

**Rules of the Forbidden Technologies plc Enterprise  
Management Incentive (EMI) Share Option Scheme 2012**

(Adopted by resolution of the directors dated  
Company's shareholders)

2012, subject to approval of the



Watchmaker Court  
33 St John's Lane  
London  
EC1M 4DB

Reference: MCK/555099-5

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## RULES OF THE FORBIDDEN TECHNOLOGIES PLC EMI SHARE OPTION SCHEME 2012

### 1 DEFINITIONS AND INTERPRETATION

1.1 In these Scheme Rules, except where the context otherwise requires, the following words and expressions shall have the following meanings:

<b>Acquiring Company</b>	as defined in Rule 5;
<b>Acquisition Price</b>	the price per Ordinary Share determined by the Company and specified in the Option Certificate, as may be adjusted in accordance with Rule 11 below;
<b>Act</b>	the Income Tax (Earnings and Pensions) Act 2003;
<b>AIM</b>	the Alternative Investment Market of London Stock Exchange plc;
<b>AIM Rules</b>	the rules for companies admitted to AIM as published by London Stock Exchange plc, as amended or re-issued from time to time;
<b>Approved Scheme</b>	the Forbidden Technologies plc Approved Share Option Scheme adopted by the Company on 13 January 2000 and approved by the Inland Revenue on 21 January 2011 (as amended);
<b>Articles</b>	the articles of association of the Company from time to time;
<b>Associate</b>	has the same meaning as in Schedule 5 part 4 paragraph 31 to the Act;
<b>Change of Control</b>	the Company coming under the Control of another person;
<b>Company</b>	Forbidden Technologies plc, a company registered in England under number 3507286, whose registered office is Tuition House, 27-37 St George's Road, Wimbledon, London SW19 4EU;
<b>Committed Time</b>	the time required to be spent as an employee on the business of the Group;
<b>Control</b>	as defined in Section 995 of the Income Tax Act 2007;
<b>Date of Grant</b>	the date on which the Option is or was or is to be granted;

<b>Disqualifying Event</b>	the first to occur of the events as defined in Sections 533-539 of the Act;
<b>Directors</b>	the board of directors of the Company or a duly authorised committee thereof;
<b>Eligible Employee</b>	an individual (including a director) who is in employment with the Company or any other company in the Group and (1) who solely or together with any Associate or Associates has no Material Interest in that Company, or in any company in the same Group as the Company, and none of whose Associates, with or without any other such Associates, has any such Material Interest, and (2) whose Committed Time is at least 25 hours a week, or if less, 75% of the individual's Working Time;
<b>EMI Code</b>	Part 7 Chapter 9 (Sections 527-541) and Schedule 5 of the Act, together with the Taxation of Chargeable Gains Act 1992 Schedule 7D Part 4;
<b>EMI Option</b>	a right granted to an Eligible Employee to acquire Shares pursuant to this Scheme satisfying the provisions of Schedule 5 of the Act;
<b>Exercise Date</b>	the date determined by the Company as from which the Option is exercisable as specified in the Option Certificate;
<b>Exercise Notice</b>	as defined in Rule 3.2;
<b>Group</b>	the Company and its 51% subsidiaries;
<b>Grant Period</b>	a period of 42 days commencing on the day following the occurrence of any of the following events: <ul style="list-style-type: none"> <li>(a) the adoption of the Scheme by the Company;</li> <li>(b) an announcement by the Company of its results for any year, half-year or other period or the issue by the Company of any prospectus, listing particulars or other document containing equivalent information relating to Shares; or</li> <li>(c) a day on which the Directors resolve that exceptional circumstances exist that justify the grant of Options;</li> </ul>

