Dated: 2022

MANX FINANCIAL GROUP PLC

RULES OF THE MANX FINANCIAL GROUP PLC RESTRICTED STOCK UNIT PLAN 2022

(as amended (as to Rule 5) pursuant to an ordinary resolution of the Company dated 18 June 2026 and (as to certain minor changes) pursuant a resolution of the Directors dated 12 October 2026 under Rule 13.23)

TABLE OF CONTENTS

Contents		Page
1.	Definitions	3
2.	Grant of Units	5
3.	Unit Price	7
4.	Individual Limits on Grants	7
5.	Scheme Limits	8
6.	Variations in Share Capital	8
7.	Exercise and Lapse – General Rules	9
8.	Exercise and Lapse – Exceptions to the General Rules	10
9.	Exchange of Units	14
10.	Exercise of Units	15
11.	Income Tax and NIC Liability	17
12.	General	18
13.	Administration and Amendment	20
14.	Governing Law	21
15.	Jurisdiction	21

RULES OF THE MANX FINANCIAL GROUP PLC
RESTRICTED STOCK UNIT PLAN 2022

1. DEFINITIONS

1.1 Meanings of words used

In these Rules:

"2006 Act" means the Companies Act 2006;

"Acquiring Company" has the meaning given to it in **Rule 8.11**;

"Act" means the Income Tax Act 1970, as amended;

"Adoption Date" means the date of the adoption of the Scheme by the Company;

"AIM" means the AIM stock market operated by the London Stock Exchange;

"AIM Rules" means the AIM Rules for Companies published by the London Stock Exchange;

"Award" means an award of Units pursuant to this Scheme;

"**Business Day**" means a day on which the London Stock Exchange or, if relevant and if the Directors determine, any stock exchange nominated by the Directors on which the Shares are traded is open for the transaction of business;

"**Company**" means MANX FINANCIAL GROUP PLC, incorporated and registered in the Isle of Man with company number 004908V;

"Company Secretary" means the company secretary of the Company from time-to-time;

"**Control**" has the meaning given to it by Section 119A of the Income Tax Act 1970;

"**Daily Official List**" means a written record produced each day by the London Stock Exchange of all the prices of stocks and shares that can be bought and sold there;

"**Date of Grant**" means the date which the Directors set for grant of a Unit;

"**Dealing Code**" means the share dealing code adopted by the Company applying to dealings in securities by Directors, certain employees and persons connected with them in accordance with the AIM Rules from time to time;

"**Directors**" means, subject to **Rule 8.7**, the board of directors of the Company or a duly authorised committee of it;

"**Eligible Employee**" means;

(a) any employee of a Member of the Group; and
(b) any director of a Member of the Group;

"**Exercise Price**" means £0 per Share on the exercise of a Unit determined by the Directors at their sole discretion in accordance with **Rule 3**;

"Existing Incentives" all:

a. Units issued pursuant to this Scheme;
b. Existing Options: and
c. any other incentives granted under any other scheme that has been established by any Member of the Group (as defined in section I108 of the Act), that can still be exercised;

"Existing Option" means an option or any other rights to acquire or receive Shares granted under any share incentive scheme (including the employee share option scheme adopted by the Company in 2018), that remains capable of exercise, or in the case of options or rights that do not require exercise, remains capable of satisfaction;

"**Exercise Period**" means a period starting on the Date of Grant of a Unit and ending at the end of the day before the tenth anniversary of the Date of Grant, or such shorter period as may be specified on the Date of Grant;

"**London Stock Exchange**" means London Stock Exchange plc;

"**Member of the Group**" means:

(i) the Company; and

(ii) a company of which the Company has control and which is also a Subsidiary of the Company; and

(iii) any other company which is associated with the Company and is so designated by the Directors;

"New Unit" has the meaning set out in **Rule 9.3**;

"NIC Liability" means the total of any primary class 1 (employee) national insurance contributions (or their equivalents in any jurisdiction) for which any Member of the Group is or may be liable to account (or reasonably believes it is or may be liable to pay) for any Unit Holder;

"Personal Data" means personal information which could identify any Unit Holder including Units held under the Scheme or under any other share incentive scheme operated by the Company;

"Performance Conditions" means any conditions imposed under **Rule 2.3**;

"**Rules**" means these rules of the Scheme as amended from time-to-time;

"**Regulatory Information Service**" means a service listed in appendix 3 to the UK Listing Authority Listing Rules;

"**Share**" means a fully paid ordinary share in the capital of the Company, and "Shares" shall

be construed accordingly;

"**Scheme**" means The Manx Financial Group PLC Restricted Stock Unit Plan 2022 as amended from time-to-time;

"**Subsidiary**" means a company which is a subsidiary of the Company within the meaning of Section 220 of the 2006 Act;

"Tax Liabilities" has the meaning given to it in **Rule 11.1**;

"**Unit**" means a nil-cost option to acquire Shares granted under the Scheme, subject to such Performance Conditions as may be agreed or determined by the Directors from time-to-time;

"**Unit Certificate**" means a certificate setting out the terms of a Unit issued under **Rule 2**; and

"**Unit Holder**" means a person who holds a Unit or where applicable, their personal representatives.

