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**THE YULE CATTO PERFORMANCE SHARE PLAN**

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Amended by the Board: 1 March 2007 and 6 March 2008

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1 **DEFINITIONS AND INTERPRETATIONS**

1.1 In this Plan, unless the context otherwise requires:

"**Award**" means a promise to provide shares in the Company in accordance with the Rules of the Plan, being either a Conditional Right or a Share Option, and the term "awarded" shall be construed accordingly;

"**Award Date**" means the date on which an Award is made;

"**Awarded Shares**" means any shares which are comprised in an Award and have not been transferred, renounced or forfeited in accordance with the Rules of the Plan;

"**Board**" means the board of directors of the Company or a committee appointed by such board of directors;

"**Company**" means Yule Catto & Co. plc (registered in England and Wales No. 98381);

"**Conditions**" means the conditions specified by the Board under Rule 2.1 for the purposes of Rule 4.2;

"**Conditional Right**" means a conditional right to receive shares in the Company on the terms specified in the Plan;

"**Daily Official List**" means the London Stock Exchange Daily Official List;

"**Financial Year**" means a financial year of the Company within the meaning of section 742 of the Companies Act 1985;

"**Group Member**" means:

1.1.1 a Participating Company or a body corporate which is (within the meaning of section 736 of the Companies Act 1985) the Company's holding company or a subsidiary of the Company's holding company;

1.1.2 a body corporate which is (within the meaning of section 258 of that Act) a subsidiary undertaking of a body corporate within paragraph 1.1.1 and has been designated by the Board for this purpose; or

1.1.3 any other body corporate in relation to which a body corporate within paragraph 1.1.1 or 1.1.2 is able (whether directly or indirectly) to exercise 20% or more of its equity voting rights and has been designated by the Board for this purpose;

"**Model Code**" means the model code on directors' dealings in securities as set out in the Listing Rules published by the United Kingdom Listing Authority;

"**Participant**" means a person who holds an Award under the Plan;

"**Participating Company**" means the Company or any Subsidiary or any company which is not under the control of any single person, but is under the control of two persons (within the meaning of section 840 of the Income and Corporation Taxes Act 1988), one of them being the Company;

"**Plan**" means the Yule Catto Performance Share Plan as set out in these Rules but subject to any alterations made under Rule 8;

"**Remuneration Committee**" means the committee established by the Board as the remuneration committee of the Board;

"**Share Option**" means an option to acquire shares in the Company on the terms specified in the Plan;

"**Subsidiary**" means a body corporate which is a subsidiary of the Company within the meaning of section 736 of the Companies Act 1985;

"**Trustees**" means the trustees or trustee for the time being of an employee benefit trust established for the benefit of beneficiaries including individuals eligible to participate in the Plan;

- 1.2 Any reference in the Plan to any enactment includes a reference to that enactment as from time to time modified extended or re-enacted
- 1.3 References to Rules are, unless the context otherwise requires, references to Rules of the Plan.

## 2. GRANT OF AWARDS

- 2.1 Subject to Rules 2.2 and 2.5, the Remuneration Committee or the Trustees may, with the approval of the Remuneration Committee, by deed make an Award to any employee of a Participating Company (including an executive director) who is required to devote the whole or substantially the whole of his working time to the service of any Participating Company, upon the terms set out in the Plan and by and upon such other terms (including the Conditions) as the Board or the Trustees may specify.

- 2.2 An Award may only be made under the Plan:

2.2.1 within the period of six weeks beginning with

(a) the date on which the Plan is approved by the Company in general meeting; or

(b) the dealing day immediately following the date on which the Company announces its results for any period; or

2.2.2 at any other time when there are circumstances which the Board considers to be sufficiently exceptional to justify the making of an Award; and

2.2.3 within the period of 10 years beginning with the date on which the Plan is approved by the Company in general meeting.

- 2.3 The Company shall specify at the time an Award is made whether it takes the form of a Share Option or a Conditional Right.

- 2.4 The Board shall determine the price (if any) at which shares may be acquired by the exercise of a Share Option granted under the Plan before its grant.