<b>Injury, Ill Health or Disability</b>	<p>the cessation of employment or office by reason of injury, ill health or disability provided the Directors are satisfied, on production of such evidence as they may reasonably require:</p> <p>(a) that the Option Holder has ceased to exercise and, by reason of injury, ill health or disability, is incapable of exercising his office or employment; and</p> <p>(b) that the Option Holder is likely to remain so incapable for the foreseeable future;</p>
<b>Market Price</b>	<p>(a) if the Ordinary Shares are subject to the AIM Rules or the Listing Rules of the UK Listing Authority: the average mid-market price per Ordinary Share for the 3 business days immediately before the date of grant; or</p> <p>(b) for any other Ordinary Shares: such price per Ordinary Share as at the Date of Grant as may be agreed with the Shares and Assets Valuation Division of HM Revenue and Customs;</p>
<b>Material Interest</b>	<p>(a) a holding of, or the ability to control directly or through the medium of other companies or by any other indirect means, more than 30% of the ordinary share capital of the Company, or any company in the Group; or</p> <p>(b) possession of, or entitlement to acquire, such rights as would give, in the event of a winding up or any other circumstances, an entitlement to receive more than 30% of the assets for distribution of the Company, or any company in the Group;</p>
<b>Model Code</b>	<p>the model code for share dealings by directors and employees adopted by the Company as from time to time in force;</p>
<b>New Option</b>	<p>the right to acquire shares in (a) an Acquiring Company or (b) a company which has Control of an Acquiring Company;</p>
<b>New Shares</b>	<p>the shares over which a New Option is granted pursuant to Rule 5;</p>

<b>Non-Qualifying Option</b>	means an Option which either: <ul style="list-style-type: none"> <li>(a) was intended to be granted as an EMI Option but does not qualify under Schedule 5 of the Act and the Directors have exercised their discretion to prevent such Option lapsing under Rule 9.9; or</li> <li>(b) does not qualify under Schedule 5 of the Act from the Date of Grant pursuant to Rule 2.8;</li> </ul>
<b>Official List</b>	the Official List of the United Kingdom Listing Authority;
<b>Option</b>	a right to subscribe for Ordinary Shares as set out in Rule 2 being either an EMI Option or a Non-Qualifying Option;
<b>Option Holder</b>	a Person to whom an Option has been granted under these Scheme Rules;
<b>Option Certificate</b>	the Option Certificate issued as set out in Rule 2;
<b>Ordinary Shares</b>	subject to Rule 11, Ordinary Shares of 0.8 pence each of the Company, having rights and privileges as set out in the Articles, being fully paid up and not redeemable;
<b>Performance Condition</b>	in relation to each Option grant, any performance condition(s) determined by the Directors and as specified in the Option Certificate, as may be amended from time to time by resolution of the Directors if circumstances arise such that the any Performance Condition becomes impossible or impractical to satisfy or otherwise in their absolute discretion;
<b>Person</b>	an employee or officer of the Company or any Group Company;
<b>Qualifying Change of Control</b>	a Change of Control whereby any person (including where a person and others acting in concert with him obtain Control) obtains Control of the Company as a result of making a general offer to acquire the whole of the issued share capital of the Company;
<b>Qualifying Scheme of Arrangement</b>	a Scheme of Arrangement in relation to the Company which results in a Change of Control of the Company;

<b>Redundancy</b>	the cessation of employment or office by reason of redundancy within the meaning of the Employment Rights Act 1996 (as amended from time to time);
<b>Retirement</b>	the cessation of employment or office by reason of retirement at or beyond such age at which the Option Holder is entitled to retire;
<b>Scheme of Arrangement</b>	any compromise or arrangement pursuant to section 899 of the Companies Act 2006;
<b>Scheme</b>	the Forbidden Technologies plc Enterprise Management Incentive Share Option Scheme 2012 as from time to time amended;
<b>Scheme Rules</b>	these rules constituting the Scheme as from time to time in force;
<b>Shares</b>	fully-paid Ordinary Shares in the capital of the Company;
<b>Unapproved Scheme</b>	the Forbidden Technologies plc Unapproved Share Option Scheme adopted by the Company on 13 January 2000 (as amended);
<b>Working time</b>	<p>(a) time actually spent on remunerative work as an employee or self-employed person, or</p> <p>(b) time which would have been spent in that way but for injury, ill-health, disability, holiday entitlement, pregnancy, child birth, maternity, paternity or parental leave, or not being required to work during a period of notice of termination of employment.</p>

1.2 Words and expressions defined in the Companies Act 2006, or for the purposes of the EMI Code, shall (unless the context otherwise requires) have the same meanings where used in these Scheme Rules or any supplemental documentation.

1.3 Headings are used in these Scheme Rules or any supplemental documentation for convenience only, and shall not affect its construction or interpretation.

