP, to increase the long-term element of the remuneration package, to encourage a higher level of investment in Company shares by executives and to introduce performance conditions that reward the delivery of greater returns than our key competitors.

## Quantum and structure of awards under the 2010 LTIP

In order to provide a competitive overall total remuneration package it is proposed that the maximum long-term incentive award is increased from 150% to 200% of basic salary. In addition, matching awards of up to 100% of salary will be made to executives who invest in Company shares, or pledge existing holdings of Company shares, equivalent in value to up to one-third of annual salary (compared to 30% of annual salary available for co-investment under the SMP).

In the first year of operation of the 2010 LTIP only, a number of senior executives will be provided with the opportunity to receive an additional matching award equivalent to 100% of basic salary by making a further co-investment (or pledge) of one-third of basic salary in Company shares. However, the performance conditions in relation to this additional one-off award will require tougher performance targets to be met (e.g. upper quintile performance for full vesting compared with upper quartile performance).

The Committee believes that the additional one-off award is important at this critical point in the property cycle when the retention and incentivisation of key executives is essential to the long-term success of the Company. When proposing the increase in long-term incentive award level for executives, the Committee took into account the more stretching performance conditions described below.

## Performance conditions

The performance metrics for the current LTIP and SMP are relative Total Shareholder Return and net asset value. An increase in overall net asset value ("NAV") over the long term remains one of the Company's key objectives and it is, therefore, important to retain this measure for the 2010 LTIP. However, the Committee has noted that NAV is heavily influenced by the cyclical movements of the property sector. Accordingly, the Committee proposes to reduce the proportion of long-term incentives that is linked to NAV from 50% to one-third, with the remaining two-thirds linked to measures of the Company's relative outperformance of our competitors. It is also proposed that the level of NAV growth that is required for awards to vest be increased significantly to reflect the higher level of long-term incentive award.

In addition to the change in the NAV performance target, it is proposed that one-third of an award under the 2010 LTIP be linked to a new measure based on our relative Total Property Return ("TPR") against the IPD Central London Property Index and one-third of an award be linked to our relative Total Shareholder Return ("TSR") compared with listed members of a comparator group. The inclusion of a metric measuring our performance relative to an index made up of our peer group companies provides greater alignment of interests with our shareholders.

We have been involved in consultation with major shareholders and shareholder representative bodies who we believe to be broadly supportive of the proposed changes.

In addition, the Company reviewed its equity incentives more widely and following this review the Company is also proposing the introduction of two new tax efficient all employee share/option plans, namely the Great Portland Estates 2010 Share Incentive Plan (the "2010 SIP") and the Great Portland Estates 2010 Save As You Earn Scheme (the "2010 SAYE").

Appendices 1, 2 and 3 explain in more detail the terms of the proposed 2010 LTIP, 2010 SIP and 2010 SAYE for which shareholder approval will be sought at the forthcoming Annual General Meeting.

## Recommendation

Your Board believes that the plans will support the Company's strategy and drive sustainable long-term performance and consider that the resolutions proposed at the Annual General Meeting are in the best interests of the Company and shareholders as a whole and recommends shareholders to vote in favour of them, as the directors intend to do in respect of their own beneficial holdings.

## Documents on display

The following documents will be available for inspection at 33 Cavendish Square, London W1G 0PW and at the offices of Allen & Overy LLP, One Bishops Square, London E1 6AD during normal business hours on any weekday (English public holidays excepted) from the date of this letter until the close of the Annual General Meeting and at the place of the Annual General Meeting for at least 15 minutes prior to, and during, the Annual General Meeting:

- (a) the rules of the 2010 LTIP;
- (b) the trust deed and rules of the 2010 SIP; and
- (c) the rules of the 2010 SAYE.