1.2 Unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular.

1.3 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.

1.4 Unless otherwise stated, references to legislation shall be to the laws of the Isle of Man unless otherwise stated, or determined at the discretion of the Directors.

1.5 A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time-to-time.

1.6 A reference to a statute or statutory provision shall include all subordinate legislation made from time-to-time under that statute or statutory provision.

2. GRANT OF UNITS

2.1 Grant of Units

2.1.1 The Directors may resolve to grant to any Eligible Employee Units to acquire such number of Shares as the Directors may determine at the Exercise Price, subject to such vesting terms (including as to performance and/or service period) as the Directors shall determine at its sole discretion. The Company will execute a deed on the grant of Units.

2.1.2 Unless the Directors decide otherwise in any particular case, Units must not be granted to an Eligible Employee who has given or received notice of termination of employment with a Member of the Group whether or not such termination is lawful.

2.1.3 Any Award granted to an executive or non-executive director of a Member of the Group will be granted so that it complies with the directors' remuneration policy of

the Company as approved by the Group Renumeration Committee from time-to-time and in accordance with the Articles.

2.2 **Time when Units may be Granted**

2.2.1 Units may only be granted within forty-two (42) days starting on any of the following:

(i) the date of adoption of the Scheme;

(ii) the day after the announcement of the Company's results through a Regulatory Information Service for any period;

(iii) any day on which the Directors resolve that exceptional circumstances exist which justify the grant of Units (including in the case of a new joiner, in the period after such party becomes an Eligible Employee); or

(iv) any date on which changes to the legislation or regulations affecting share option schemes or employee incentive plans are announced, effected or made.

2.2.2 If the Directors do not grant any Units due to restrictions imposed by statute, order, regulator or Government directive, or by any code adopted by the Company based on the Dealing Code, the Directors may grant Units within forty-two (42) days after the lifting of such restrictions.

2.2.3 The Directors may only grant Units between the date on which the Company's shareholders approve the Scheme and the tenth anniversary of that date.

2.2.5 Units may not be granted:

(a) at any time when the granted would be prohibited by, or in breach of any:
  (i) law; or
  (ii) the Market Abuse Regulation or any other regulation with the force of law; or
  (iii) rule of an investment exchange on which the Shares are listed or traded; or any other non-statutory rule that binds the Company or with which the Directors have resolved to comply; or
(b) before the Adoption Date; or
(c) after the tenth anniversary of the Adoption Date.

2.3 **Performance Conditions**

When granting a Unit, the Directors may make its exercise conditional on the satisfaction of certain condition(s). The Performance Conditions must be objective and specified at the Date of Grant and may provide that Units will in whole or in part lapse if a Performance Condition is not satisfied. The Directors may waive or change the Performance Conditions in accordance with their terms or if anything happens which causes the Directors reasonably to consider that:

2.3.1 the changed Performance Conditions would be a fairer measure of performance,

and would be no more difficult to satisfy; or

2.3.2 the Performance Conditions should be waived.

The Directors will have discretion to determine that Units will vest to a lesser extent despite a Performance Condition being satisfied in whole or part, if it considers that the overall performance of the Company does not warrant the Units vesting in full.

2.4 **Unit Certificates**

2.4.1 The Directors will send to each Unit Holder a Unit Certificate on or as soon as practicable after the Date of Grant. The Unit Certificate will either be the deed referred to in **Rule 2.1** or a statement. The Directors will set the form of the Unit Certificate, but the Unit Certificate must be consistent with these Rules.

2.4.2 If any Unit Certificate is lost or damaged the Directors may replace it on such conditions as they wish to set.

2.5 **No Payment**

2.5.1 In the case of an Eligible Employee who is subject to tax in the Isle of Man in respect of his employment with the Company, on receipt of a Unit he shall either pay to the Company an amount equal to the NIC Liability arising on the grant thereof or (at the individual's option) authorise the Company to deduct said amount from his earnings for that period.

2.5.2 Subject to Rule. 2.5.1, no amount shall be paid for the grant or exercise of a Unit.

2.6 **Disclaimer of Unit**

A Unit Holder may disclaim all or part of his or her Unit within thirty (30) days after the Date of Grant by notice in writing to the Company Secretary. If this happens, the Unit will be deemed never to have been granted under the Scheme. Unit Holders are not required to pay for the disclaimer.