1.4 In these Scheme Rules or any supplemental documentation:

1.4.1 references to Rules and Appendices are to Rules of and the Appendices to these Scheme Rules unless otherwise specified;

1.4.2 reference to a person includes any legal or natural person, partnership, trust, company, government or local authority department or other body (whether corporate or unincorporate); and

1.4.3 unless the context does not so admit, reference to an individual includes his respective personal representatives, reference to the singular includes a reference to the plural (and vice versa) and reference to one gender includes a reference to all others.

1.5 References in these Scheme Rules or any supplemental documentation to any statute or statutory provision shall be deemed to include reference to any statute, regulation or statutory instrument which amends, extends, consolidates or replaces the same and to any other regulation, statutory instrument or other subordinate legislation made under or in accordance with it.

1.6 The Scheme, these Scheme Rules and any supplemental documentation shall be governed by, and construed in accordance with, English law and the parties agree to submit to the jurisdiction of the English courts in relation to any disputes which may arise under or in relation to the same.

## **2 GRANT OF OPTION**

2.1 The Company may at any time grant during the Grant Period to a Person an Option (the **Option**) to subscribe for the number of Ordinary Shares determined by the Company (subject to Rule 6) at the Acquisition Price and on the other terms set out in these Scheme Rules.

2.2 EMI Options may only be granted to Eligible Employees in accordance with the EMI Code and for the purpose set out in paragraph 4 of Schedule 5 of the Act (that is, for commercial reasons in order to recruit or retain an employee of the Company who at the Date of Grant is an Eligible Employee and not as part of a scheme or arrangement the main purpose, or one of the main purposes, of which is the avoidance of tax).

2.3 Options may not be granted at any time when that grant would be prohibited by, or in breach of any:

2.3.1 law; or

2.3.2 regulation with the force of law; or

2.3.3 non-statutory set of guidelines or code that applies to the Company or with which the Board wishes to comply. Such codes include the Company's Model Code, the AIM Rules or any other personal dealing code adopted by the Company which imposes similar restrictions to any contained in the Company's Model Code.

2.4 Immediately following the grant of an Option, the Company shall:

2.4.1 execute an Option Certificate in the form of a deed in respect of that Option; and

2.4.2 issue that Option Certificate to the Option Holder as soon as is practicable.

2.5 The EMI Option Certificate shall be in the form set out in Appendix 3 (or in such form as the Company shall determine from time to time) and shall include:

2.5.1 the Date of Grant of the Option together with a statement that it is granted under



- the provisions of Schedule 5 of the Act;
  - 2.5.2 the number (or maximum number) of Shares subject to the Option;
  - 2.5.3 the Acquisition Price payable for each Share under the Option;
  - 2.5.4 any date or dates determined by the Company upon which the Option is first exercisable (being within 10 years of the Date of Grant) and when the Option ceases to be exercisable;
  - 2.5.5 the last day by which a notice exercising the Option can be given;
  - 2.5.6 any performance condition or other condition of exercise of the Option determined by resolution of the Directors;
  - 2.5.7 the Option Holder's undertakings as set out in Rule 8; and
  - 2.5.8 (as an attachment) a copy of the Scheme Rules as in force at the Date of Grant.
- 2.6 The Non-Qualifying Option Certificate shall be in such form as may be determined by the Directors in their absolute discretion.
- 2.7 All Ordinary Shares which are the subject of an Exercise Notice shall be allotted and issued free from all liens, charges, encumbrances or equities and together with all rights which attach to them as at the date of Completion under Rule 7.
- 2.8 The Company may grant an Option that is designated as a Non-Qualifying Option from the outset to any Person whether or not such Person is an Eligible Employee, and reference in these Scheme Rules to Eligible Employee shall in relation to Non-Qualifying Options be deemed to refer to such an individual.
- 3 EXERCISE AND LAPSE OF OPTION**
- 3.1 Subject to each of the succeeding rules of this Rule 3 and Rule 4, the Option Holder (or if deceased, his personal representative) may exercise the Option in whole or in part at any time after the earliest of the following events:
- 3.1.1 three years after the Date of Grant or any other date on which the Option (or the relevant part of it) may be exercised as set out in the Option Certificate;
  - 3.1.2 any period for exercise in accordance with the provisions of Rule 4;
  - 3.1.3 the death of the Option Holder; or
  - 3.1.4 any other date as may be determined by the Directors in their absolute discretion.
- 3.2 The Option Holder may only exercise:
- 3.2.1 if and to the extent that any Performance Condition has been met to the satisfaction of or waived by the Directors in their absolute discretion; and
  - 3.2.2 by signing a notice in writing in the form set out in Appendix 1 (or such other form

as may be agreed between the Option Holder and the Company) (the **Exercise Notice**) and giving that notice to the Company.