- 2.5 A Share Option or a Conditional Right awarded to any person:
- 2.5.1 shall not, except as provided in Rule 4.3, be capable of being transferred by him; and
  - 2.5.2 shall lapse immediately if he is adjudged bankrupt
- 2.6 The making of any Award under this Plan shall be subject to obtaining any approval or consent required under the provisions of the document "The Listing Rules" published by the United Kingdom Listing Authority (including the Model Code), of The City Code on Take-overs and Mergers, or any regulation or enactment.
- 2.7 The number of shares which may be awarded to any person in any Financial Year shall not exceed such number of shares in the Company as has a market value equal to 100 per cent of his salary
- 2.8 For the purposes of Rule 2.7:
- 2.8.1 the **market value** of the shares in the Company in respect of which an Award is made shall, at a time when shares of the same class as those shares are quoted in the Daily Official List, be taken to be an amount equal to the middle-market quotation of such shares (as derived from the Daily Official List) on the dealing day immediately preceding the Award Date;
  - 2.8.2 a person's **salary** shall be taken to be his basic salary (excluding benefits in kind), expressed as an annual rate, payable by the Participating Companies to him as at the Award Date. For the purposes of determining a person's salary, where a payment of remuneration is made otherwise than in sterling, the payment shall be treated as being of the amount of sterling ascertained by applying such rate of exchange published in a national newspaper as the Board shall reasonably determine.
- 2.9 No payment shall be made by a Participant for an Award.

### 3. **ISSUE OF SHARES TO THE TRUSTEES AND PLAN LIMITS**

- 3.1 Subject to Rules 3.3 to 3.6 inclusive, the Board may:
- 3.1.1 grant to the Trustees an option to subscribe for shares in the Company; or
  - 3.1.2 issue shares in the Company to the Trustees.
- 3.2 The Board shall determine the price at which the Trustees may acquire shares under the Plan:
- 3.2.1 before the Board grants the option to the Trustees to subscribe for the shares; or
  - 3.2.2 in the case of shares issued otherwise than in pursuance of an option, before the shares are issued

If shares in the Company of the same class as those shares are quoted in the Daily Official List, the price shall not be less than the middle-market quotation of shares of that class (as derived from the Daily Official List) on the dealing day immediately preceding:

3 2 3 the date of grant of the option or, as the case may be,

3 2 4 the date of issue of the shares

- 3 3 No options shall be granted, or shares issued otherwise than pursuant to the exercise of an option, in any year which would, at the time they are granted, cause the number of shares in the Company allocated in the period of 10 calendar years ending with that year under this Plan or under any other executive share option scheme adopted by the Company to exceed such number as represents 5 per cent. of the ordinary share capital of the Company in issue at that time
- 3 4 No options shall be granted, or shares issued otherwise than pursuant to the exercise of an option, if in any year the grant or issue would, at the time cause the number of shares in the Company allocated under this Plan or under any other employees' share scheme adopted by the Company in the period of 10 calendar years ending with that year, to exceed such number as represents 10 per cent. of the ordinary share capital of the Company in issue at that time
- 3 5 Any shares in the Company which have been issued or which may be issued to the Trustees to satisfy the exercise of any option granted to the Trustees under this Plan shall be included for the purposes of the limits set out in Rules 3.3 and 3.4
- 3 6 Any option granted under this Plan under Rule 3 1 1 shall be limited and take effect so that the limits in this Rule 3 are complied with.
- 3 7 References in this Rule 3 to "allocation" shall mean, in relation to any share option, placing unissued shares under option and, in relation to other types of employee share scheme, the allotment and issue of shares and references to "allocated" shall be construed accordingly.
- 3 8 Where any option granted under the Plan or any other share scheme adopted by the Company relating to unissued shares is released or lapses without being exercised (or the Board makes arrangements for it to be satisfied by the transfer of existing shares), the shares concerned will be ignored when calculating the limits in this Rule 3
- 3 9 For the avoidance of doubt, any Award granted under the Plan which is satisfied by the Trustees purchasing existing shares in the Company and transferring them to a Participant shall not affect any of the limits set out in the Rule, which apply only to the issue of shares

#### **4. TRANSFER OF SHARES TO PARTICIPANTS**

- 4 1 The exercise of a Share Option and the transfer of shares pursuant to a Conditional Right shall be effected in such form and manner as the Board may from time to time prescribe. Any notice of exercise of a Share Option shall take effect only when received by the Company together with the relevant exercise monies (if any) or an agreement to provide such monies pursuant to arrangements acceptable to the Company.

