

WICKES GROUP PLC

THE WICKES SHARE INCENTIVE PLAN

Adopted by the board of the Company on 23 March 2021, conditional on approval by the shareholders of Travis Perkins plc and Admission

The Plan is a discretionary benefit offered by the Company for the benefit of its employees. Its main purpose is to increase the interest of employees in the Company's long-term business goals and performance through share ownership. The Plan is an incentive for employees' future performance and commitment to the goals of the Company's group.

Shares awarded or purchased under the Plan are **not** part of salary for any purpose (except to any extent required by statute).

The board of the Company shall have the right to decide, in its sole discretion, whether or not participation will be offered and to which employees the Plan will extend.

Participating in the Plan is an investment opportunity distinct from any employment contract. Participation in the Plan entails the risk associated with an investment. An individual who participates in the Plan is treated as being aware of such risks and accepts such risks of their own free will.

The detailed rules for the Plan are set out in this document.



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1. DEFINITIONS

1.1 In the Plan, unless the context otherwise requires:

"**Accumulation Period**" means a period specified by the Board not exceeding twelve months during which the Trustees accumulate a Qualifying Employee's Partnership Share Money before acquiring Partnership Shares or repaying it to the employee;

"**Acquisition Date**" means:

- (a) in relation to Partnership Shares, where there is no Accumulation Period, the date set by the Trustees in relation to the Award, being a date not later than 30 days after the last date on which the Partnership Share Money to be applied in acquiring the Partnership Shares was deducted;
- (b) in relation to Partnership Shares, where there is an Accumulation Period, the date set by the Trustees in relation to the Award, being a date not later than 30 days after the end of the Accumulation Period which applies to the Award; and
- (c) in relation to Dividend Shares, the date set by the Trustees in relation to the acquisition of such Shares, being a date not later than 30 days after the dividend is received by them;

"**Admission**" means the admission of the issued ordinary share capital of the Company to the Official List of the Financial Conduct Authority and to trading on the London Stock Exchange;

"**Applicable Laws**" means the Listing Rules published by the Financial Conduct Authority, the City Code on Takeovers and Mergers, the Market Abuse Regulation (EU) 596/2014 as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended from time to time or any other relevant UK or overseas regulation or enactment;

"**Associated Company**" has the same meaning as in paragraph 94 of the Schedule;

"**Award Date**" means the date on which Free Shares or Matching Shares are awarded under the Plan;

"**Award**" means:

- (a) in relation to Free Shares and Matching Shares, the appropriation of Free Shares and Matching Shares under the Plan; and
- (b) in relation to Partnership Shares, the acquisition of Partnership Shares on behalf of Qualifying Employees under the Plan;

"**the Board**" means the board of directors of the Company or a duly authorised committee of the board or a duly authorised person;

"**the Company**" means Wickes Group plc (registered in England and Wales with registered number 12189061);

"**Connected Company**" has the same meaning as in paragraph 18(3) of the Schedule;

"**Control**" has the same meaning as in section 995 ITA;

"**CTA 2010**" means the Corporation Tax Act 2010;

"**Dealing Day**" means a day on which the London Stock Exchange is open for the transaction of business;

"**Dividend Shares**" means Shares acquired on behalf of a Participant from the reinvestment of dividends under Part D of the Plan and which are subject to the Plan;

"**Free Share Agreement**" means an agreement relating to Free Shares awarded under the Plan;

"Free Shares" means Shares awarded under Part A of the Plan which are subject to the Plan;

"Holding Period" means:

- (a) in relation to Free Shares, the period specified by the Board as mentioned in Rule 8.14 (*Holding Period for Free Shares*);
- (b) in relation to Matching Shares, the period specified by the Board as mentioned in Rule 10.4 (*Holding Period for Matching Shares*); and
- (c) in relation to Dividend Shares, the period of three years from the Acquisition Date;

"HMRC" means HM Revenue & Customs;

"Initial Market Value" means the Market Value of a Share on an Award Date and, where the Share is subject to a Restriction, the Market Value shall be determined without reference to that Restriction;

"ITA" means the Income Tax Act 2007;

"ITEPA" means the Income Tax (Earnings and Pensions) Act 2003;

"ITTOIA" means the Income Tax (Trading and Other Income) Act 2005;

"London Stock Exchange" means London Stock Exchange plc or any successor to that company;

"Market Value" means on any day:

- (a) where all Shares comprising an Award are quoted on the Daily Official List of the London Stock Exchange and were purchased by the Trustees over five or fewer consecutive Dealing Days ending on the Award Date (or on the Dealing Day immediately preceding the Award Date), the price at which such Shares were purchased and, where Shares were purchased at different times and at different prices, the average of the prices paid by the Trustees in the purchase of those Shares; or
- (b) if the Shares to be awarded on that day were not purchased by the Trustees in accordance with paragraph (a) above and the Shares are quoted on the Daily Official List of the London Stock Exchange, the average of the middle market quotations of a Share as derived from that list on the five Dealing Days immediately preceding the Award Date; or
- (c) if the Shares have not been admitted to the Daily Official List of the London Stock Exchange, the market value of a Share determined in accordance with the provisions of Part VIII of the Taxation of Chargeable Gains Act 1992 and agreed for the purposes of the Plan with HMRC Shares and Assets Valuation on or before that day;

"Matching Shares" means Shares awarded under Part C of the Plan and which are subject to the Plan;

"NICs" means National Insurance contributions;

"Participant" means an individual who has received an Award of Free Shares, Matching Shares or Partnership Shares, or on whose behalf Dividend Shares have been acquired;

"Participating Company" means the Company and any Subsidiary designated by the Board;

"Partnership Shares" means Shares awarded under Part B of the Plan and which are subject to the Plan;

"Partnership Share Agreement" means an agreement relating to Partnership Shares (and if appropriate Matching Shares) awarded under the Plan;

"Partnership Share Money" means money deducted from a Qualifying Employee's Salary pursuant to a Partnership Share Agreement and held by the Trustees to acquire Partnership Shares or to be returned to such a person;