- 3.3 No Option may be exercised when its exercise is prohibited by, or would be a breach of, any law or regulation with the force of law or any of the following which then apply:
- 3.3.1 the AIM Rules; or
  - 3.3.2 the Company's Model Code and/or any other rule, code or set of guidelines (such as a personal dealing code adopted by the Company) with a similar purpose and effect to any part of the Model Code.
- 3.4 Subject to each of the succeeding rules of Rule 4, the Option shall lapse upon the first to occur of the following:
- 3.4.1 5 pm on the day before the tenth anniversary of the Date of Grant;
  - 3.4.2 six months after the date on which the Option Holder ceases by reason of Injury, Ill Health or Disability, Redundancy or Retirement to be a director or employee of the Company or any subsidiary of the Company, or such longer period as may be determined by the Directors in their absolute discretion;
  - 3.4.3 the date on which the Option Holder ceases for any other reason (other than death of the Option Holder) to be a director or employee of the Company or any subsidiary of the Company, or such longer period as may be determined by the Directors in their absolute discretion;
  - 3.4.4 12 months after the death of the Option Holder;
  - 3.4.5 the date on which the Option Holder is adjudged bankrupt or an interim order is made because the Option Holder intends to propose a voluntary arrangement to his creditors under the Insolvency Act 1986;
  - 3.4.6 the date on which the Option Holder makes or proposes a voluntary arrangement under the Insolvency Act 1986, or any other scheme or arrangement in relation to his debts, with his creditors or any section of them;
  - 3.4.7 the surrender of the Option by the Option Holder; or
  - 3.4.8 the purported assignment, alienation or other transfer of the Option Holder's rights as set out in Rule 9.5.
- 3.5 An Option Holder ceases to be a director or employee of the Company or any subsidiary of the Company on the day he gives or is given notice to terminate his office or employment.

#### **4 TAKEOVERS, SCHEMES OF ARRANGEMENT, COMPULSORY ACQUISITION AND EXCHANGE OF OPTIONS**

- 4.1 If a Qualifying Change of Control occurs, the Company shall notify the Option Holder as soon as practicable in accordance with Rule 10 that he may exercise the Option at any time during the period ending six months after the date the Qualifying Change of Control occurred. The

Option shall immediately lapse at the end of this six month period.

- 4.2 If it is proposed that a court sanction a Scheme of Arrangement in relation to the Company, the Company shall, at the same time as notice is given of a general meeting to consider the Scheme of Arrangement, notify the Option Holder in accordance with Rule 10 that subject to the court sanctioning the Scheme of Arrangement he may exercise the Option at any time from receiving such notification up to and including the date six months after the date of the court's sanction of the Scheme of Arrangement. The Option shall immediately lapse at the end of this six month period.
- 4.3 If any person becomes bound or entitled to acquire Shares under sections 979 to 982 of the Companies Act 2006, the Company shall notify the Option Holder as soon as practicable in accordance with Rule 10 that he may exercise the Option during the period in which such person remains bound or entitled. The Option shall immediately lapse at the end of this period.
- 4.4 Rules 4.1 to 4.3 (inclusive) shall not apply where the ultimate ownership of the Acquiring Company is substantially the same as the Company immediately prior to the transactions described in Rule 4.1, 4.2 and 4.3.
- 4.5 If a notice is given of a general meeting to consider a voluntary winding-up, the Company shall notify the Option Holder as soon as practicable that the Option Holder may exercise the Option at any time thereafter until the earlier of:
- 4.5.1 the resolution being duly passed or defeated; or
  - 4.5.2 the general meeting being concluded or adjourned;
- following which the Option shall immediately lapse.