2.7 **Disposal Restrictions**

A Unit Holder may not transfer, assign or otherwise dispose of a Unit or any rights in respect of it. If a Unit Holder tries to transfer, assign or dispose of any such Unit or rights, whether voluntarily or involuntarily, then the relevant Unit will immediately lapse. This **Rule 2.7** does not apply:

2.7.1 to the transmission of a Unit on the death of a Unit Holder to his or her personal representatives; or

2.7.2 to the assignment of a Unit, with the prior consent of the Directors, subject to any terms and conditions the Directors impose.

No pension benefits will accrue on the value of Awards.

2.8 **Administrative Errors**

If the Directors try to grant a Unit which is inconsistent with **Rule 4** (Individual Limit) or **Rule 5** (Scheme Limits), the Unit will be limited and will take effect from the Date of Grant on a basis consistent with these Rules.

3. EXERCISE PRICE

The Units shall be nil-cost options and accordingly the Exercise Price of each Unit will be £0 (£nil).

4. INDIVIDUAL LIMITS ON GRANTS

4.1 Four (4) Times Salary Limit for Units

4.1.1 Subject to **Rule 4.1.2**, no Unit may be granted to an Eligible Employee if it would at the proposed Date of Grant cause the total amount payable on exercise of all Existing Incentives issued by the Company in the preceding three (3) years to exceed the greater of four times:

(i) his total remuneration from Members of the Group in the twelve months ending on the Date of Grant; and

(ii) the annual rate of his or her total remuneration from Members of the Group.

4.1.2 The limit in this Rule may be exceeded if the Directors determine that exceptional circumstances make it desirable that Units should be granted in excess of that limit.

5. SCHEME LIMITS

5.1 Ten Per Cent, Ten Year Limit

The number of Shares which may be allocated under the Scheme on any day, when added to the total number of Shares which have been allocated in the previous ten (10) years under the Scheme, must not exceed ten (10) per cent of the issued share capital of the Company in issue immediately before that day.

5.2 Exclusions

Where the right to acquire Shares is released or lapses without being exercised, the Shares concerned are ignored when calculating the limits in this **Rule 5**.

5.3 Meaning of "allocate"

"**allocate**" means granting a Unit or other right to acquire unissued Shares under the Scheme.

6. VARIATIONS IN SHARE CAPITAL

6.1 Adjustment of Units

If there is a variation in the equity share capital of the Company, including a capitalisation or rights issue, sub-division, consolidation or reduction of share capital or a demerger (in whatever form) or other distribution in specie:

6.1.1 the number of Shares comprised in each Unit; or

6.1.2 the Exercise Price; or

6.1.3 both,

may be adjusted in any way (including retrospective adjustments) which the Directors consider appropriate.

6.3 Notice

The Directors may notify Unit Holders of any adjustment made under this **Rule 6**.

7. EXERCISE AND LAPSE – GENERAL RULES

7.1 Exercise

Subject to **Rule 7.2** (Lapse) and **Rule 8** (Exercise and Lapse – Exceptions to the General Rules) a Unit can only be exercised:

7.1.1 in accordance with vesting criteria determined by the Directors at their sole discretion; and

7.1.2 to the extent allowed by any Performance Conditions;

7.1.3 if not prohibited by any statute, regulation or any code adopted by the Company based on the Dealing Code; and

7.1.4 if not prevented under **Rule 8.11** (Mergers and Reorganisations) or by a decision of the Directors under any of **Rule 8.3** (Takeovers), **Rule 8.4** (Section 154 Notice) or **Rule 8.5** (Company Reconstructions).

7.2 Lapse

Unless **Rule 8** applies, a Unit will lapse on the earliest of:

7.2.1 the date the Unit Holder ceases to be a director or employee of a Member of the Group;

7.2.2 the date on which the Unit Holder gives or receives notice of termination of his or her employment with any Member of the Group whether or not such termination is lawful unless the Directors decide otherwise in any particular case within fourteen days of the date that the relevant Unit Holder gives or receives notice;

7.2.3 any date specified in any Performance Condition;

7.2.4 the expiry of the Exercise Period; or

7.2.5 the date when any circumstance referred to in **Rule 2.7** (Disposal restrictions) occurs.

For the purposes of **Rule 7.2.1** and **Rule 7.2.2** above and **Rule 8.1** (Cessation of Employment), a Unit Holder will not be treated as ceasing to be a director or employee of a Member of the Group if he or she becomes a director or employee of a Member of the Group within fourteen (14) days.

8. EXERCISE AND LAPSE – EXCEPTIONS TO THE GENERAL RULE

This **Rule 8** sets out exceptions to the general rules of Exercise and Lapse in **Rule 7**.

8.1 Cessation of Employment

8.1.1 If a Unit Holder ceases to be a director or an employee of any Member of the Group for any of the reasons set out below, then their Units will not lapse and they may exercise them within twelve (12) months after such cessation. The Directors, at their discretion, may instead specify a different period for exercise which may begin later than the date of cessation of employment. This period must end within three (3) years after cessation of employment. The Directors may specify that the Units may be exercised in full or in part and subject to any conditions. Unless the Directors decide otherwise, the Performance Conditions must be satisfied before exercise of Units under this **Rule 8.1.1**.