"PAYE" means the requirements of Pay As You Earn as prescribed by Part 11 of ITEPA or PAYE regulations under section 684 ITEPA;

"Performance Allowances" means the criteria for an Award of Free Shares which determine:

- (a) whether Shares are awarded; and
- (b) the number or value of Shares awarded;

"Plan" means the Wickes Share Incentive Plan as amended from time to time;

"Plan Shares" means:

- (a) Free Shares or Matching Shares awarded to Participants;
- (b) Partnership Shares or Dividend Shares acquired on behalf of Participants; and
- (c) shares in relation to which paragraph 87(1) (*company reconstructions: new shares*) of the Schedule applies

in each case that remain subject to the Plan;

"Plan Termination Notice" means a notice issued under paragraph 89 of the Schedule;

"Qualifying Company" has the same meaning as in paragraph 17 of the Schedule;

"Qualifying Corporate Bond" has the same meaning as in section 117 of the Taxation of Chargeable Gains Act 1992;

"Qualifying Employee" means an employee who must be invited to participate in an Award under Rule 3.5 and any employee who has been invited to participate under Rule 3.6;

"Qualifying Period" means:

- (a) in the case of Free Shares, 18 months before the Award is made or such other period not exceeding that period as the Board may determine in relation to the Award;
- (b) in the case of Partnership Shares and Matching Shares where there is an Accumulation Period, 6 months before the start of the Accumulation Period or such other period not exceeding that period as the Board may determine in relation to the Award; and
- (c) in the case of Partnership Shares and Matching Shares where there is no Accumulation Period, 18 months before the deduction of Partnership Share Money relating to the Award or such other period not exceeding that period as the Board may determine in relation to the Award;

"Redundancy" has the same meaning as in the Employment Rights Act 1996;

"Relevant Employment" means employment by the Company or any Associated Company;

"Restriction" means any contract, agreement, arrangement or condition which falls within section 423(1)(a) ITEPA (*Restricted securities*);

"Rules" means the rules of the Plan;

"Salary" has the same meaning as in paragraph 43 of the Schedule;

"Schedule 2 SIP" means a share incentive plan which meets the requirements of Parts 2 to 9 of the Schedule;

"**the Schedule**" means Schedule 2 to ITEPA;

"**Shares**" means ordinary shares in the capital of the Company which comply with the conditions set out in paragraph 25 of the Schedule;

"**Subsidiary**" means a body corporate which is a subsidiary (within the meaning of section 1159 of the Companies Act 2006) of the Company and of which the Company has Control;

"**Tax Year**" means 6 April to 5 April inclusive;

"**the Trust Deed**" means the trust deed made between the Company and the Trustees in connection with the Plan;

"**the Trustees**" means the trustees or trustee for the time being of the Plan;

"**the Trust Fund**" means all assets transferred to the Trustees to be held on the terms of the Trust and the assets from time to time representing such assets, including any accumulations of income;

"**the Trust Period**" means the period of 125 years beginning with the date of the Trust Deed; and

"**UK Resident Taxpayer**" has the same meaning as in paragraph 8(2) of the Schedule (*employee resident in the UK*).

1.2 Expressions not defined in this Plan have the same meaning as they have in the Schedule and interpretive provisions in the Schedule and any interpretive provisions issued by HMRC shall apply in interpreting this Plan (except where the Plan expressly provides otherwise).

1.3 Any reference in the Plan to any enactment includes a reference to that enactment as from time to time modified, extended or re-enacted.

1.4 Expressions in italics, headings and any footnotes are for guidance only and do not form part of the Plan.

2. **PURPOSE OF THE PLAN**

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

3. **ELIGIBILITY**

General rule on eligibility

3.1 An individual is eligible to participate in an Award only if:

- (a) they are an employee of a Participating Company;
- (b) they have been an employee of a Qualifying Company at all times during any Qualifying Period;
- (c) they are eligible on the relevant date(s) as set out in Rule 3.4 (*Relevant dates of eligibility*); and
- (d) they do not fail to be so eligible because they are excluded from participating under Rule 3.2 (*Participation in more than one plan*).

Participation in more than one plan

3.2 Individuals are not eligible to participate in an Award in any Tax Year if at the same time they are to participate in an award of shares under another Schedule 2 SIP established by the Company or a Connected Company or if they would have participated in such a Schedule 2 SIP but for failure to meet the relevant performance allowances for that plan.

3.3 If an individual participates in an Award under the Plan in a Tax Year in which they have already participated in an award under one or more other Schedule 2 SIPs established by the Company or a Connected Company then:

- (a) Rule 8.4 (*Maximum annual Award of Free Shares*); and
- (b) Rule 9.3 (*Maximum amount of Partnership Share Money deductions*)

apply as if the Plan and the other plan or plans were a single plan.

Relevant dates of eligibility

3.4 The relevant dates mentioned in Rule 3.1(c) (*General rule on eligibility*) are:

- (a) in the case of Free Shares, the date on which the Award of such shares is made;
- (b) in the case of Partnership Shares or Matching Shares where there is no Accumulation Period, the date on which the Partnership Share Money relating to the Award is deducted; and
- (c) in the case of Partnership Shares or Matching Shares where there is an Accumulation Period, the date on which the Partnership Share Money relating to the Award is first deducted.

Employees who must be invited to participate in Awards

3.5 Subject to the Rules of the Plan, whenever the Board decides to invite individuals to participate in the Plan it must invite all individuals who meet the requirements in Rule 3.1 (*General rule on eligibility*) and are UK Resident Taxpayers.

Employees who may be invited to participate in Awards

3.6 Whenever the Board decides to invite individuals to participate in the Plan, it may also invite any employee who meets the requirements in Rule 3.1 (*General rule on eligibility*) to participate in the Plan even if they are not a UK Resident Taxpayer.

4. **PARTICIPATION ON SAME TERMS**

- 4.1 Subject to Rule 8.6 (*Awards of Free Shares subject to Performance Allowances*), every Qualifying Employee who is invited to participate in the Plan shall be invited to participate on the same terms and those who do participate shall do so on the same terms.
- 4.2 The Company may make an Award of Free Shares to Qualifying Employees by reference to their remuneration, length of service or hours worked in accordance with paragraphs 9(3) and 9(4) of the Schedule (*participation on same terms*).