## **5 EXCHANGE OF OPTIONS**

- 5.1 If another company (the **Acquiring Company**) obtains all the shares of the Company as a result of the events specified in Rules 4.1, 4.2 or 4.3 and prior thereto the Option Holder is invited to release his rights under his Option in consideration of the grant of New Options which are equivalent but relate to New Shares, and in the case of EMI Options the requirements of paragraphs 42 and 43 of Schedule 5 of the EMI Code would be met in relation to the New Option, the Option Holder may release his rights under his Option in consideration of the grant to him of New Options.
- 5.2 Where any New Options are granted pursuant to this Rule 5, it shall be regarded for the purposes of the subsequent application of the provisions of the Scheme as having been granted at the time when the original Option was granted and, with effect from the date on which the New Options are granted, the Scheme shall, in relation to the New Options, be construed as if references to the Company and to the Ordinary Shares were references to the Acquiring Company and to shares in the Acquiring Company.
- 5.3 As soon as practicable after having granted the New Options in accordance with the provisions of this Rule 5, the Acquiring Company shall issue an option certificate in respect

of such Options or shall procure that such an option certificate is issued. The option certificate shall state:

- 5.3.1 the original date of grant of the Option;
- 5.3.2 the number and class of shares subject to the New Options;
- 5.3.3 the Acquisition Price payable for each share under the New Options; and
- 5.3.4 the last date on which a notice exercising the New Options can be given;

and subject as aforesaid shall be issued in such form and manner as the Company may from time to time prescribe.

- 5.4 If the Option Holder is invited as aforesaid to release his rights under his Option in consideration of the grant to him of such a New Option, then provided such invitation remained open for acceptance for not less than 14 days, his Option shall lapse and cease to be exercisable at the end of the period within which the Option Holder could have accepted such invitation.

## **6 OPTION LIMITS**

- 6.1 In this clause, the term **Qualifying Option** includes any option granted by reason of the Option Holder's employment with the Company or any company in the Group which:

- 6.1.1 is granted under the terms of this Scheme; and
  - (a) has been granted in accordance with the requirements of the EMI Code within the period of 3 years before the Date of Grant; or
  - (b) has been granted as a Non-Qualifying Option within the period of 3 years before the Date of Grant; or
- 6.1.2 has been granted under the terms of the Approved Scheme or the Unapproved Scheme within the previous 10 year period and has been exercised or remains outstanding and capable of exercise;

and the term **Qualifying Options** is to be interpreted accordingly.

- 6.2 In this Rule:

- 6.2.1 the value of shares in respect of which an Option is granted under this Scheme means the Market Price;
- 6.2.2 the value of shares in respect of which any other Qualifying Option is or has been granted means the market value, at the time when the option is or was granted, of issued shares of the same class as those that may be acquired by exercise of the option; and
- 6.2.3 a Qualifying Option is to be treated as granted in respect of the maximum number of shares that may be acquired under it.

- 6.3 Notwithstanding anything in these Scheme Rules, the number of Ordinary Shares subject to an EMI Option granted to any Option Holder under the Scheme shall be limited and take effect so that as at the Date of Grant the Option Holder holds unexercised EMI Options in respect of Shares with a total value of no more than £120,000 (or such other amount as the Directors may from time to time specify).
- 6.4 If the grant of an EMI Option under the Scheme causes the limit specified in Rule 6.3 to be exceeded, any excess shares shall be treated as Non-Qualifying Options being the subject of a separate option granted on the Date of Grant and subject (mutatis mutandis) to the same terms as the Scheme but not being granted in accordance with the EMI Code.
- 6.5 The aggregate of the following shall not exceed 10%, or such higher amount as the Company's shareholders may by ordinary resolution approve, of the Company's issued ordinary share capital for the time being:
- 6.5.1 the maximum number of Shares which may be placed under option for subscription under the Scheme; and
- 6.5.2 the number of Shares placed under option for subscription in the preceding 10 years under any other employees' share scheme adopted by the Company, including the Approved Scheme and the Unapproved Scheme, or any other company when it is under the Company's Control and in respect of which the option has been exercised or remains outstanding and capable of exercise.