The reasons are:

(i) ill-health, injury, disability;

(ii) redundancy;

(iii) retirement in accordance with the terms of a Unit Holder's contract of employment;

(iv) early retirement by agreement with the Unit Holder's employer;

(v) the Unit Holder's employing company ceasing to be under the Control of the Company; or

(vi) a transfer of the undertaking, or the part of the undertaking, in which the Unit Holder works to a person or entity which is neither under the Control of the Company nor a Member of the Group.

8.1.2 The Directors may allow a Unit Holder who ceases to be a director or an employee of any Member of the Group for any other reason to exercise his or her Units in full or in part during any period specified by the Directors and subject to any conditions.

Unless the Directors decide otherwise, the Performance Conditions must be satisfied before exercise of Units under this **Rule 8.1.2**.

8.1.3 The Directors must exercise any discretion provided for in this **Rule 8.1** within fourteen (14) days after cessation of the relevant Unit Holder's employment.

8.1.4 To the extent that any Unit exercisable under this **Rule 8.1** is not exercised within the period specified, it will lapse at the end of that period.

8.2 **Death**

If a Unit Holder dies, his or her Units may be exercised by their personal representatives up to the earlier of twelve (12) months from their death or three (3) months from grant of probate, subject to the satisfaction of any Performance Conditions set. To the extent that any Unit exercisable under this **Rule 8.2** is not so exercised, it will lapse. Nothing in this **Rule 8.2** extends the Exercise Period.

8.3 **Takeovers**

This Rule does not apply if Units are to be replaced in accordance with **Rule 8.11** (Mergers and Reorganisations).

This Rule applies where a person (or a group of persons acting in concert) obtains Control of the Company as a result of making an offer to acquire Shares.

When this Rule applies, Units may be exercised, subject (if determined by the Directors at their discretion) to the satisfaction or waiver of any Performance Condition, within the six (6) month period after the person making the offer has obtained Control of the Company.

The Units will cease to be exercisable at the end of the six (6) month period. Units not exercised or exchanged (under **Rule 9**) (Exchange of Units)) will lapse at the end of the period specified in **Rule 9.2** (Exchange), unless the Directors give written notice to the Unit Holders before the end of that period that the Units will not lapse.

8.4 **Section 160 Notice (Right of Offeror to Buy out Minority Shareholders)**

This Rule does not apply if Units are to be replaced in accordance with **Rule 8.11** (Mergers and Reorganisations).

This Rule applies if a person (or a group of persons acting in concert) serves a notice to acquire Shares under Section 160 of the 2006 Act, or any other equivalent local legislation, if appropriate (a "**Section 160 Notice**"). Units may be exercised, subject (if determined by the Directors at their discretion) to the satisfaction or waiver of any Performance Condition, up to the end of the shorter of:

8.4.1 the period during which that person is entitled and bound to acquire the Shares to which the Section 160 notice relates; and

8.4.2 the period during which that person is entitled to serve a Section 160 Notice.

Units not exercised or exchanged (under **Rule 9** (Exchange of Units)) will lapse at the end of

the period specified in **Rule 9.2** (Exchange) unless before the end of that period the Directors give written notice to the Unit Holders that the Units will not lapse.

8.5 **Company Reconstructions**

This Rule does not apply if Units are to be replaced in accordance with **Rule 8.11** (Mergers and Reorganisations).

This Rule applies when, under Section 157 of the 2006 Act or any other equivalent local legislation:

8.5.1 a court sanctions a compromise or arrangement in connection with the acquisition of Shares; or

8.5.2 there is any other local equivalent to that sanction procedure.

When the Rule applies, Units may be exercised, subject (if determined by the Directors at their discretion) to the satisfaction or waiver of any Performance Condition, within six (6) months after the date of the sanction. Any Unit not so exercised will lapse at the end of that period.

However, the Directors may decide that no Units may be exercised. They may make this decision not later than the date of the sanction and only if an exchange offer is proposed to be made in accordance with **Rule 9**.

8.6 **Demergers and Other Significant Distributions**

This Rule does not apply if Units are to be replaced in accordance with **Rule 8.11 (**Mergers and Reorganisations).

If the Directors become aware that the Company is or is expected to be affected by any demerger, dividend in specie, super dividend or other transaction not falling within any of **Rule 8.3** (Takeovers), **8.4** (Section 160 Notice) and **8.5** (Company Reconstructions) which, in the opinion of the Directors, would affect the current or future value of any Unit, the Directors, may, acting fairly, reasonably and objectively, in their discretion, allow some or all Units to be exercised, subject (if determined by the Directors at their discretion) to the satisfaction or waiver of any Performance Condition. The Directors will specify the period of exercise of such Units, whether the Units will lapse at the end of the period and whether exercise is subject to satisfaction of any of the Performance Conditions. In exercising their discretion, the Directors may take into account considerations relating to the Company and other Members of the Group, and other employees and Unit Holders.