5. **LIMITS**

10 per cent in 10 years limit

- 5.1 An Award shall not be made in any calendar year if, at the time of its proposed Award Date (in the case of Free Shares or Matching Shares) or proposed Acquisition Date (in the case of Partnership Shares) it would cause the number of Shares allocated (as defined in Rule 5.2 (*Meaning of "allocated"*)) on or after Admission and in the period of 10 calendar years ending with that calendar year under the Plan (other than in connection with Admission) or under any other employee share plan adopted by the Company to exceed such number as represents 10 per cent. of the ordinary share capital of the Company in issue at that time.

Meaning of "allocated"

- 5.2 For the purposes of Rule 5.1 (*10 per cent in 10 years limit*):
- (a) Shares are allocated:
- (i) when an option, award or other contractual right to acquire unissued Shares or treasury Shares is granted; or
 - (ii) where Shares are issued or treasury Shares are transferred otherwise than pursuant to an option, award or other contractual right to acquire Shares, when those Shares are issued or treasury Shares transferred;
- (b) any Shares which have been issued or which may be issued (or any Shares transferred out of treasury or which may be transferred out of treasury) to any trustees to satisfy the exercise of any option, award or other contractual right shall be treated as "allocated" unless they are already treated as allocated under this Rule; and
- (c) for the avoidance of doubt, existing Shares other than treasury Shares that are transferred or over which options, awards or other contractual rights are granted shall not count as "allocated".

Post-grant events affecting numbers of "allocated" Shares

- 5.3 For the purposes of Rule 5.2 (*Meaning of "allocated"*) where:
- (a) any option, award or other contractual right to acquire unissued Shares or treasury Shares is released or lapses (whether in whole or in part); or
- (b) after the grant of an option, award or other contractual right the Board determines that:
- (i) it shall be satisfied by the payment of cash equal to the gain made on its vesting or exercise; or
 - (ii) it shall be satisfied by the transfer of existing Shares (other than Shares transferred out of treasury)

the unissued Shares or treasury Shares which consequently cease to be subject to the option, award or other contractual right shall not count as "allocated".

The number of Shares allocated in respect of an option, award or other contractual right shall be such number as the Board shall reasonably determine from time to time.

Changes to investor guidelines

- 5.4 Treasury Shares shall cease to count as "allocated" for the purposes of Rule 5.2 (*Meaning of "allocated"*) if institutional investor guidelines cease to require such Shares to be so counted.

6. ALTERATIONS

General rule

- 6.1 The Board may, with the Trustees' written consent, at any time alter the Plan in any respect.

Alterations to the advantage of Participants

- 6.2 Subject to Rule 6.3 (*Minor administration amendments*), no alteration to the advantage of the persons who participate or may participate in the Plan shall be made under Rule 6.1 (*General rule*) to the provisions concerning eligibility, the individual limits on participation, the overall limits on the issue of Shares or the transfer of treasury Shares under the Plan, the basis for determining a Participant's entitlement to, and terms of, Shares provided under the Plan and the adjustments that may be made following a rights issue or any other variation of capital without the prior approval by ordinary resolution of the members of the Company in general meeting.

Minor administration amendments

- 6.3 Rule 6.2 (*Alterations to the advantage of Participants*) shall not apply to any minor alteration to benefit the administration of the Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for Participants, the Company, the Trustees or any Subsidiary.

7. MISCELLANEOUS

Employment

- 7.1 The rights and obligations of any individual under the terms of their employment with the Company or a Subsidiary shall not be affected by their participation in the Plan or any right which they may have to participate in it. An individual who participates in the Plan shall by participating in the Plan waive any and all rights to compensation or damages in consequence of the termination of their employment for any reason whatsoever (and regardless of whether such termination is lawful or unlawful) insofar as those rights arise or may arise from them ceasing to have rights under the Plan as a result of such termination. Participation in the Plan shall not confer a right to continued employment upon any individual who participates in it. The making of an Award does not imply that any further Awards will be made or that any individual has a right to receive an Award.

Remuneration

- 7.2 Except where required by law, no money or money's worth received by any individual under the Plan shall form part of their remuneration for any purpose whatsoever or shall be pensionable.

Disputes and interpretation

- 7.3 In the event of any dispute or disagreement as to the interpretation of the Plan, or as to any question or right arising from or related to the Plan, the decision of the Board shall be final and binding upon all persons.

Notices

- 7.4 Any notice or other communication under or in connection with the Plan may be given in such manner as the Board considers to be appropriate which may include by personal delivery, by email, intranet, text message or by post, in the case of a company to its registered office or to such other address notified for this purpose to the person giving the notice, and in the case of an individual to their last known address, or, where they are an employee of a Participating Company, either to their last known postal address, to the postal address of the place of business at which they perform the whole or substantially the whole of the duties of their employment or in the absence of there being such a place, the place of business to which regular correspondence in connection with their employment is sent, or to their allocated corporate email intranet, text message or other electronic address. Unless otherwise stated in these Rules, where any such notice or other communication is given by a Qualifying Employee or Participant to the Company or the Trustees, it shall be effective only on receipt by the Company or, as the case may be, the Trustees.

Funding

- 7.5 The Company and any Subsidiary may provide money to the trustees of any trust or any other person to enable them to acquire Shares to be held for the purpose of the Plan or enter into any guarantee or indemnity for these purposes, to the extent permitted by UK company law.

Grant

- 7.6 The Board shall determine when (if at all) Awards shall be made, the type of Awards that shall be made at that time, and subject to the rules of the Plan, the terms of those Awards, and nothing in these Rules should be interpreted as conferring any obligation on the Company to make Awards on a regular basis or replicate the terms of Awards previously made under the Plan.