## 7 COMPLETION

- 7.1 Completion of the acquisition of the Ordinary Shares which are the subject of an Exercise Notice (in this Rule, **Relevant Shares**) shall take place at the registered office for the time being of the Company no later than 30 business days after the date of exercise of the Option by the Option Holder or, if allotment under 7.3.1 would be prohibited by the Company's Model Code, at the earliest practicable time after such prohibition is lifted, when the actions set out in Rules 7.2 and 7.3 shall take place.
- 7.2 The Option Holder shall:
- 7.2.1 pay or cause to be paid to the Company in such manner as the Directors may direct the Acquisition Price multiplied by the number of the Relevant Shares; or
- 7.2.2 make such alternative arrangements for the payment of that sum as is acceptable to the Directors (which arrangements may include the sale of Ordinary Shares).
- 7.3 Subject to the Option Holder fulfilling Rule 7.2, the Company shall:
- 7.3.1 allot and issue the Relevant Shares less the number of any Ordinary Shares which have been sold in accordance with Rule 7.2.2 above or 7.7 below;
- 7.3.2 procure:
- (a) the delivery to the Option Holder of definitive certificates for those Ordinary Shares in favour of the Option Holder (or as he may direct); and

- (b) if and so long as the Ordinary Shares are traded or dealt in on AIM, the Ordinary Shares so allotted may be so traded or dealt in.

7.4 In the event of an exercise of less than the full number of Ordinary Shares subject to the Option, the Company shall issue a new Option Certificate complying with Rules 2.5 indicating the number of Ordinary Shares remaining capable of being acquired.

7.5 The issue of the Relevant Shares shall be subject to any necessary consents of any governmental or other authorities under any enactments or regulations from time to time in force and it shall be the responsibility of the Option Holder to comply with any requirement to be fulfilled in order to obtain or obviate the necessity of such consent.

7.6 A share issued upon the exercise of the Option shall be identical and rank *pari passu* with the other shares issued of the same class save that it shall not carry the right to any dividend or other distribution by the Company declared before the date of exercise.

7.7 If the Company or any other company in the Group is obliged to account for any tax or national insurance contributions for which the Option Holder in question is liable (or which he or she has agreed to reimburse by virtue of the exercise of the Option), the Company, in the circumstances set out in Rule 7.8, shall be entitled to:

7.7.1 sell a sufficient number of the Relevant Shares to raise the necessary sum;

7.7.2 use the proceeds to discharge the above liability; and

7.7.3 transfer the balance of those Shares to the Option Holder.

7.8 The circumstances referred to in Rule 7.7 are that neither the Company nor any company in the Group:

7.8.1 is able to withhold the appropriate amount of tax or national insurance contributions from the Option Holder's remuneration; or

7.8.2 has received sufficient payment from him of a corresponding amount.

## **8 THE OPTION HOLDER'S UNDERTAKING**

8.1 Each Option Holder of an EMI Option undertakes to the Company that:

8.1.1 the Option Holder of an EMI Option will complete, within 15 days of the Date of Grant, the declaration contained in Appendix 2 (or any other declaration which may be required or authorised by an officer of HM Revenue and Customs) regarding his commitment of Working Time, in order to enable the option to qualify as an Enterprise Management Incentive under the EMI Code; and

8.1.2 he will notify the Company within 10 days of ceasing to be an Eligible Employee or a full-time Eligible Employee.

8.2 In addition, each Option Holder undertakes to the Company that he:

8.2.1 agrees to allow the recovery in full of the amount of the national insurance

contributions due to be paid by the Company or any company in the Group (as the secondary contributor for national insurance purposes), should any such liability arise on the exercise of the Option; and

- 8.2.2 will complete any further declarations or additional documentation which may be required by the Company or an officer of HM Revenue & Customs to comply with this matter.

## **9 MISCELLANEOUS**

- 9.1 Subject to Rules 9.2 and 9.3 the Company may vary these Scheme Rules as it considers necessary or desirable and, in particular, to take account of changes to relevant legislation, whether effected by Act of Parliament, Statutory Instrument or Treasury Order, provided that no amendment to the detriment of any Option Holder shall be effective without the written consent of that Option Holder.

