

2020

LONG-TERM INCENTIVE PLAN



# NuCana plc

Company Number 03308778

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## 2020 LONG-TERM INCENTIVE PLAN

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Approved by shareholders on [DATE]

Adopted by the board of directors on [DATE]

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## RULES OF THE NUCANA PLC 2020 LONG-TERM INCENTIVE PLAN

### 1. INTRODUCTION

The Plan is a discretionary benefit offered by **NuCana plc** for the benefit of Employees, directors and consultants of its Group Members.

The Plan allows for the grant of Awards in the form of:

- (a) **Conditional Awards**, which are rights to receive Shares for free automatically to the extent the Award Vests; and
- (b) **Options**, which are Awards under which the Participant can buy Shares, to the extent the Award has Vested, during the Exercise Period at a price set when the Option is granted.

Share-based Awards may be settled in cash under Rule 9 (*Cash Alternative*) where applicable.

ISO Options may be granted to eligible US Taxpayers, to the extent permitted or desirable.

### 2. DEFINITIONS AND INTERPRETATION

#### 2.1 In the Plan, unless the context otherwise requires:

**"ADS"** means an American Depositary Share (also known as an American Depositary Receipt or ADS), each of which represents 1 ordinary share of nominal value £0.04 in the capital of the Company (the underlying Ordinary Share);

**"Award"** means a Conditional Award or an Option;

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

**"Committee"** means the remuneration committee of the Board or, on and after the occurrence of a corporate event described in Rule 12 (*Takeovers and other corporate events*), the remuneration committee of the Board as constituted immediately before such event occurs;

**"Company"** means **NuCana plc** (registered in England and Wales with registered number 03308778);

**"Conditional Award"** means a conditional right to acquire Shares granted under the Plan which is designated as a conditional award under Rule 4.2 (*Type of Award*);

**"Consultant"** means an individual who is contracted to provide services to a Participating Company or a Group Member (as applicable) and who is not an employee or director of that company;

**"Control"** means control within the meaning of section 719 of ITEPA;

**"Early Vesting Date"** means either:

- (a) the date of Vesting referred to in Rule 12.1 (*General offers*), Rule 12.2 (*Schemes of*

*arrangement and winding up*) or Rule 12.3 (*Demergers and similar events*) (as applicable); or

- (b) such other date on which the Committee allows Discretionary Vesting before the Normal Vesting Date in accordance with Rule 6.1 (*Timing of Vesting: Normal Vesting Date*);

**"Eligible Person"** means an individual who is an Employee or director (including a non-executive director) of, or a Consultant to, a Participating Company, provided, however, that an individual who is subject to Section 409A of the IRS Code will not be an Eligible Person unless he or she is an employee of, or a director to, the Company or a Subsidiary in which the Company has a "controlling interest" (for purposes of US Code Section 409A). ;

**"Employee"** means any employee of a Group Member (including, without limitation, an employee who is also serving as an officer or director of the Company or a Subsidiary), designated by the Committee to be eligible to be granted one or more Awards under the Plan;

**"Employer Social Security Liability"** means employer's national insurance contributions (secondary class 1) or equivalent in jurisdictions other than the UK, to the extent lawfully recoverable from the relevant employee, for which any Group Member or former Group Member is liable to account to the relevant authority;

**"Engaged Person"** means an individual who is an employee or director (including a non-executive director) of, or a Consultant to, a Group Member;

**"Exercise Period"** means the ten-year period commencing on the Grant Date; as referred to in Rule 7.2 during which an Option may be exercised;

**"Fair Market Value"** means, with respect to a Share, as of any date (i) if the Shares are admitted to trading on a securities exchange, the closing price of a Share on the preceding day on such securities exchange or, if no such sale is reported on that date, on the last preceding date on which a sale was so reported; (ii) if the Shares are not at the time listed or admitted to trading on a stock exchange, the closing average of the closing bid and asked price of a Share on the preceding day in the over-the-counter market, as such price is reported in a publication of general circulation selected by the Committee and regularly reporting the market price of the Shares in such market; or (iii) if the Shares are not listed or admitted to trading on any stock exchange or traded in the over-the-counter market, as determined by the Committee in good faith using a reasonable application of a reasonable valuation method. For purposes of Options granted to US Taxpayers, Fair Market Value shall also be determined in a manner compliant with Section 409A or, in the case of an ISO Option, in compliance with Section 422 of the IRS Code.