Shares to rank equally

- 7.7 No Awards shall be made after the period of ten years beginning with the date on which the Plan is adopted by the Board.
- 7.8 All Shares allotted under the Plan shall rank equally in all respects with Shares of the same class then in issue except for any rights attaching to such Shares by reference to a record date prior to the date of allotment.
- 7.9 Where the Shares to be the subject of Awards on any date do not all carry the same rights, the Trustees shall so far as possible ensure that the number of Shares carrying any particular rights which are so awarded to any individual on that day bears to the number of Shares so awarded to them on that date the same proportion as the total number of Shares carrying those rights which are so awarded on that day bears to the total number of Shares so awarded on that day.

Void as to excess

- 7.10 If in the consequence of an error or omission it is ascertained following an Award Date that:
- (a) a Qualifying Employee has not been given the opportunity to participate in the Plan in respect of any type of Award to which they should have been entitled under the Plan; or
 - (b) the number of Shares expressed to be awarded to any Qualifying Employee on any occasion is found to be incorrect

any Award expressed to have been made in respect of more than the correct number of Shares shall be void as to the excess, any Award expressed to have been made in respect of fewer than

the correct number of Shares shall relate to the correct number of Shares if the Trustees hold unallocated Shares that could otherwise have been used to make that Award and the Company and the Trustees may do all acts and things to rectify such error or omission notwithstanding that such actions may not otherwise be in accordance with the Rules of the Plan.

Termination

- 7.11 The Board may terminate the Plan at any time and following such termination no further Awards shall be made. For the avoidance of doubt, such termination shall not affect the rights and obligations of Participants in respect of Awards granted prior to the date of the Plan's termination.

Third parties

- 7.12 No third party has any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Plan.

Data protection

- 7.13 Personal data relating to Participants and any individuals who may be eligible to participate in the Plan may be collected, processed and transferred for any purpose relating to the operation of the Plan in compliance with any Applicable Laws and any data privacy notice and/or policies of any Group Member in force from time to time.

Governing law

- 7.14 The Plan and all Awards made under it shall be governed and construed in accordance with the law of England and Wales and the Courts of England and Wales have exclusive jurisdiction to hear any dispute.

Overseas plans

- 7.15 The Board may establish further plans based on the Plan at any time for overseas territories but which may be modified to take account of local tax, exchange control or securities laws, provided that any Shares made available under such further plans are treated as counting against the limit in Rule 5.1 (*10 per cent in 10 years limit*).

PART A

8. FREE SHARES

- 8.1 Subject to Rule 8.4, if and when the Board decides to make, or procure the Trustees to make, an Award of Free Shares, every Qualifying Employee shall be invited to enter into a Free Share Agreement with the Company (which may include by means of an opt out process).
- 8.2 The Trustees, acting with the prior consent of the Board, may from time to time award Free Shares.
- 8.3 The number of Free Shares to be awarded to each Qualifying Employee on an Award Date shall be determined by the Board in accordance with this Rule 8.
- 8.4 The Board may decide that any invitation under Rule 8.1 shall not be made to a Qualifying Employee who:
- (a) has received notice of termination; and/or
 - (b) has given notice of termination (of whatever length and for whatever reason) of their Relevant Employment where the notice period will be running at the intended date of Award.

Maximum annual Award of Free Shares

- 8.5 The Initial Market Value of Free Shares awarded to a Qualifying Employee in any Tax Year shall not exceed £3,600 or such other limit as may be permitted by paragraph 35 of the Schedule (*maximum annual award*) from time to time.

Awards of Free Shares subject to Performance Allowances

- 8.6 The Board may decide that the number of Free Shares (if any) to be awarded to each Qualifying Employee on a given Award Date shall be determined by reference to Performance Allowances.
- 8.7 If Performance Allowances are used, they shall apply to all Qualifying Employees participating in that Award.
- 8.8 Where Performance Allowances are used:
- (a) they shall be determined by reference to such fair and objective criteria (the “**performance targets**”) relating to business results or such other objective criteria as the Board shall determine over such period as the Board shall specify; and
 - (b) performance targets shall be set for performance units of one or more employees (provided that an employee shall not be a member of more than one performance unit).
- 8.9 Where the Board decides to use Performance Allowances it shall, as soon as reasonably practicable, notify:
- (a) each employee participating in the Award of the performance targets and measures which shall be used to determine the number or value of Free Shares awarded to them; and
 - (b) all Qualifying Employees, in general terms, of the performance targets and measures to be used to determine the number or value of Free Shares to be awarded to each Qualifying Employee provided that the Board may exclude from such notice any information the disclosure of which the Board reasonably considers would prejudice commercial confidentiality.
- 8.10 The Board shall determine the number of Free Shares (if any) to be awarded to each Qualifying Employee by reference to performance using “Method 1” (Rules 8.11 and 8.12) or “Method 2”

(Rule 8.12). The same method shall be used for all Qualifying Employees participating in each Award.

Performance Allowances: Method 1

8.11 Subject to Rule 8.12, by Method 1:

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

8.12 If Method 1 is used:

- (a) the Free Shares awarded without reference to performance (under Rule 8.11(a)) shall be awarded on the same terms as mentioned in Rule 4 (*Participation on same terms*); and
- (b) the Free Shares awarded by reference to performance (under Rule 8.11(b)) need not be allocated on the same terms as mentioned in Rule 4 (*Participation on same terms*).

Performance Allowances: Method 2

8.13 By Method 2:

- (a) some or all Free Shares shall be awarded by reference to performance;
- (b) the Award of Free Shares to Qualifying Employees who are members of the same performance unit shall be made on the same terms as mentioned in Rule 4 (*Participation on same terms*);
- (c) the performance targets must be consistent targets within the meaning of paragraph 42(3) of the Schedule (*targets which at the time they are set can reasonably be viewed as being comparable in terms of the likelihood of their being met by the performance units to which they apply*); and
- (d) Free Shares awarded to members of each performance unit shall be treated as separate Awards and there is no requirement for Awards of Free Shares made to members of different performance units to be on the same terms.

Holding Period for Free Shares

8.14 The Board shall, in relation to each Award Date, specify a Holding Period throughout which a Participant shall be bound by the terms of the Free Share Agreement:

- (a) to permit the Free Shares awarded to them to remain in the hands of the Trustees; and
- (b) not to assign, charge or otherwise dispose of the beneficial interest in the Free Shares.