- 9.2 The Directors, in their absolute discretion, may waive or amend any of these Rules or introduce such new rules as it sees fit provided that while the Company's Shares are quoted on AIM (or at any time listed on the Official List of the London Stock Exchange) any amendments to:

- 9.2.1 the definition of Eligible Employee;
- 9.2.2 the limits on the maximum number of Shares which may be issued under the Scheme;
- 9.2.3 the basis for determining an Option Holder's entitlement to Shares under the Scheme and the terms; and
- 9.2.4 the basis on which an Option may be adjusted if there is a variation of capital pursuant to Rule 11,

which are to the advantage of existing or future Option Holders may not be made without approval of the members of the Company in a general meeting.

- 9.3 Notwithstanding Rule 9.2, the Directors may amend the provisions of these Rules, related option agreements and the terms of any Option as they consider necessary or desirable in order to:

- 9.3.1 make the administration of the Scheme more effective or easier;
- 9.3.2 comply with or take account of the provisions of any proposed or existing legislation;
- 9.3.3 take account of any of the events mentioned in Rule 4; or
- 9.3.4 obtain or maintain favourable tax or regulatory treatment for the Company or any company in the Group or any Option Holder,

without the need for the prior approval of the members of the Company in a general meeting provided that such amendments or additions do not affect the basic principles of this

Scheme.

- 9.4 The Option is personal to the Option Holder who shall not be entitled to:
- 9.4.1 assign or otherwise transfer (in whole or in part); or
  - 9.4.2 create any security or other interest over;
- his rights under the Scheme to any other person or persons, except to personal representatives on death.
- 9.5 If the Option Holder purports to make any transfer, or create any interest, in contravention of Rule 9.3, the Option shall immediately lapse.
- 9.6 The Scheme and these Scheme Rules comprise the entire agreement between the Company and the Option Holder in relation to the Option and supersedes any previous agreement, arrangement or understanding between them in relation to it, and the parties acknowledge that no claim shall arise in respect of any agreement, arrangement or understanding which is superseded in this way.
- 9.7 Notwithstanding any other provision of these Scheme Rules, nothing in the Scheme, or the Option Certificate, shall form part of the Option Holder's contract of employment and nothing in these Scheme Rules, or in any instrument executed in accordance with it, shall:
- 9.7.1 confer upon any person any right to continue in the employment of the Company (or any Company in the Group);
  - 9.7.2 affect the right of the Company (or any Company in the Group) to terminate the employment of any person, lawfully or unlawfully, with or without cause, without liability at any time; or
  - 9.7.3 impose upon the Company, any company in the Group or their respective agents and employees, any liability for any lapse of the Option which may result if the Option Holder's employment is terminated in this way.
- 9.8 Neither the grant of an Option nor the benefit which may accrue to an Option Holder on the exercise of an Option shall form part of the Option Holder's pensionable wages or salary for the purposes of any pension scheme or similar arrangement which is or may be operated by any part of present member of the Group.
- 9.9 If, for whatever reason, any Option shall not be treated as a qualifying option under the EMI Code, that Option shall be treated as a Non-Qualifying Option (although the parties to these Scheme Rules shall retain the right subsequently to determine that the Option is to be treated as having lapsed), and the terms of these Scheme Rules shall be interpreted accordingly.
- 9.10 Neither the Company, nor any company in the Group, nor their respective agents and employees, shall have any liability for any loss whatsoever as a result of any Option lapsing or being treated as a Non-Qualifying Option in accordance with Rule 9.9.



## **10 NOTICES**

10.1 Any notices in connection with these Scheme Rules shall be given:

10.1.1 to a director or employee of any company in the Group by delivering the notice, sending it by first class prepaid post, or communicating it by electronic transmission, to them at his place of work; and

10.1.2 to the Company by delivering the notice or sending it by first class prepaid post to its registered office; or

10.1.3 in either case, to any other address in England which the relevant party may substitute by giving written notice to the other.

10.2 Where a notice is given under Rule 10.1, it shall be deemed to be given:

10.2.1 at the time of delivery (where delivered to the notice address of the addressee);

10.2.2 24 hours after the time of posting (where sent by first class prepaid post); or

10.2.3 at the time of transmission (where communicated by electronic transmission).