Yours sincerely



**Charles Irby**  
Chairman of the Remuneration Committee

## Resolution description

### Resolution 9 – To approve the adoption of the Great Portland Estates 2010 Long Term Incentive Plan (the “2010 LTIP”)

The 2010 LTIP provides that eligible employees may be granted conditional awards of shares, nil cost options or restricted shares (“Performance Share Awards”) under the 2010 LTIP over shares that have a market value on grant worth a maximum of 200% of an employee’s basic salary. An eligible employee may also be invited to purchase shares in the Company or pledge existing holdings of shares (“Investment Shares”) in order to be granted a conditional award of shares, nil cost option or restricted shares (“Matching Share Award”) over shares that have a market value on grant worth 100% of an employee’s basic salary on a maximum matching ratio of 3:1 (Matching Share Award to Investment Shares). During the first year of operation of the 2010 LTIP there will be an opportunity to receive an additional Matching Share Award over shares that have a market value on grant worth 100% of an employee’s basic salary subject to the same additional corresponding purchase or pledge of Investment Shares.

Performance Share Awards and the Matching Share Awards will normally vest on or shortly following the third anniversary of grant subject to the achievement of performance targets. These performance targets will be measured over a three-year period and the Committee may use its discretion to set the performance targets and determine the levels of vesting for each award when it is granted.

In respect of the initial awards granted following the 2010 Annual General Meeting, the Performance Share Awards and the Matching Share Awards will be subject to the same performance conditions but the additional Matching Share Award in the first year of operation will be subject to additionally stretching performance conditions. The vesting of one-third of an award under the 2010 LTIP will be subject to a condition that measures real growth in the adjusted Net Asset Value (“NAV”) per share of the Company over a three-year performance period starting with the financial year that commences immediately before the date of grant of an award (the “NAV condition”), as follows:

Total growth in adjusted NAV per share	Percentage of shares subject to the NAV condition that will vest
Less than RPI + 3% (4%) per annum	Nil
RPI + 3% (4%) per annum	20%
RPI + 9% (9.5%) per annum	100%
Between RPI plus 3% (4%) per annum to RPI plus 9% (9.5%) per annum	Between 20% and 100% on a straight-line basis

Performance targets attached to the initial year additional Matching Share Awards shown in brackets

The vesting of a further third of an award under the 2010 LTIP will be subject to a condition that compares the Company’s Total Property Return (“TPR”) to the TPR of the constituents of the IPD Total Property Return – Central London Index over a single three-year performance period starting with the financial year that commences immediately before the date of grant of an award (the “TPR condition”), as follows:

Rank of the Company’s TPR against comparator constituents	Percentage of shares subject to the TPR condition that will vest
Below median (60% percentile)	Nil
Median (60% percentile)	20%
Upper quartile (80% percentile)	100%
Between median (60% percentile) and upper quartile (80% percentile)	Between 20% and 100% on a straight-line basis

Performance targets attached to the initial year additional Matching Share Awards shown in brackets

The vesting of the other third of an award under the 2010 LTIP will be subject to a condition that compares the Company's Total Shareholder Return ("TSR") to the TSR of the constituents of the FTSE 350 Real Estate sector (excluding agencies) over a single three-year performance period starting on the date of grant of an award (the "TSR condition"), as follows:

<b>Rank of the Company's TSR against comparator constituents</b>	<b>Percentage of shares subject to the TSR condition that will vest</b>
Below median (60% percentile)	Nil
Median (60% percentile)	20%
Upper quartile (80% percentile)	100%
Between median (60% percentile) and upper quartile (80% percentile)	Between 20% and 100% on a straight-line basis

Performance targets attached to the initial year additional Matching Share Awards shown in brackets

An averaging period of three months will be applied to the TSR in the period immediately prior to any measurement date.

The Committee can set different performance conditions for future awards from those that will apply in respect of awards to be granted in 2010. The Committee acknowledges the need to set challenging performance conditions in light of the circumstances prevailing at the relevant time and will have regard to the best practice expectations of shareholders and shareholder representative bodies when setting such conditions.

The main features of the 2010 LTIP are summarised in Appendix 1 to this document.

Resolution 9 will be proposed as an ordinary resolution to approve the adoption of the 2010 LTIP and to authorise the directors to establish further plans based on the 2010 LTIP for operation overseas.

### **Resolution 10 – To approve the adoption of the Great Portland Estates 2010 Share Incentive Plan (the "2010 SIP")**

### **Resolution 11 – To approve the adoption of the Great Portland Estates 2010 Save As You Earn Plan (the "2010 SAYE")**

Both the 2010 SIP and 2010 SAYE are subject to approval by H.M. Revenue and Customs ("HMRC") and will provide shares/options tax efficiently provided certain conditions are met. Whilst the Company is seeking approval for both plans, the Company will review whether to offer either or both plans each year. Initially, the Company proposes to offer only the 2010 SIP to employees in 2010.