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

**"Group Member"** means each of the Company and its Subsidiaries;

**"IRS Code"** means the United States Internal Revenue Code, as the same may be amended from time to time and any successor thereto;

**"ISO Option"** means an Option granted to an Employee that is intended to be, and qualifies as, an incentive stock option within the meaning of Section 422 of the IRS Code;

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

**"Normal Vesting Date"** means the date on which an Award Vests under Rule 6.1 (*Timing of Vesting: Normal Vesting Date*), in the absence of an Early Vesting Date;

**"Option"** means a right to acquire Shares granted under the Plan which is designated as an option under Rule 4.2 (*Type of Award*);

**"Option Price"** means the amount, if any, payable per Share on the exercise of an Option;

**"Ordinary Shares"** means fully paid ordinary shares of nominal value £0.04 in the capital of the Company;

**"Participant"** means such Eligible Person to whom an Award is granted including his personal representatives, and in the case of ISO Options, the Participant's Survivor(s);

**"Participating Company"** means the Company or any Subsidiary of the Company;

**"Performance Condition"** means a condition related to performance which is specified by the Committee under Rule 4.1 (*Terms of grant*);

**"Plan"** means the **NUCANA PLC 2020 LONG-TERM INCENTIVE PLAN** as amended from time to time;

**"Regular Option"** means an Option other than a Short-Term Option or an RSU-style Option;

**"RSU-style Option"** is an Option with an Option Price equal to the nominal value of an Ordinary Share whether it is an option to acquire Ordinary Shares or an option to acquire ADSs, which is automatically exercised in accordance with the provisions of Rule 8.4 (*Method of exercise: RSU-style Option*) as soon as it becomes exercisable;

**"Rule"** means a rule of the Plan;

**"Section 409A"** means Section 409A of the IRS Code and the Treasury Regulations and other guidance published by the United States Treasury Department and the United States Internal Revenue Service with respect thereto, and any United States state law of similar effect.

**"Shares"** means Ordinary Shares or ADSs, as the context so admits;

**"Short-Term Deferral Period"** means the short-term deferral period (within the meaning of IRS Code Section 409A and Treas. Regs. §1.409A-1(b)(4));

**"Short-Term Option"** is an Option which may not be exercised later than the end of the Short-Term Deferral Period in relation to that Option;

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

**"Survivor"** means a deceased Participant's legal representatives and/or any person or persons who acquired the Participant's rights to an Award by will or by the laws of descent and distribution, as applicable.

**"Tax Liability"** means any amount of tax or social security contributions for which a Participant would or may be liable and for which any Group Member or former Group Member would or may be obliged to (or would or may suffer a disadvantage if it were not to) account for to any relevant authority, together with any Employer Social Security Liability in relation to a specific

Award to the extent that the Committee determined at the Grant Date that such liability was to be recovered from the Participant;

**"Ten Percent Shareholder"** means an individual who on any given date owns, either directly or indirectly (taking into account the attribution rules contained in IRS Code Section 424(d)), stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or a "parent" or "subsidiary" company (within the meaning of IRS Code Section 424).

**"Treasury Regulations" or "Treas. Regs."** means the United States Treasury Regulations, as the same may be amended from time to time and any successor thereto;

**"US Taxpayer"** means a person who is subject to the federal income tax laws of the United States;

**"Vest"** means:

- (a) in relation to a Conditional Award, a Participant becoming entitled to have the legal and beneficial title to the Shares transferred to him (or his nominee) subject to the Rules;
- (b) in relation to an Option, it becoming exercisable (subject to the conditions contained in Rule 8.1 (*Restrictions on the exercise of an Option: regulatory and tax issues*));

and **Vesting, Vested, Vests and Vest** shall be construed accordingly;

**"Vested Shares"** means those Shares in respect of which an Award Vests.

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

2.3 Expressions in italics and headings are for guidance only and do not form part of the Plan.

### **3 PROVISIONS RELATING TO THE GRANT OF AN AWARD**

3.1 In its absolute discretion, the Committee has the power to grant an Award under this Plan to Eligible Persons:

- (a) subject to the limitations and conditions contained in this Plan;
- (b) provided that the Award is not prohibited by law; and
- (c) for commercial reasons in order to recruit or retain or reward an Eligible Person.

3.2 The Committee will, from time to time, set the policies for the Company's operation and administration of the Plan within the terms of the Rules, which may include the determination of:

- (a) the Eligible Persons to whom Awards shall be granted and the intended Date of Grant;
- (b) the maximum number of Shares subject to the Award or which each such Eligible Person shall be entitled to acquire/receive on the exercise of the Award;
- (c) the Option Price, the periods during which the Award may be exercised, and any Performance Condition to apply to the Award;

- (d) the type of Award to be granted as set out in Rule 4.2 below;
- (e) whether or not the Participant is to indemnify against Employer Social Security Liability by directing if, for the purposes of the Award, whether Tax Liability extends to such Employer Social Security Liability;

3.3 It shall be a condition of the grant of an Award that the Participant indemnifies the Company and any other Group Member to the extent permitted by law against any Tax Liabilities which shall include, where the Committee so requires, Employer Social Security Liability all in accordance with Rule 6.