8.15 The Holding Period shall, in relation to each Award, be a specified period of not less than three years nor more than five years (or such other periods required by paragraph 36 of the Schedule (*the holding period*) from time to time), beginning with the Award Date and shall be the same for all Participants who receive an Award at the same time. The Holding Period shall not be increased in respect of Free Shares already awarded under the Plan.

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

- (a) to accept an offer for any of their Free Shares if the acceptance or agreement shall result in a new holding being equated with those shares for the purposes of capital gains tax; or

- (b) to accept an offer of a Qualifying Corporate Bond (whether alone or with other assets or cash or both) for their Free Shares if the offer forms part of such a general offer as is mentioned in Rule 8.16(c); or
- (c) to accept an offer of cash, with or without other assets, for their Free Shares if the offer forms part of a general offer which is made to holders of shares of the same class as their shares, or to holders of shares in the same company and which is made in the first instance on a condition such that if it is satisfied the person making the offer shall have control of that company, within the meaning of sections 450 and 451 of the CTA 2010. For the purpose of this paragraph 8.16(c), it does not matter if the general offer is made to different shareholders by different means;
- (d) to exercise a right under section 983 of the Companies Act 2006 to require the offeror to acquire their Free Shares in the case of a takeover offer (within the meaning of section 974 of that Act); or
- (e) to agree to a transaction affecting their Free Shares or such of them as are of a particular class, if the transaction would be entered into pursuant to a compromise, arrangement or scheme applicable to or affecting:
 - (i) all of the ordinary share capital of the Company or, as the case may be, all the shares of the class in question; or
 - (ii) all the shares, or all the shares of the class in question, which are held by a class of shareholders identified otherwise than by reference to their employment or their participation in a Schedule 2 SIP (including the Plan).

PART B

9. PARTNERSHIP SHARES

Partnership Share Agreement

9.1 Subject to Rule 9.2, the Board may at any time invite every Qualifying Employee to enter into a Partnership Share Agreement with the Company under which:

- (a) the Qualifying Employee authorises their employer company to deduct part of their Salary for the purchase of Partnership Shares; and
- (b) the Company undertakes to arrange for Partnership Shares to be awarded to the Qualifying Employee under the Plan.

9.2 The Board may decide that any invitation under Rule 9.1 shall not be made to a Qualifying Employee who:

- (a) has received notice of termination; and/or
- (b) has given notice of termination (of whatever length and for whatever reason)

of their Relevant Employment where the notice period will be running at the intended date of Award.

Forfeiture and pre-emption

9.3 The following provisions apply:

- (a) Partnership Shares shall not be subject to any provision under which they may be forfeited.
- (b) Notwithstanding Rule 9.3(a) above, Partnership Shares acquired on behalf of a Participant may be subject to a provision under which they must be offered for sale but only if the consideration at which the Partnership Shares are required to be offered for sale is at least equal to:
 - (i) the amount of Partnership Share Money applied in acquiring the Partnership Shares on behalf of the Participant; or
 - (ii) if lower, the market value of the Partnership Shares at the time they are offered for sale.

Maximum amount of deductions

9.4 Subject to Rules 9.5 and 9.6, the amount of Partnership Share Money deducted from a Qualifying Employee's Salary shall not exceed £1,800 in any Tax Year (or such other maximum amount as may for the time being be permitted by paragraph 46(1) of the Schedule (*maximum amount of deductions*)).

9.5 Subject to Rule 9.6, the amount of Partnership Share Money deducted from a Qualifying Employee's Salary for any Tax Year shall not exceed 10% (or such other maximum amount as may for the time being be permitted by paragraph 46(2) of the Schedule (*maximum amount of deductions*)) of the total of the payments of Salary made to the Qualifying Employee for that Tax Year.

9.6 The Board may set lower limits than those specified in Rules 9.4 and 9.5 above.

9.7 A lower limit set by the Board in respect of the limit in Rule 9.5 may be framed:

- (a) by substituting a lower percentage than that specified in Rule 9.5; or
- (b) by specifying that a particular description of earnings is not to be regarded as forming part of a Qualifying Employee's Salary for the purposes of the limit.

- 9.8 Any amount deducted in excess of that allowed by Rule 9.4 or 9.5 shall be paid over to the relevant employee, subject to both deduction of income tax under PAYE and NICs, as soon as practicable.

Minimum amount of deductions

- 9.9 The Board may set the minimum amount to be deducted under the Partnership Share Agreement on any occasion and this amount shall be the same in relation to all Partnership Share Agreements entered into in response to invitations issued on the same occasion. The minimum amount shall not be greater than £10 (or such other minimum amount as may for the time being be permitted by paragraph 47(2) of the Schedule (*minimum amount of deductions*)).

Notice of possible effect of deductions on benefit entitlement

- 9.10 Every Partnership Share Agreement shall contain a notice under paragraph 48 of the Schedule.

Restriction imposed on number of Shares awarded

- 9.11 Subject to Rules 9.4 and 9.5 (*maximum amount of deductions*), the Board may specify the maximum number of Shares to be included in, or the maximum amount of individual salary deductions relating to, an Award of Partnership Shares.

- 9.12 The Partnership Share Agreement shall contain an undertaking by the Company to notify each Qualifying Employee of any restriction on the number of Shares or the maximum amount of individual salary deductions to be included in an Award.

- 9.13 The notification in Rule 9.12 shall be given:

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

Payment of deductions to the Trustees

- 9.14 The Participating Companies shall, as soon as practicable after deduction from Salary, pass the Partnership Share Money to the Trustees to be held by them on behalf of the Qualifying Employee until such time as it is applied by them in acquiring Partnership Shares on their behalf.

Plan with no Accumulation Period

- 9.15 If there is no Accumulation Period, the Trustees shall apply Partnership Share Money to acquire Shares on behalf of the Qualifying Employee on the Acquisition Date. The number of Shares awarded to each Qualifying Employee shall be determined in accordance with the Market Value of the Shares on that date.