The main features of the 2010 SIP and 2010 SAYE are summarised in Appendix 2 and Appendix 3 to this document.

Resolutions 10 and 11 will be proposed as ordinary resolutions to approve the adoption of the 2010 SIP and the 2010 SAYE and to authorise the directors to establish further plans based on the 2010 SIP and 2010 SAYE for operation overseas.

### **Note**

Appendices 1, 2 and 3 summarise the main features of the rules of the 2010 LTIP, 2010 SAYE and the rules and trust deed of the 2010 SIP, but do not form part of them and should not be taken as affecting the interpretation of those rules or the trust deed.

## **Appendix 1 – Summary of the principal features of the Great Portland Estates 2010 Long Term Incentive Plan (the “2010 LTIP”)**

### **Administration**

The 2010 LTIP will be administered by the Remuneration Committee of the Company which is comprised wholly of Non-Executive Directors of the Company (“the Committee”).

### **Eligibility**

The plan is discretionary and participation will be available to employees of the Company (including Executive Directors) and of any of its subsidiaries.

### **Grant of awards**

The Committee may grant awards under the 2010 LTIP in respect of ordinary shares in the Company (“Shares”) either as a conditional allocation of Shares, a nil-cost option or an award of restricted Shares. No payment will be required for the grant of an award. Awards will not be transferable except on death nor will they be pensionable.

Awards may be made within the period of 42 days commencing on the date of approval of the 2010 LTIP by shareholders or the day following the announcement of the annual or half-year results of the Company in any year. Awards may also be made at any other time, when in the opinion of the Committee, circumstances are considered to be sufficiently exceptional so as to justify the making of an award.

No award may be made more than ten years after the date of adoption of the 2010 LTIP.

### **Nature of awards and limits on participation**

Awards will be either Performance Share Awards or Matching Share Awards.

The annual limit for the value of Shares over which a Performance Share Award may be made to a participant under the 2010 LTIP is 200% of basic salary.

No Matching Share Award shall be made unless the participant holds a number of Shares (“Investment Shares”) specified on the date of award. The Investment Shares must be held until the date of vesting of the related Matching Share Award. A Matching Share Award shall immediately lapse to the extent that the related Investment Shares are sold.

The annual limit for the value of Shares over which a Matching Share Award may be made to a participant under the 2010 LTIP is the lower of three times the value of the Investment Shares held or 100% of basic salary (except in relation to Matching Share Awards made in the financial year ending 31 March 2011, where the limit is 200% of basic salary).

### **Performance conditions**

All awards will be subject to performance conditions set by the Committee for each grant. These will be objective and must be considered by the Committee to be challenging. There will be no provision to re-test any performance condition after the end of the performance period.

Calculations of the achievement of the performance conditions will be assessed independently and approved by the Committee.

The Committee may, acting fairly and reasonably, amend the performance conditions applying to awards granted if an event has occurred or circumstances arise, which cause the Committee to consider that it would be appropriate to amend the performance conditions, provided that the Committee considers that the amended conditions are a fairer measure of performance and not materially less challenging to achieve than the original performance conditions would have been but for the event or circumstances in question.

### **Dilution limits**

In any ten-year period, not more than 5% of the issued ordinary share capital of the Company may be issued under the 2010 LTIP and all other discretionary employees' share plans operated by the Company, and not more than 10% of the issued ordinary share capital of the Company may be issued under the 2010 LTIP and all other employees' share plans operated by the Company. These limits do not include awards which have lapsed or been surrendered.

These limits will apply to treasury shares as well as new issue shares for as long as this is required by the Association of British Insurers.

### **Vesting and lapse of awards**

At the end of the three-year performance period, once the Committee has determined the extent to which awards under the 2010 LTIP have vested, awards will vest. Awards may be satisfied in new issue shares, purchased shares, treasury shares or, if required (for example, because of securities laws), in cash at the discretion of the Committee. If satisfaction is by way of cash, such amount is determined by reference to the value of the shares on the vesting date.