The Directors will notify any Unit Holder who is affected by the Directors exercising their discretion under this Rule.

8.7 **Directors**

In **Rules 8.3, 8.4, 8.5, 8.6, and 9.3.4**, "**Directors**" means those people who were directors of the Company immediately before the relevant event.

8.8 **Winding-up**

This Rule does not apply if Units are to be replaced in accordance with **Rule 8.11** (Mergers and Reorganisations).

8.8.1 If notice is duly given of a meeting to consider a resolution for the voluntary winding-up of the Company, Units may be exercised, subject (if determined by the Directors at their discretion) to the satisfaction or waiver of any Performance Condition until the commencement of the winding-up within the meaning of the Companies Act 1931 as applied by Section 182 of the 2006 Act, if appropriate (but the exercise of any Unit in these circumstances will be of no effect if the resolution is not passed). Units not exercised or exchanged (under **Rule 9** (Exchange of Units) will lapse at the end of the period specified in **Rule 9.2** (Exchange).

8.8.2 If the Company is wound-up by the court, Units may be exercised, subject (if determined by the Directors at their discretion) to the satisfaction or waiver of any Performance Condition within two (2) months after the date of the winding-up order. However, the liquidator or the court (if appropriate) must authorise the issue or transfer of Shares after such exercise, and the Unit Holder must apply for this authority and pay his or her application costs. Any Units not exercised during the two (2) month period will lapse at the end of the period.

8.9 **Administration**

This Rule does not apply if Units are to be replaced in accordance with **Rule 8.11** (Mergers and Reorganisations).

If an administration order is made in relation to the Company under the United Kingdom Insolvency Act 1986, Unit Holders my exercise their Units, subject (if determined by the Directors at their discretion) to the satisfaction or waiver of any Performance Condition within six (6) weeks after the date of the administration order. However, the administrator or the court must authorise the issue or transfer of Shares after such exercise. Any Units not exercised by the end of the six (6) week period will lapse at that time only if the Directors have given written notice to that effect to the Unit Holders during the six (6) week period.

8.10 **Voluntary Arrangement**

This Rule does not apply if Units are to be replaced in accordance with **Rule 8.11** (Mergers and Reorganisations).

If a voluntary arrangement is proposed in relation to the Company under Part 1 of the United Kingdom Insolvency Act 1986, Unit Holders may exercise their Units, subject (if determined by the Directors at their discretion) to the satisfaction or waiver of any Performance Condition within fourteen (14) days after the date of sending of any notices of meeting called under Section 3 of the United Kingdom Insolvency Act 1986 in relation to such proposal. Any Units not exercised by the end of the fourteen (14) day period will lapse at that time only if the Directors have given written notice to that effect to the Unit Holders on the date that notices of the meeting were sent.

8.11 **Mergers and Reorganisations**

If, as a result of events specified in **Rules 8.3 to 8.6 and 8.7 to 8.10** a company (the "**Acquiring Company**") obtains Control of the Company and:

8.11.1 the shareholders of the Acquiring Company, immediately after it has obtained Control, are substantially the same as the shareholders of the Company before then; or

8.11.2 the obtaining of Control is pursuant to a merger with the Company; and

8.11.3 the Company and the Acquiring Company consent to the replacement of Units under this **Rule 8.11**;

then Units will not become exercisable. Instead all rights under the Scheme will be replaced in accordance with **Rule 9.3**.

8.12 **Loss of Ownership**

Where the Unit Holder is deprived of the legal or beneficial ownership of the Unit by operation of law, or does anything or omits to do anything which causes them to be so deprived or becomes bankrupt, all their Units will lapse.

8.13 **Overseas Transfer**

If a Unit Holder is transferred to work in another country, and, as a result of that transfer the Unit Holder may either:

8.13.1 suffer a tax disadvantage in relation to his or her Units (this being shown to the satisfaction of the Directors); or

8.13.2 become subject to restrictions on his or her ability to exercise their Units or to hold or deal in the Shares or the proceeds of the sale of the Shares acquired on exercise because of the security laws or exchange control laws of the country to which they are transferred,

and if the Unit Holder continues to hold an office or employment with a Member of the Group, the Directors may permit the Unit Holder to exercise the Unit during the period starting three (3) months before and ending three (3) months after the transfer takes place. Unless the Directors decide otherwise, the Performance Conditions must be satisfied before exercise of Units under this **Rule 8.13**. If the Unit Holder does not exercise their Units, following this Rule, the usual exercise Rules will apply to the Units at the appropriate times.