Plan with Accumulation Period

- 9.16 If there is an Accumulation Period, the Trustees shall apply the Partnership Share Money to acquire Shares on behalf of the Qualifying Employee on the Acquisition Date.

- 9.17 The number of Shares acquired on behalf of each Qualifying Employee shall be determined by reference to:

- (a) the lower of:
 - (i) the Market Value of the Shares at the beginning of the Accumulation Period; and
 - (ii) the Market Value of the Shares on the Acquisition Date; or

- (b) the Market Value of the Shares at the beginning of the Accumulation Period; or
- (c) the Market Value of the Shares on the Acquisition Date,

such determination to be set out in the Partnership Share Agreement for the purposes of that Agreement.

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

Surplus Partnership Share Money

- 9.19 Any surplus Partnership Share Money remaining after the acquisition of Shares by the Trustees:
- (a) may, with the agreement of the Participant, be carried forward to the next deduction (where there is no Accumulation Period) or to the next Accumulation Period (where there is an Accumulation Period); and
 - (b) in any other case, shall be paid over to the Participant, subject to both deduction of income tax under PAYE and NICs, as soon as practicable.

Scaling down

- 9.20 If the Company receives applications for Partnership Shares exceeding the Award maximum determined in accordance with Rule 9.11 (*Restriction imposed on number of Shares awarded*) then the following steps shall be taken in sequence until the excess is eliminated:

- Step 1 the excess of the deduction chosen by each applicant over the amount specified in accordance with Rule 9.9 (*Minimum amount of deductions*) shall be reduced pro rata;
- Step 2 all deductions shall be reduced to the amount specified in accordance with Rule 9.9 (*Minimum amount of deductions*); and
- Step 3 no such Awards shall be made for that period.

The Board may use other methods of scaling down but these must be agreed in advance with HMRC. Each application shall be deemed to have been modified or withdrawn in accordance with the foregoing provisions, and each employee who has applied for Partnership Shares shall be notified of the change.

Withdrawal from Partnership Share Agreement

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

Repayment of Partnership Share Money on ceasing to be a Schedule 2 SIP or termination

- 9.22 If the Plan ceases to be a Schedule 2 SIP by virtue of paragraphs 81H or 81I of the Schedule (*ceasing to be a Schedule 2 SIP following receipt of closure notice*) or a Plan Termination Notice is issued in respect of the Plan, any Partnership Share Money held on behalf of employees shall be repaid to them as soon as practicable, subject to deduction of income tax under PAYE and NICs.

Stopping, varying and restarting deductions

- 9.23 An employee may at any time give notice to the Company to stop deductions under the Partnership Share Agreement. An employee may vary their deductions under the Partnership Share Agreement with the agreement of the Company. Unless a later date is specified in the notice the Company will ensure within 30 days of receiving the notice that either no such further deductions are made by it or that such variation of deductions shall take effect.
- 9.24 An employee who has stopped deductions may subsequently give notice in writing to the Company to restart deductions under the Partnership Share Agreement but the employee may not make up any deductions that have been missed. An employee may not restart deductions more than such number of times in any Accumulation Period as the Board shall determine. On receipt of a restart notice the Company will ensure that deductions are restarted under the Partnership Share Agreement not later than the re-start date within the meaning of paragraph 54(6) of the Schedule (*the date of the first deduction due under the Partnership Share Agreement more than 30 days after receipt of the notice to restart deductions*).

Access to Partnership Shares

- 9.25 When Partnership Shares have been awarded to a Participant, the Participant may at any time withdraw any or all of the Partnership Shares from the Plan subject to deduction of income tax under PAYE and NICs.

PART C

10. MATCHING SHARES

General requirements for Matching Shares

10.1 Matching Shares shall:

- (a) be Shares of the same class and carrying the same rights as the Partnership Shares to which they relate;
- (b) subject to Rule 10.3 (*Ratios of Matching Shares to Partnership Shares*), be awarded on the same day as the Partnership Shares to which they relate are acquired on behalf of Qualifying Employees; and
- (c) be awarded to all Participants on the same basis.

Ratio of Matching Shares to Partnership Shares

10.2 The Partnership Share Agreement shall specify the ratio of Matching Shares to Partnership Shares for the time being offered by the Company and that ratio shall not exceed 2:1 (or such other ratio as may for the time being be permitted by paragraph 60 of the Schedule). Different ratios may apply within an Award of Matching Shares. The Board may vary the ratio before Partnership Shares are acquired. Employees shall be notified of the terms of any such variation before the Partnership Shares are awarded under the Partnership Share Agreement.

10.3 If the Partnership Shares on the day on which they are awarded under the Partnership Share Agreement do not produce a whole number of Matching Shares, only the rounded down whole number of Matching Shares shall be awarded at that time and the unmatched number of Matching Shares shall be carried forward until further Partnership Shares have been acquired.

Holding Period for Matching Shares

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

10.5 The Holding Period shall, in relation to each Award, be a specified period of not less than three years nor more than five years (or such other periods required by paragraph 36 of the Schedule from time to time), beginning with the Award Date and shall be the same for all Participants who receive an Award at the same time. The Holding Period shall not be increased in respect of Matching Shares awarded under the Plan.

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

- (a) to accept an offer for any of their Matching Shares if the acceptance or agreement shall result in a new holding being equated with those original Shares for the purposes of capital gains tax; or
- (b) to accept an offer of a Qualifying Corporate Bond (whether alone or with other assets or cash or both) for their Matching Shares if the offer forms part of such a general offer as is mentioned in Rule 10.6(c); or
- (c) to accept an offer of cash, with or without other assets, for their Matching Shares if the offer forms part of a general offer which is made to holders of shares of the same class as their shares or to the holders of shares in the same company, and which is made in the first instance on a condition such that if it is satisfied the person making the offer shall have control of that company, within the meaning of sections 450 and 451 of the CTA 2010. For the purpose of this paragraph 10.6(c), it does not matter if the general offer is made to different shareholders by different means; or

- (d) to exercise a right under section 983 of the Companies Act 2006 to require the offeror to acquire their Matching Shares in the case of a takeover offer (within the meaning of section 974 of that Act); or
- (e) to agree to a transaction affecting their Matching Shares or such of them as are of a particular class, if the transaction would be entered into pursuant to a compromise, arrangement or scheme applicable to or affecting:
 - (i) all of the ordinary share capital of the Company or, as the case may be, all the shares of the class in question; or
 - (ii) all the shares, or all the shares of the class in question, which are held by a class of shareholders identified otherwise than by reference to their employment or their participation in a Schedule 2 SIP (including the Plan).