## **Dividend equivalents**

The Committee has discretion to include, on the vesting of an award, payment of an amount of Shares equivalent in value to any dividends paid on the number of Shares in respect of which an award has vested, calculated between the date of grant and the vesting date.

## **Early vesting of awards**

If a participant ceases to be an employee in certain circumstances, including injury, ill-health, disability, retirement or redundancy, any unvested award will, at the discretion of the Committee, either continue until the normal vesting date and vest to the extent the performance conditions are met, or will vest immediately, subject to the satisfaction of the performance conditions as at the date of cessation. In the aforementioned circumstances, the extent of vesting of an award will be reduced on a time-apportioned basis unless otherwise determined by the Committee. In the event of the death of a participant during the performance period, such award will immediately vest and the performance conditions will cease to apply.

## **Change of control**

In the event of a change of control of the Company, any unvested awards will vest immediately (or, in certain circumstances, may be exchanged for awards over shares in an acquiring company), subject to the satisfaction of performance conditions as at the date of completion of the change of control, and the extent of vesting of an award will be reduced on a time-apportioned basis unless otherwise determined by the Committee.

## **Variation in share capital**

The Committee may make such adjustments to awards as it considers appropriate in the event of any variation in the share capital of the Company.

## **Amendments**

The Committee may amend the rules of the 2010 LTIP as it considers appropriate. However, shareholder approval is required to amend any provision to the advantage of future or existing participants relating to: eligibility; dilution or individual limits; the basis for determining an eligible employee's entitlement to, and the terms of, an award or Shares acquired under the 2010 LTIP; the price payable (if any) for Shares; the adjustment of awards in the event of a variation in share capital. Shareholder approval is not required for minor amendments to benefit the administration of the 2010 LTIP, or amendments to take account of changes in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants, the Company or any group member.

## Appendix 2 – Summary of the principal features of the Great Portland Estates 2010 Share Incentive Plan (the “2010 SIP”)

### Administration

The 2010 SIP will be operated and administered by the Board of Directors of the Company or a duly authorised committee of the Board (the “Board”).

### Revenue approval

Application will be made to HMRC for approval of the 2010 SIP under the provisions of Schedule 2 to the Income Tax (Earnings and Pensions) Act 2003.

### Outline

The Company may offer any combination of the features outlined below to allow eligible employees to obtain shares in the Company. Under the 2010 SIP, the Company can:

- (a) give up to £3,000 worth of free shares a year to an employee (“Free Shares”);
- (b) offer an employee the opportunity of buying up to £1,500 worth of shares a year (“Partnership Shares”);
- (c) give an employee up to two free matching shares for each Partnership Share bought (“Matching Shares”); and
- (d) in addition to buying up to £1,500 worth of Partnership Shares each year, allow employees to purchase more shares using dividends received on Free Shares, Partnership Shares and Matching Shares (“Dividend Shares”). Employees may buy up to £1,500 worth of Dividend Shares annually.

### Eligibility

All UK tax resident employees of the Company and its participating subsidiaries will be eligible to participate in the 2010 SIP. The Board may set a qualifying period of service (which cannot exceed 18 months) and invite other employees of the group to participate.

### Free Shares

Up to £3,000 worth of Free Shares can be awarded to each employee in a tax year. Free Shares must be awarded on similar terms, so that the number awarded to each employee is determined by standard criteria such as remuneration, length of service and number of hours worked. The award of Free Shares can, if the Company so chooses, be subject to the satisfaction of a performance target which measures the objective success of the individual, team, division or business.

There is a holding period of between three and five years during which the employee cannot withdraw the Free Shares from the 2010 SIP unless the employee leaves employment. The Company can, at its discretion, provide that the Free Shares will be forfeit if the employee leaves employment other than in the circumstances of injury, disability, redundancy, transfer of the employing business or company, on reaching retirement age or on death. Forfeiture can only take place within three years of the Free Shares being awarded.

### Partnership Shares

The Company may allow an employee to use pre-tax salary to buy Partnership Shares. The maximum limit is the lower of £1,500 or 10% of salary in any tax year. The salary allocated to Partnership Shares can be accumulated for a period up to 12 months (“Accumulation Period”) or Partnership Shares can be purchased monthly out of deductions from the employee’s pay. In either case, Partnership Shares must be bought within 30 days of, as appropriate, the end of the Accumulation Period or the deduction from pay. An employee may stop and start deductions at any time. Once acquired, Partnership Shares may be withdrawn from the 2010 SIP by the employee at any time and will not be capable of forfeiture.