8.14 **Priority**

If there is any conflict between any of the provisions of **Rule 7** and **Rule 8**, the provision which results in the shortest Exercise Period of the Unit will prevail.

9. EXCHANGE OF UNITS

9.1 Application

This **Rule 9** applies to all Units if any of the following occur:

9.1.1 a person (or a group of persons acting in concert) has obtained Control of the Company as a result of making an offer to acquire Shares;

9.1.2 a court sanctions a scheme of arrangement under Section 157 of the 2006 Act (or equivalent local legislation) in connection with the acquisition of Shares or there is a local equivalent to that sanction procedure;

9.1.3 a person becomes entitled or bound to acquire Shares under Section 160 of the 2006 Act (or equivalent legislation);

9.1.4 a resolution is passed for the voluntary winding-up of the Company; or

9.1.5 the Company and the Acquiring Company consent to the replacement of Units in accordance with **Rule 8.11** (Mergers and Reorganisations).

9.2 Exchange

If this **Rule 9** applies, Units may be exchanged during the period of six (6) months after the relevant event and with the agreement of the company offering the exchange.

9.3 Exchange Terms

Where a Unit is to be exchanged the Unit Holder will be granted a new unit to replace it (**New Unit**).

Where a Unit Holder is granted a New Unit then:

9.3.1 the New Unit will be in respect of shares in any body corporate determined by the company offering the exchange;

9.3.2 the New Unit will be equivalent to the Unit that was exchanged;

9.3.3 the New Unit will be treated as having been acquired at the same time as the Unit that was exchanged and will be exercisable in the same manner and at the same time;

9.3.4 the New Unit will be subject to the Rules as they last had effect in relation to the Unit that was exchanged, except that, unless the Directors (as defined in **Rule 8.7**) decide otherwise, the Conditions will not apply; and

9.3.5 with effect from the exchange, the **Rules** will be construed in relation to the New Unit as if references to Shares were references to the shares over which the New Unit is granted and references to the Company were references to the body corporate determined under **Rule 9.3.1**.

10. EXERCISE OF UNITS

10.1 Exercise

A Unit Holder can exercise their Units validly only in the way described in, and subject to, this **Rule 10**.

10.2 Part Exercise

10.2.1 Units may be exercised in respect of all the Shares under the Units or only some of those Shares. However, Units must be exercised over at least one thousand (1,000) Shares each and may be exercised only in multiples of one thousand (1,000) Shares. These restrictions will not apply where a Unit is exercised for the maximum number of Shares permissible at the time.

10.2.2 If a Unit is exercised in part, and the balance remains exercisable, the Directors must on the surrender of the relevant certificate issue a balance certificate.

10.3 Manner of Exercise

Units must be exercised by notice in writing in a form specified by the Company and delivered to the Company or other duly appointed agent. The notice of exercise of the Unit must be completed, signed (in manuscript or in any other form that may be specified by the Company) by the Unit Holder or by their appointed agent, and must be accompanied by:

10.3.1 the relevant Unit Certificate (if required by the Company); and

10.3.2 in the case of a Unit Holder who is subject to tax in the UK in respect of his employment with the Company, correct payment in full of the amount of any liability to income tax or NIC Liability arising on the exercise of the Units.

Subject to **Rule 10.4** (Delay in Exercise), in this **Rule 10**, the "Unit Exercise Date" will be the date of receipt by the Company or other duly appointed agent of the documents and, if appropriate, the payment referred to in **Rule 10.3**.

10.4 Delay in Exercise

The Unit Exercise Date may be delayed until the later of:

10.4.1 the date on which the Directors either decide that any Performance Condition to which the Unit is subject has been satisfied, or waive that Performance Condition. The Directors must make a decision about the satisfaction or waiver of the Performance Condition within fourteen (14) days of receipt by the Company or other duly appointed agent of the documents and, if appropriate, the payment; and

10.4.2 if any statute, regulation or code adopted by the Company based on the Dealing Code, prohibits the exercise of Units, the date when the Unit Holder is permitted to exercise a Unit.

10.5 **Issue or Transfer**

Subject to **Rule 10.7**:

10.5.1 Shares to be issued following the exercise of a Unit will be issued within thirty (30) days of the Unit Exercise Date; and

10.5.2 if Shares are to be transferred following the exercise of a Unit, the Directors will procure this transfer within thirty days of the Unit Exercise Date.

10.6 **Rights**

10.6.1 Shares issued on the exercise of a Unit will rank equally in all respects with the Shares in issue on the date of allotment. They will not rank for any rights attaching to Shares by reference to a record date preceding the date of allotment.

10.6.2 Where Shares are to be transferred on the exercise of a Unit, Unit Holders will be entitled to all rights attaching to the Shares by reference to a record date on or after the transfer date. They will not be entitled to rights before that date.