10.3 In proving the giving of any notice, it shall be sufficient to prove (as the case may be):

10.3.1 that delivery was made; or

10.3.2 that the envelope containing the notice was properly addressed, prepaid and posted.

## **11 VARIATION OF SHARE CAPITAL**

11.1 In the event of any variation of the share capital of the Company by way of consolidation, subdivision, bonus issue or reduction of capital, the number of Shares and the denomination of Shares subject to any Option and the Acquisition Price for each of those Shares shall be adjusted in whatever manner the auditors of the Company (or any other share valuers nominated by the Directors) confirm in writing to be fair and reasonable, provided that:

11.1.1 the aggregate amount payable on the exercise of an Option in full is not increased;

11.1.2 the Acquisition Price for a Share is not reduced below its nominal value;

11.1.3 following the adjustment the Shares continue to satisfy the conditions specified in the EMI Code and shall not give rise to a disqualifying event as defined in sections 533-539 of the Act; and

11.1.4 such approvals as may be required from HM Revenue and Customs for such adjustments have been obtained.

## **12 TERMINATION**

12.1 The Scheme will terminate 10 years after its adoption or on such other date as the Directors so determine. On termination no further Options may be granted but such termination shall

be without prejudice to any Option rights in existence at the date of termination.

Signed as a Deed by **FORBIDDEN TECHNOLOGIES PLC**  
acting by a director in the presence of:



.....

Director

Witness signature

.....

Name

(in block capitals)

.....

Address

.....

.....

**Appendix 1 Exercise Notice**

**The Forbidden Technologies plc EMI Share Option Scheme 2012**

(the 'Scheme')

To: The Secretary, Forbidden Technologies plc

I, [Option Holder] give notice, under Rules 3.1 and 3.2 of the Scheme Rules, to exercise the option evidenced by the attached Option Certificate dated [ ] 20[ ] in respect of [number] Ordinary Shares as defined in the Scheme Rules.

I enclose a cheque for the Acquisition Price multiplied by the number of Ordinary Shares in respect of which I make this exercise (or have made some other provision as to finance which has been agreed with the Company).

Signed: .....

Dated: .....

**Appendix 2 HM Revenue and Customs Form EMI1**

**Notice of an option granted**

**The Income Tax (Earnings and Pensions Act) 2003, Schedule 5**

*[see attached: <http://www.hmrc.gov.uk/shareschemes/emi/emi-10-09.pdf>]*

**Appendix 3**

**Option Certificate for EMI Options**

The Forbidden Technologies plc EMI Share Option Scheme 2012 (the '**Scheme**')

<b>Option Holder:</b>	
<b>Name:</b>	
<b>Address:</b>	
<b>Option granted on:</b>	
<b>Class of shares under option:</b>	Ordinary Shares of 0.8 pence each
<b>Total number of shares under option:</b>	
<b>Acquisition Price:</b>	pence per share
<b>Performance conditions to be satisfied (if any):</b>	
<b>Exercise Date (if not any time after the third anniversary of the Date of Grant):</b>	

This Option will lapse (to the extent it has not been previously exercised in full) no later than the day before the 10th anniversary of the Date of Grant.

This Option is not transferable and will lapse upon the occasion of an assignment, charge, disposal or other dealing with the rights conveyed by it.

The Rules of the Scheme (a copy of which is attached) shall govern the terms and conditions applicable to this Option and, in the event of uncertainty, the Rules of the Scheme shall prevail over this Certificate.

The Option Holder agrees to and gives the undertakings set out in Rule 8 of the Scheme.

Signed as a Deed by **FORBIDDEN TECHNOLOGIES PLC**  
acting by a director in the presence of:

} \_\_\_\_\_  
Director

Witness signature

Name  
(in block capitals)

Address

Occupation

I, the Option Holder mentioned above, confirm that I accept this Option on the terms of the Rules of the Scheme by which I agree to be bound and give the undertakings set out in Rule 8 of the Rules of the Scheme.

Signed as a Deed by **[OPTION HOLDER]** in the presence of:



.....

Witness's signature

.....

Name (in block capitals)

.....

Address

.....

.....

.....

Occupation

.....

***THIS CERTIFICATE IS IMPORTANT AND SHOULD BE KEPT IN A SAFE PLACE***