## Matching Shares

The Company may offer Matching Shares free to an employee who has purchased Partnership Shares. If awarded, Matching Shares must be awarded on the same basis to all employees up to a maximum of two Matching Shares for every Partnership Share purchased. There is a holding period of between three and five years during which the employee cannot withdraw the Matching Shares from the 2010 SIP unless the employee leaves employment. The Company can, at its discretion, provide that the Matching Shares will be forfeit if the employee leaves employment other than in the circumstances of injury, disability, redundancy, transfer of the employing business or company, on reaching retirement age or on death or if the associated Partnership Shares are withdrawn by the employee. Forfeiture can only take place within three years of the Matching Shares being awarded.

## Investment of dividends

The Company may allow an employee to reinvest dividends in up to £1,500 worth of shares each tax year. Dividend Shares must be held in the 2010 SIP for three years, unless the employee leaves employment. Once acquired, Dividend Shares are not capable of forfeiture.

## 2010 SIP Trust

The 2010 SIP is operated through a UK resident trust ("2010 SIP Trust"). The 2010 SIP Trust buys or subscribes for shares that are subsequently awarded to employees. The money to buy shares will be provided either by the Company or, if employees are allowed to acquire Partnership Shares, by the employees.

## Dilution limit

In any ten-year period, not more than 10% of the issued ordinary share capital of the Company may be issued under the 2010 SAYE and all other employees' share schemes operated by the Company. These limits do not include awards which have lapsed or been surrendered.

These limits will apply to treasury shares as well as new issue shares for as long as this is required by the Association of British Insurers.

## Benefits non-pensionable

Any award under the 2010 SIP is not pensionable, although any salary used to purchase Partnership Shares may be.

## Amendments

The Board may amend the trust deed and rules of the 2010 SIP as it considers appropriate. However, shareholder approval is required to amend any provision to the advantage of future or existing participants relating to: eligibility; dilution or individual limits; the basis for determining an eligible employee's entitlement to, and the terms of, an award or Shares acquired under the 2010 SIP; the price (if any) payable for shares; variations in share capital. Shareholder approval is not required for minor amendments to benefit the administration of the 2010 SIP or amendments to take account of changes in legislation or to obtain or maintain favourable tax or exchange control or regulatory treatment for participants, the Company or any group member.

In addition no amendment shall: alter to a participant's disadvantage his accrued rights; alter provisions regarding the protection of the SIP trustee without the trustee's consent; be made to a key feature of the 2010 SIP without HMRC consent; be made which would cause a breach of the rule against perpetuities or would cause the 2010 SIP to cease to be an employees' share scheme (within the meaning of the Companies Act 2006).

## **Appendix 3 – Summary of the principal features of the Great Portland Estates 2010 Save As You Earn Scheme (the “2010 SAYE”)**

### **Revenue approval**

Application will be made to HMRC for approval of the 2010 SAYE under the provisions of Schedule 3 to the Income Tax (Earnings and Pensions) Act 2003.

### **Administration**

The 2010 SAYE will be administered by the Board of Directors of the Company or a duly authorised committee of the Board (“the Board”).

### **Eligibility**

All UK tax resident employees (including Executive Directors working 25 hours or more per week) of the Company and its participating subsidiaries will be eligible to participate in the 2010 SAYE. The Board may set a period of qualifying service (which cannot exceed five years) and invite other employees of the Group to participate.

### **Options**

Options will entitle the holder to acquire shares in the Company. Options may be satisfied by the issue of new shares, the transfer of shares held in treasury or the purchase of shares in the market.

Options will be personal to the participant and may not be transferred. No payment will be required for the grant of an option.

### **Grant of options**

The 2010 SAYE may only be operated within a period of 42 days commencing on the date of approval of the 2010 SAYE, the day on which the 2010 SAYE is formally approved by HMRC or the day following the announcement of the annual or half-year results of the Company in any year. Options may also be granted at any other time when, in the opinion of the Board, circumstances are considered to be exceptional so as to justify the making of an award.