10.7 **Consents**

All allotments, issues and transfers of Shares will be subject to any necessary consents under any relevant enactments or regulations for the time being in force in the United Kingdom or elsewhere. The Unit Holder will be responsible for complying with any requirements that they need to fulfil in order to obtain or avoid the necessity for any such consent.

10.8 **Articles of Association**

Any Shares acquired on the exercise of Units are subject to the articles of association of the Company from time-to-time in force.

10.9 **Listing**

If and so long as the Shares are admitted to dealing on AIM and traded on the London Stock Exchange's market for listed securities, the Company will apply for any Shares issued under the Scheme to be admitted to trading on AIM as soon as practicable after their allotment.

10.10 **Cash Alternative**

In exceptional circumstances, the Directors may in their discretion determine not to procure the transfer or issue of Shares to a Unit Holder who exercises their Unit, but instead to pay to them (subject to the withholding provisions in **Rule 12.7**) a cash amount. Alternatively, the Directors may procure the transfer of Shares to the value of the Unit Price or apply that amount in the issue of Shares.

11. INCOME TAX AND NIC LIABILITY

11.1 The Unit Holder shall indemnify the Company in respect of any income tax, ITIP, PAYE or other personal tax liability of the Unit Holder including but not limited to

any NIC Liability to which the Company may become subject ("**Tax Liabilities**").

11.2 A Unit Holder may not exercise a Unit unless the Unit Holder:

(a) in the case of a Unit Holder subject to tax in the UK in respect of his employment with the Company, agrees, in writing, to pay the Tax Liabilities to the Company; and

(b) has made arrangements, satisfactory to the Company, to pay the Tax Liabilities.

11.3 In a case governed by Rule 11.2 if the Unit Holder does not pay the Tax Liabilities within seven (7) days of exercise, the Company may:

(a) if the Shares are readily saleable at the time, retain and sell such number of Shares on behalf of the Unit Holder as is necessary to meet the Tax Liabilities and any costs of sale; or

(b) deduct the amount of any Tax Liabilities as is permitted by applicable law.

The Unit Holder's obligations under **Rule 11.1** shall not be affected by any failure of the Company to withhold shares or deduct from payments of remuneration under this Rule.

11.4 In every other case, a Unit Holder shall personally meet any income tax liability arising to him from the grant of Units by the normal due date for payment of income tax in the Isle of Man

12 GENERAL

12.1 Notices

12.1.1 Any notice or other communication given under or in connection with the Scheme shall be in writing and shall be:

(a) delivered by hand or by pre-paid post or other next working day delivery service at the appropriate address;

For the purposes of this **Rule 12**, the **appropriate address** means:

(i) in the case of the Company, its registered office, provided the notice is marked for the attention of the Company Secretary;

(ii) in the case of a Unit Holder, their home address;

(iii) if the Unit Holder has died, and notice of the appointment of personal representatives has been given to the Company, any contact address they have specified in such notice; and

(b) sent by email to the appropriate address.

For the purposes of this **Rule 12**, **appropriate email address** means:

(i) in the case of the Company, cosec@mfg.im;

(ii) in the case of the Unit Holder, their personal email address notified in writing by the Unit Holder.

12.1.2 Any notice or other communication given under this **Rule 12.1** shall be deemed to

have been received:

(a) if delivered by hand, on signature of a delivery receipt, or at the time the notice was left at the proper address;
(b) if sent by pre-paid post or other next working day delivery service, at 9.00 a.m. on the second (2nd) Business Day after posting, or at the time recorded by the delivery service;
(c) if sent by international pre-paid post or other international delivery service, at 9.00 a.m. on the seventh (7th) Business Day after posting, or at the time recorded by the international delivery service
(d) if sent by email, at 9.00 a.m. on the next Business Day after sending.

12.1.3 This Rule **12.1** does not apply to:

(a) the service of any exercise notice pursuant to **Rule 10.3**; and
(b) the service of any proceeding or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

12.2 **Documents sent to Shareholders**

The Company may send to Unit Holders copies of any documents or notices normally sent to the holders of its Shares at or around the same time as issuing them to the holders of its Shares.

12.3 **Directors' Decisions Final and Binding**

12.3.1 The Directors shall determine any question of interpretation and settle any dispute arising under the Scheme. In such matters the Directors' decision will be final.

12.3.2 In making any decision or determination, or exercising any discretion under the Rules, the Directors shall act fairly and reasonably and in good faith.

12.4 **Costs**

The Company will pay the costs of setting up and operating the Scheme. The Directors may require each Member of the Group to reimburse the Company for any costs incurred in connection with the Grant of Units to, or exercise of Units by, Eligible Employees of that Member of the Group.

12.5 **Regulations**

The Directors have the power from time-to-time to make or vary regulations for the administration and operation of the Scheme but these must be consistent with the Rules.