- 4.2 Subject to Rules 4.3, 4.4 and 6:
- 4.2.1 a Share Option may not be exercised before the third anniversary of the Award Date (or such later date as may be specified in the Conditions);
- 4.2.2 in the case of a Conditional Right, Awarded Shares shall be transferred as soon as reasonably practicable after the third anniversary of the Award Date (or such later date as may be specified in the Conditions); and
- 4.2.3 the percentage of the Awarded Shares that may be transferred shall be determined in accordance with the Conditions.
- 4.3 If any Participant dies before Awarded Shares are transferred to him and at a time when he is either a director or employee of a Group Member or entitled to have the Awarded Shares transferred to him under Rule 4.4 then subject to the Conditions:
- 4.3.1 in the case of a Share Option, such Share Option may (and must, if at all) be exercised by his personal representatives within 12 months after the date of his death; and
- 4.3.2 in the case of a Conditional Right, such number of Awarded Shares shall be transferred to his personal representatives as soon as reasonably practicable following the date of his death.
- 4.4 If any Participant ceases to be a director or an employee of a Group Member (otherwise than by reason of his death) the following provisions in this Rule 4.4 apply in relation to any Award made to him.
- 4.4.1 Subject to the Conditions and, in the case of 4.4.1(d) below, subject to the approval of the Board if he ceases to be a director or an employee of a Group Member:
- (a) by reason of ill health or injury; or
  - (b) by reason of disability; or
  - (c) by reason of redundancy (within the meaning of the Employment Rights Act 1996); or
  - (d) by reason of retirement by agreement with his employer; or
  - (e) by reason only that his office or employment is in a company which ceases to be a Group Member; or
  - (f) by reason that his office or employment relates to a business or a part of a business which is transferred to a person who is not a Group Member

An Award which is a Share Option may (and subject to Rule 4.3 must, if at all) be exercised within **the exercise period** and, in the case of an Award which is a Conditional Right, the Awarded Shares shall be transferred when he so ceases or as soon as reasonably practicable afterwards.

4.4.2 If a Participant ceases to be a director or employee of a Group Member for any reason other than set out in Rule 4.4.1, the Conditional Right or Share Option shall lapse immediately unless the Board permits otherwise, in which event:

- (a) a Share Option may (and subject to Rule 4.3 must, if at all) be exercised to the extent permitted by the Board within the exercise period; or
- (b) in the case of a Conditional Right, such number of Awarded Shares may be transferred as may be permitted by the Board in its absolute discretion

4.4.3 In this Rule 4.4 **the exercise period**, is the period which shall expire 12 months after the Participant ceases to be a director or an employee of a Participating Company

4.5 A Participant shall not be treated for the purposes of Rule 4.4 as ceasing to be a director or employee of a Participating Company until such time as he is no longer a director or employee of any Group Member.

4.6 Notwithstanding any other provision of the Plan, a Share Option may not be exercised after the expiration of the period of 10 years (or such shorter period as the Board may have determined before its grant) beginning with the Award Date.

4.7 The exercise of a Share Option and the transfer of any shares under the Plan pursuant to a Conditional Right shall be subject to the provisions of any applicable regulation or enactment.

4.8 Within 30 days after any person has exercised a Share Option the Company shall procure the transfer to him (or a nominee for him) of the number of shares in respect of which the Share Option has been exercised. However, Awarded Shares shall only be transferred (pursuant to a Share Option or a Conditional Right) if:

4.8.1 the Board considers that their transfer would be lawful in all relevant jurisdictions; and

4.8.2 in a case where (in any jurisdiction) any Group Member is obliged to (or would suffer a disadvantage if it were not to) account for any tax for which the person in question would be liable by virtue of the exercise of the Share Option or transfer of the shares and/or for any social security contributions which would be recoverable from the person in question (together the "Tax Liability"), that person has either:

- (a) made a payment to the Group Member of an amount at least equal to the Company's estimate of the Tax Liability; or
- (b) entered into arrangements acceptable to that or another Group Member to secure that such a payment is made (whether by authorising the sale of some or all of the shares on his behalf and the payment to the Group Member of the relevant amount out of the proceeds of sale or otherwise)

provided that if the shares are transferred without a payment as referred to in Rule 4.8.2(a) having been made or arrangements as referred to in Rule 4.8.2(b)

having been entered into, the amount of the Tax Liability shall be treated as a loan to the person who has exercised the option which shall be repayable on demand and which any Group Member shall be entitled to withhold from any remuneration subsequently payable to that person