PART D

11. DIVIDEND SHARES

Reinvestment of cash dividends

- 11.1 The Free Share Agreement or Partnership Share Agreement, as appropriate, shall set out the rights and obligations of Participants receiving Dividend Shares under the Plan.
- 11.2 The Board may direct that some or all of the cash dividends in respect of Plan Shares held on behalf of Participants may be applied in acquiring further Plan Shares on their behalf.
- 11.3 The following provisions apply:
- (a) Dividend Shares shall be Shares:
 - (i) of the same class and carrying the same rights as the Shares in respect of which the dividend is paid; and
 - (ii) which are not subject to any provision for forfeiture.
 - (b) Notwithstanding Rule 11.3(a), Dividend Shares acquired on behalf of a Participant may be subject to a provision under which they must be offered for sale but only if the consideration at which the Dividend Shares are required to be offered for sale is at least equal to:
 - (i) the amount of the cash dividends applied in acquiring the Dividend Shares on behalf of the Participant; or
 - (ii) if lower, the market value of the Dividend Shares at the time they are offered for sale.
- 11.4 The Board may direct the Trustees to:
- (a) apply some or all dividends in accordance with Rule 11.6, to acquire Dividend Shares;
 - (b) pay some or all dividends in cash to all Participants; or
 - (c) offer Participants the choice of either Rule 11.4(a) or Rule 11.4(b).
- 11.5 The Board may modify or revoke any direction for reinvestment of cash dividends.
- 11.6 The amount of the cash dividends to be applied by the Trustees in acquiring Dividend Shares may be determined by the Board from time to time. In making such determination, the Board must specify how that amount shall be determined, which may include no limit at all (which shall be the case if the Board makes no determination under this Rule 11.6), imposing a fixed amount or specifying a percentage of cash dividends which may be applied in acquiring Dividend Shares. In exercising their powers in relation to the acquisition of Dividend Shares the Trustees must treat Participants fairly and equally.
- 11.7 If the amounts received by the Trustees exceed any limit determined under Rule 11.6, the balance shall be paid to the Participant as soon as practicable.
- 11.8 Where applicable, the Trustees shall apply the relevant amount of cash dividend to acquire Shares on behalf of the Participant on the Acquisition Date. The number of Dividend Shares acquired on behalf of each Participant shall be determined by the Market Value of the Shares on the Acquisition Date.

Certain amounts not reinvested to be carried forward

11.9 Subject to Rule 11.7, any amount that is not reinvested because the amount of the cash dividend is insufficient to acquire a Share may be retained by the Trustees and carried forward to be added to the amount of the next cash dividend to be reinvested.

11.10 If a cash dividend is retained by the Trustees in accordance with Rule 11.9 and either:

(a) the Participant ceases to be in Relevant Employment; or

(b) a Plan Termination Notice is issued,

then the amount shall be repaid to the Participant as soon as practicable. On making such a payment, the Participant shall be provided with the information specified in sections 1105 to 1108 CTA 2010 (*information relating to distributions to be provided by nominee*) as if it were a payment to which sub-section 1105(1)(b) applies.

Cash dividends so far as there is no requirement to re-invest

11.11 Any cash dividends so far as they are not required to be reinvested under the Plan in respect of Plan Shares held on behalf of a Participant must be paid over to the Participant as soon as practicable.

Holding period for Dividend Shares

11.12 The Holding Period shall be a period of three years (or such other period required by paragraph 67 (*holding period for dividend shares*) of the Schedule from time to time), beginning with the Acquisition Date.

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

(a) to accept an offer for any of their Dividend Shares if the acceptance or agreement shall result in a new holding being equated with those shares for the purposes of capital gains tax; or

(b) to accept an offer of a Qualifying Corporate Bond (whether alone or with other assets or cash or both) for their Dividend Shares if the offer forms part of such a general offer as is mentioned in Rule 11.13(c); or

(c) to accept an offer of cash, with or without other assets, for their Dividend Shares if the offer forms part of a general offer which is made to holders of shares of the same class as their shares or to holders of shares in the same company, and which is made in the first instance on a condition such that if it is satisfied the person making the offer shall have control of that company, within the meaning of sections 450 and 451 CTA 2010. For the purpose of this paragraph 11.13(c), it does not matter if the general offer is made to different shareholders by different means; or

(d) to exercise a right under section 983 of the Companies Act 2006 to require the offeror to acquire their Dividend Shares in the case of a takeover offer (within the meaning of section 974 of that Act); or

(e) to agree to a transaction affecting their Dividend Shares or such of them as are of a particular class, if the transaction would be entered into pursuant to a compromise, arrangement or scheme applicable to or affecting:

(i) all of the ordinary share capital of the Company or, as the case may be, all the shares of the class in question; or

(ii) all the shares, or all the shares of the class in question, which are held by a class of shareholders identified otherwise than by reference to their employment or their participation in a Schedule 2 SIP (including the Plan).

- 11.14 Where a Participant is charged to tax in the event of their Dividend Shares ceasing to be subject to the Plan, they shall be provided with the information specified in sections 1105 to 1108 CTA 2010 (*information relating to distributions to be provided by nominee*) as if it were a payment to which sub-section 1105(1)(b) applies.