12.6 **Terms of Employment**

Nothing in this Scheme will form part of the contract of employment of a Unit Holder or an Eligible Employee. The rights and obligations of a Unit Holder or an Eligible Employee under the terms and conditions of his or her employment will not be affected by the Scheme.

Neither a Unit Holder nor an Eligible Employee will have any right to compensation or damages or any other sum or benefit in respect of his or her ceasing to participate, or ceasing to be eligible to participate, in the Scheme or in respect of any loss or reduction of any rights or expectation under the Scheme in any circumstances. Participation in the Scheme is permitted only on the basis that all or any such right as might otherwise arise is excluded and waived.

Nothing in this Scheme confers any benefit on a person who is not a Unit Holder or an Eligible Employee and no such third party will have any rights under the Contracts (Rights of Third Parties) Act 2001 to enforce any term of this Scheme but this does not affect any right or remedy of a third party which exists or is available other than those available under that Act.

12.7 **Withholding**

The Company and/or any employing company may withhold such amount and make such arrangements as it considers necessary to meet any liability to taxation or social security contributions of the Unit Holder in respect of the Units. These arrangements may include the sale or reduction in number of any Shares on behalf of a Unit Holder, unless the Unit Holder discharges the liability himself.

12.8 **Data Protection**

By participating in the Scheme the Unit Holder consents to the collection, holding and processing and transfer of their Personal Data provided by the Unit Holder to the Company for all purposes relating to the operation of the Scheme. These include, but are not limited to:

12.8.1 holding and maintaining details of the Unit Holder's Units;

12.8.2 transferring the Unit Holder's Personal Data to the Company's registrars, brokers or third party administrators of the Scheme;

12.8.3 transferring the Unit Holder's Personal Data to a bona fide prospective purchaser of the Company or the Unit Holder's employer company or business unit (or prospective buyer's advisers), Provided that the prospective buyer and its advisers irrevocably agree to use the Unit Holder's Personal Data only in connection with the proposed transaction and in accordance with the data protection principles set out in the General Data Protection Regulation 2016 or as amended from time-to-time; and

12.8.4 transferring the Unit Holder's Personal Data under **Rule 12.8.2** or **Rule 12.8.3** to a person who is resident in a country or territory outside the European Economic Area may only be carried out in full compliance of Regulation 44 of the General Data Protection Regulation 2016.

13. ADMINISTRATION AND AMENDMENT

13.1 **Directors' Powers**

Except as described in the rest of this **Rule 13**, the Directors may at any time change the

Scheme in any way.

13.2 **Shareholder Approval**

13.2.1 The Directors shall administer the Scheme.

13.2.2 Except as described in **Rule 13.2.3**, the Company in general meeting must approve in advance by ordinary resolution any proposed change to the Rules of the Scheme to the advantage of present or future Unit Holders, which relates to the following:

(i) the persons to or for whom Shares may be provided under the Scheme;

(ii) the limitations on the number of Shares which may be issued under the Scheme;

(iii) the individual limit for each Unit Holder under the Scheme;

(iv) the determination of the Unit Price;

(v) any rights attaching to the Units and the Shares;

(vi) the rights of Unit Holders in the event of a capitalisation issue, rights issue, sub-division or consolidation of Shares or reduction or any other variation of capital of the Company;

(vii) change the definition of Eligible Employee to expand the class of potential Unit Holders; and

(viii) the terms of this **Rule 13.2.2**.

13.2.3 The Directors can change the Scheme and need not obtain the approval of the Company in general meeting for any minor changes:

(i) to benefit the administration of the Scheme;

(ii) to comply with or take account of the provisions of any proposed or existing legislation;

(iii) to take account of any changes to the legislation; or

(iv) to obtain or maintain favourable tax, exchange control or regulatory treatment of the Company, any Subsidiary or any present or future Unit Holder.

13.2.4 The Company may establish further schemes based on these Rules but modified to take account of local tax, exchange control or securities laws in non-UK territories.

13.3 **Notice**

The Directors may give written notice of any changes made to any Unit Holder affected.

13.4 **Termination of the Scheme**

The Scheme will terminate ten (10) years after its approval by holders of Shares, but the Directors may terminate the Scheme at any time before that date. However, Units granted before such termination will continue to be valid and exercisable as described in these Rules.

14. GOVERNING LAW

The Scheme and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the laws of the Isle of Man.

15. JURISDICTION

15.1 Each party irrevocably agrees that the courts of the Isle of Man shall have non-exclusive jurisdiction to settle any dispute or claim arising out of or in connection with the Scheme or its subject matter or formation (including non-contractual disputes or claims).

15.2 Each party irrevocably consents to any process in any legal action or proceedings under **Rule 15.1** above being served on it in accordance with the provision of the Scheme relating to service of notices. Nothing contained in the Scheme shall affect the right to serve process in any other manner permitted by law.