4 9 All shares allotted under this Plan shall rank equally in all respects with the 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 the allotment

5 **CASH EQUIVALENT**

5 1 Where an Award has been made to a person under the Plan and he is entitled to have Awarded Shares transferred to him, and those shares have not yet been transferred to him in accordance with Rule 4 8, the Board may determine that, in substitution for his right to acquire or receive such number of those shares as the Board may decide (but in full and final satisfaction of that right), he shall be paid by way of additional emoluments a sum equal to the **cash equivalent** of that number of shares

5 2 For the purposes of Rule 5, the **cash equivalent** of any shares is calculated as follows:

5 2 1 in the case of a Share Option, the amount by which the market value of those shares on the day on which the Share Option was exercised exceeds the price at which those shares may be acquired by the exercise of the Share Option; or

5 2 2 in the case of a Conditional Right, the market value of those shares on the date on which the Awarded Shares are transferred

For the purposes of Rule 5 2 market value means on any day:

5 2 3 at any time where shares of the same class are quoted in the Daily Official List, the number of shares multiplied by the middle-market quotation of shares of that class, as derived from the Daily Official List, on the dealing day immediately preceding that date; and

5 2 4 where the shares are not so quoted, the Board's opinion of market value.

5 3 Subject to Rule 5 4, as soon as reasonably practicable after a determination has been made under Rule 5 1 that a person shall be paid a sum in substitution for his right to acquire or receive any number of shares:

5 3 1 the Company shall pay to him or procure the payment to him of that sum in cash; and

5 3 2 if he has already paid the Company for those shares, the Company shall return to him the amount so paid by him.

5 4 If the Board in its discretion so decides:

5 4 1 the whole or part of the sum payable under Rule 5 3 1 shall, instead of being paid to the person in question in cash, be applied on his behalf in subscribing for shares in the Company at a price equal to the middle-market quotation (or market value, as the case may be) by reference to which the cash equivalent is

calculated, or in purchasing such shares, or partly in one way and partly in the other; and

5.4.2 the Company shall allot to him (or his nominee) or procure the transfer to him (or his nominee) of the shares subscribed for or purchased.

5.5 Such deductions (on account of tax or similar liabilities) shall be made from any payment under this Rule 5 as may be required by law or as the Board may reasonably consider to be necessary or desirable.

## 6 TAKEOVER, RECONSTRUCTION AND WINDING-UP

6.1 If any person obtains control of the Company (within the meaning of section 840 of the Income and Corporation Taxes Act 1988) as a result of making a general offer to acquire shares in the Company, or having obtained such control makes such an offer, the Board shall within 7 days of becoming aware of that event notify every Participant of it and, subject to the Conditions, Rules 4.3, 4.4, 4.6 and 4.8

6.1.1 in the case of a Share Option, the Share Option may be exercised within one month (or such longer period as the Board may permit) of such notification; and

6.1.2 in the case of a Conditional Right, the Awarded Shares shall be transferred as soon as reasonably practicable after the notification.

6.2 For the purposes of Rule 6.1, a person shall be deemed to have obtained control of the Company if he and others acting in concert with him have together obtained control of it

6.3 The provisions of this Rule 6.3 apply if:

6.3.1 any person becomes bound or entitled to acquire shares in the Company under sections 428 to 430F of the Companies Act 1985; or

6.3.2 the Company passes a resolution for voluntary winding up; or

6.3.3 an order is made for the compulsory winding up of the Company

in which case the Company shall notify every Participant forthwith of that event and subject to the Conditions, Rules 4.3, 4.4, 4.6 and 4.8:

6.3.4 in the case of a Share Option, the Share Option may be exercised within one month of such notification, but to the extent that it is not exercised within that period shall (notwithstanding any other provision of the Plan) lapse on the expiration of that period; and

6.3.5 in the case of a Conditional Right, the Awarded Shares shall be transferred as soon as practicable afterwards.