No options may be granted more than ten years after the date of adoption of the 2010 SAYE.

### **Exercise price**

The exercise price may not be less than an amount equal to 80% of the middle-market quotation of a share, as derived from the London Stock Exchange Daily Official List, on the dealing day before the date of the invitation, or on the date specified in the invitation, or the average of the closing middle-market quotations over a period of consecutive dealing days, not exceeding three days, immediately before the date of an invitation. Options must be granted within 30 days (or 42 days if applications are scaled back) after the first day by reference to which the exercise price is set.

### **Savings contract**

As a condition of the grant of an option, an eligible employee must agree to enter into an H.M. Treasury approved savings contract with a bank or building society under which the employee agrees to pay monthly contributions over a three or five-year period and on the maturity of which a tax-free bonus is payable. The aggregate maximum monthly contribution payable by an employee under all savings contracts linked to the 2010 SAYE may not exceed such sum as the Board may determine, being not more than the amount from time to time permitted by the Income Tax (Earnings and Pensions) Act 2003 (currently, £250).

### **Individual limit**

An option will be over such number of shares as has a total exercise price as nearly as possible equal to, but not exceeding, the amount repayable under the relevant savings contract on its maturity.

### **Dilution limit**

In any ten-year period, not more than 10% of the issued ordinary share capital of the Company may be issued under the 2010 SAYE and all other employees' share schemes operated by the Company. These limits do not include options which have lapsed or been surrendered.

These limits will apply to treasury shares as well as new issue shares for as long as this is required by the Association of British Insurers.

### **Exercise of options**

Options will normally be exercisable in whole or in part during the period of six months starting on the maturity date of the related savings contract; this will be the third, fifth or seventh anniversary of the starting date of the SAYE contract and will depend (where the Board offers a choice) upon the election made by the participant at the time of grant. Whenever an option is exercised, it may only be exercised to the extent of the savings under the related savings contract plus any interest or bonus payable under the contract.

## **Early vesting of options**

If the participant dies, his personal representatives may exercise his options in the 12 months following his death or, if earlier, the maturity date of the related savings contract. If a participant ceases to be employed within the Group for a permitted reason, the participant may exercise his options in the six months following cessation of his employment. A permitted reason is injury, disability, redundancy, retirement at age 60 or at the age at which he is bound to retire in accordance with the terms of his employment, the sale outside the Group of the company or business in which the participant works or, in the case of any option which the participant has held for at least three years, any other reason except misconduct on his part. If a participant ceases to be employed in any other circumstances, his option will lapse.

## **Change of control**

The exercise of options will also be permitted in the event of a change in control, a scheme of arrangement under section 899 of the Companies Act 2006 or a voluntary winding-up of the Company. In the event of a change in control, participants may exchange their options for equivalent options over shares in the acquiring company or some other company. If, immediately following the change of control, the shareholders of the acquiring company are substantially the same as the shareholders of the Company and the acquiring company agrees, the options may not be exercised early. Instead options may be exchanged for equivalent options over acquiring company shares.

## **Listing**

The Company will apply for admission to the Official List of new shares issued under the 2010 SAYE and for permission to trade in those shares. Shares issued on the exercise of options will rank equally in all respects with existing shares except for rights attaching to shares by reference to a record date prior to the date of allotment. The Company will at all times keep available sufficient authorised and un-issued share capital to satisfy outstanding options to subscribe for shares.

## **Variation in share capital**

The Board may make such adjustments to options as it considers appropriate in the event of any variation in the share capital of the Company, subject to the approval of HMRC.

## **Benefits non-pensionable**

Benefits under the 2010 SAYE will not form part of a participant's remuneration for pension purposes.

## **Amendments**

The Board may amend the rules of the 2010 SAYE as it considers appropriate. However, shareholder approval is required to amend any provision to the advantage of existing or future option holders relating to: eligibility; dilution or individual limits; the basis for determining an eligible employee's entitlement to, and the terms of, an option or Shares acquired under the 2010 SAYE; the price payable for Shares; the adjustment of options in the event of a variation in share capital. Shareholder approval is not required for minor amendments to benefit the administration of the 2010 SAYE, or amendments to take account of changes in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants, the Company or any group member.