PART E

12. FORFEITURE

12.1 If the Board so specifies in relation to an Award under the Plan a Participant shall cease to be beneficially entitled to some or all of the Free Shares or Matching Shares appropriated to them:

- (a) on the Participant ceasing to be in Relevant Employment at any time in the forfeiture period otherwise than for a permitted reason (as defined below);
- (b) on the Participant whilst in Relevant Employment withdrawing, or attempting to withdraw, their Free Shares or Matching Shares from the Plan at any time in the forfeiture period other than following, and by reason of, the occurrence of an event referred to in Rule 8.16 (in the case of Free Shares) or Rule 10.6 (in the case of Matching Shares);
- (c) in the case of Matching Shares, on the Participant withdrawing, or attempting to withdraw, the Partnership Shares in respect of which the Matching Shares were awarded from the Plan within the forfeiture period otherwise than by reason of having ceased to be in Relevant Employment for a permitted reason or following, and by reason of, an event as referred to in Rule 10.6; or
- (d) in such other circumstances as the Board may specify.

12.2 For the purposes of this Rule 12 a “permitted reason” is:

- (a) injury;
- (b) disability;
- (c) a transfer to which the Transfer of Undertakings (Protection of Employment) Regulations 2006 would apply (or would apply if the transfer took place in the UK);
- (d) the company by which the Participant is employed ceasing to be an Associated Company of the Company;
- (e) Redundancy;
- (f) retirement; or
- (g) death.

12.3 In Rule 12.1 “the forfeiture period” means the forfeiture period specified by the Board beginning with the Award Date and ending at such time (if any) as the Board may determine. Unless the Board determines otherwise, the forfeiture period shall be three years.

12.4 The same provision for forfeiture must apply in relation to all Free or Matching Shares included in the same Award under the Plan.

13. PARTICIPANT CEASING TO BE IN RELEVANT EMPLOYMENT

13.1 If a Participant ceases to be in Relevant Employment then (subject to the Trustees selling shares in accordance with their PAYE obligations) their Plan Shares (or any balance of their Plan Shares after the Trustees have discharged their PAYE obligations) shall be transferred to them by the Trustees as soon as reasonably practical.

13.2 If a Qualifying Employee ceases to be in Relevant Employment during an Accumulation Period any Partnership Share Money deducted in the Accumulation Period from that person's Salary is (subject to the Trustees meeting their PAYE obligations) to be paid over to the Qualifying Employee as soon as practicable.

13.3 If a Qualifying Employee ceases to be in Relevant Employment during an acquisition period relating to an Award of Partnership Shares, they shall, for the purposes of the Award of

Partnership Shares, and Matching Shares if relevant, be treated as ceasing to be in Relevant Employment immediately after the Award is made. For these purposes, “acquisition period” has the meaning given to it in paragraph 97(3) (*meaning of shares ceasing to be subject to the plan*) of the Schedule.

For the purposes of the Plan, a Participant shall not be treated as ceasing to be in Relevant Employment until such time as they are no longer an employee of the Company or any Associated Company.

PART F

14. COMPANY RECONSTRUCTIONS

14.1 The following provisions of this Rule 14 apply if there occurs in relation to any of a Participant's Plan Shares (referred to in this Rule 14 as "**the Original Holding**"):

- (a) a transaction which results in a new holding (referred to in this Rule 14 as "**the New Holding**") being equated with the Original Holding for the purposes of capital gains tax; or
- (b) a transaction which would have that result but for the fact that what would be the new holding consists of or includes a Qualifying Corporate Bond.

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

- (a) redeemable shares or securities issued as mentioned in paragraph C or D in section 1000(1) CTA 2010 (*distributions*);
- (b) share capital issued in circumstances such that section 1022(3) CTA 2010 (*bonus issues*) applies; or
- (c) share capital to which section 410 ITTOIA (*stock dividends*) applies that is issued in a case where section 410(2) or (3) ITTOIA applies.

14.3 In this Rule 14:

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

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

14.4 Subject to the following provisions of this Rule 14, references in the Plan to a Participant's Plan Shares shall be respectively construed, after the time of the company reconstruction, as being or, as the case may be, as including references to any New Shares.

14.5 For the purposes of the Plan:

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

14.6 In the context of a New Holding, any reference in this Rule 14 to shares includes securities and rights of any description which form part of the New Holding for the purposes of Chapter II of Part IV of the Taxation of Chargeable Gains Act 1992.

15. RIGHTS ISSUES

15.1 Any shares or securities acquired under clause 10 of the Trust Deed shall be treated as Plan Shares identical to the shares in respect of which the rights were conferred and shall be treated as if they were awarded to or acquired on behalf of the Participant under the Plan in the same way and at the same time as those shares.

15.2 Rule 15.1 does not apply:

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

and in these circumstances any shares, securities or rights allotted are not Plan Shares, and sections 127 to 130 of the Taxable of Chargeable Gains Act 1992 (*re-organisation of share capital etc*) do not apply in relation to them.

PART G

16. PAYE LIABILITY

- 16.1 The Trustees may dispose of a Participant's Plan Shares or accept a sum from the Participant in order to meet any PAYE liability in the circumstances provided in sections 510 to 512 of ITEPA (*PAYE: shares ceasing to be subject to the plan*).
- 16.2 Where the Trustees receive a sum of money which constitutes a capital receipt (within the meaning of section 502 of ITEPA) or the proceeds of any disposal in respect of which a Participant is chargeable to income tax as employment income, the Trustees shall pay to the relevant employer a sum equal to the amount of that income tax charge and transfer the balance to the Participant, unless the provisions of section 514 of ITEPA apply (*Capital receipts, deductions by Trustees*).
- 16.3 The Trustees shall maintain records necessary to enable them to carry out their PAYE obligations, and the PAYE obligations of the employer company so far as they relate to the Plan.
- 16.4 The Trustees shall maintain records of Participants who have participated in one or more Schedule 2 SIPs established by the Company or a Connected Company.
- 16.5 Where the Participant becomes liable to income tax pursuant to the Plan under ITEPA or Chapters 3 or 4 of Part 4 of ITTOIA (*dividends from UK resident and non resident companies*), the Trustees shall inform the Participant of any facts which are relevant to determining that liability.
- 16.6 Where Plan Shares cease to be subject to the Plan in circumstances where the employer has a consequent PAYE obligation, the Trustees shall pay to the employer a sum which is sufficient to enable the employer to discharge that obligation unless the Participant makes a payment to the employer as referred to in section 510(4) of ITEPA (*PAYE: shares ceasing to be subject to the plan*).