6.4 If a scheme of arrangement or compromise under section 425 of the Companies Act 1985 or Article 418 of the Companies (Northern Ireland) Order 1986 is proposed, the Board shall notify every Participant that, subject to Rules 4.3, 4.4, 4.6 and 4.8:

6 4 1 in the case of a Share Option, the Share Option may be conditionally exercised within the period commencing on the date of notification and ending on the day immediately preceding the date scheduled for the Court hearing or such other date as the Board may determine, provided that:

- (a) if the Court sanctions the scheme of arrangement or compromise, a Share Option not so conditionally exercised shall immediately lapse; and
- (b) if the Court declines to sanction the scheme of arrangement or compromise, the conditional exercise shall not be effective and the Share Option shall continue to subsist; and

6 4 2 in the case of a Conditional Right, the Awarded Shares shall be transferred at such time and on such conditions as the Board determines.

6 5 If a demerger, special dividend or other event which, in the opinion of the Board would affect the market price of shares subject to outstanding Awards to a material extent, is proposed then the Board may at its discretion and subject to the Conditions notify every Participant that:

6 5 1 in the case of a Share Option, subject to earlier lapse under Rule 4, a Share Option may be exercised on such terms and during such period preceding or following such event as may be determined by the Board provided that if a Share Option is exercised in advance of and conditional upon such event and such event shall not occur then the conditional exercise shall not be effective and the option shall continue to subsist; and

6 5 2 in the case of a Conditional Right, the Awarded Shares shall be transferred at such time as the Board determines.

## 7 ADJUSTMENT OF AWARDS

7 1 In the event of any variation of the share capital of the Company including a demerger, special dividend or other event which in the opinion of the Board would affect the share price to a material extent, the Board may make such adjustments as it considers appropriate under Rule 7.2.

7 2 An adjustment made under this Rule shall be to one or more of the following:

7 2 1 the number of Awarded Shares;

7 2 2 in respect of an Award which is a Share Option, the price (if any) at which shares may be acquired on exercise of any such Share Option;

7 2 3 where any such Award which is a Share Option has been exercised but no shares have been transferred pursuant to such exercise, the number of shares which may be so transferred and the price (if any) at which they may be acquired.

7 3 As soon as reasonably practicable after making any adjustment under Rule 7 2, the Company shall give notice in writing of it to any Participant affected by the adjustment.

**8 ALTERATIONS**

8.1 Subject to Rules 8.2, 8.4 and 8.5, the Board may at any time alter all or any of the provisions of the Plan, or the terms of any Award made under it, in any respect

8.2 Subject to Rule 8.3, no alteration to the advantage of Participants shall be made without the prior approval by ordinary resolution of the members of the Company in general meeting.

8.3 Rule 8.2 shall not apply:-

8.3.1 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 or any Participating Company; or

8.3.2 to any alteration solely relating to the Conditions.

8.4 No alteration to the disadvantage of any Participant shall be made under Rule 8.1 unless:

8.4.1 the Company shall have invited every such Participant to give an indication as to whether or not he approves the alteration; and

8.4.2 the alteration is approved by a majority of those Participants who have given such an indication

8.5 No alteration which solely relates to the Conditions shall be made under Rule 8.1 unless:

8.5.1 there shall have occurred an event which shall have caused the Board reasonably to consider that the Conditions would not, without the alteration, in the opinion of the Board, achieve their original purpose;

8.5.2 the altered Conditions are no more difficult to satisfy; and

8.5.3 the Board shall act fairly and reasonably in making the alteration.

8.6 As soon as reasonably practicable after making any alteration under Rule 8.1, the Company shall give notice in writing of it to any Participant affected by it.

**9 MISCELLANEOUS**

9.1 The rights and obligations of any individual under the terms of his office or employment with any Participating Company shall not be affected by his participation in the Plan or any right which he may have to participate in it, and an individual who participates in it shall waive any and all rights to compensation or damages in consequence of the termination of his office or employment for any reason whatsoever insofar as those rights arise or may arise from his ceasing to have rights under any Award under the Plan as a result of such termination.

9.2 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.

- 9.3 Any notice or other communication under or in connection with this Plan may be given in such manner as the Board consider to be appropriate which may include communication by email or intranet or by personal delivery or by sending the same by post, in the case of a company to its registered office, and in the case of an individual to his last known address, or, where he is an employee of the Company or a Subsidiary, either to his last known address or to the address of the place of business at which he performs the whole or substantially the whole of the duties of his employment.
- 9.4 This Plan and all Awards made under it shall be governed by and construed in accordance with the law of England and Wales