#### **4. GRANT OF AWARDS**

##### **4.1 Terms of grant**

Subject to Rule 4.6 (*Timing of grant*), Rule 4.7 (*Approvals and consents*) and Rule 5 (*ISO Limits*), the Committee may resolve to grant an Award on:

- (a) the terms set out in the Plan; and
- (b) such additional terms (whether a Performance Condition and/or any other terms) as the Committee may specify

to such Eligible Persons as it decides.

##### **ISO Options**

The following conditions apply to awards of ISO Options in addition to or, where inconsistent, in lieu of those described in the Plan:

- **Eligibility.** Only Employees of the Company or any “subsidiary corporation” of the Company (as such term is defined in Section 424(f) of the IRS Code, respectively), shall be eligible to receive ISO Options on such terms established by the Committee in compliance with the requirements of Section 422 of the IRS Code.
- **Option Price.** In the case of a Ten Percent Shareholder, the price at which a Share may be purchased upon exercise of an ISO Option shall not be less than 110% of the Fair Market Value of such Share on the Grant Date.
- **Term of Options.** In the case of a Ten Percent Shareholder, the term of an ISO Option shall be no greater than five years.
- **Certain Dollar Limitations.** The aggregate Fair Market Value, determined as of the Grant Date, for ISO Options granted under the Plan (or any other stock plan required to be taken into account under IRS Code Section 422(d)) that are intended to be ISO Options which are first exercisable by the US Taxpayer during any calendar year shall not exceed \$100,000.

##### **4.2 Type of Award**

On or before the Grant Date, the Committee shall determine whether an Award shall be:



- (a) granted in relation to Ordinary Shares or ADSs;
- (b) in the form of a Conditional Award or an Option;
- (c) if granted as an Option, whether it is a Regular Option (and if granted to a US Taxpayer, whether it is intended to be an ISO Option), a Short-Term Option or an RSU-style Option;

Any Option granted to a US Taxpayer with an Option Price that is less than Fair Market Value on the Grant Date that is not granted as an RSU-style Option shall be deemed a Short-Term Option.

#### 4.3 **Method of grant**

An Award shall be granted as follows:

- (a) by deed executed by the Company; and
- (b) if an Award is an Option, the Committee shall determine the Option Price on or before the Grant Date provided that, except in the case of an Option granted to a US Taxpayer, the Committee may reduce or waive such Option Price on or prior to the exercise of the Option. In the case of a Regular Option granted to a US Taxpayer, the Option Price per Share shall, subject to any adjustments permitted by Section 409A of the IRS Code and its regulations for corporate transactions, never be less than the Fair Market Value of such Share on the Grant Date.

In the case of an Option granted to a US Taxpayer, for the avoidance of doubt, the following actions shall have occurred as of the Grant Date: (i) the recipient of the grant of the Option shall have been identified, (ii) the maximum number of Shares that can be purchased under the Option shall have been established, (iii) the Option Price shall have been established; (iv) whether the Option is granted in relation to Ordinary Shares or ADSs shall have been established (all Options not designated otherwise shall be Options to acquire ADSs); and (v) the recipient of the grant shall have acquired a legally binding right to the Option (which may, however, be subject to lapse or forfeiture).

#### 4.4 **Acceptance of RSU-style Options**

An RSU-style Option is subject to the requirement that the Participant executes as a deed an acceptance in such form as the Committee may specify agreeing to be bound by the terms of the Award, and undertaking to pay the Option Price for the Award upon its exercise in accordance with Rule 8.4 (*Method of exercise: RSU-style Option*) (an "**Acceptance**") and delivers the same to the Company. If the Participant has not duly executed and delivered an Acceptance by midnight on the date 30 days after the Grant Date the Company may, at any time before the delivery of a duly executed Acceptance determine that the Award has lapsed. The undertaking to pay the Option Price shall be deemed an undertaking to pay the subscription price for the Ordinary Shares, or underlying Ordinary Shares, as appropriate, subject to the Award.

#### 4.5 **Method of satisfying Awards**

Unless specified to the contrary by the Committee on the Grant Date, an Award may be satisfied:

- (a) by the issue of new Shares; and/or
- (b) by the transfer of existing Shares.

The Committee may decide to change the way in which it is intended that an Award may be satisfied after it has been granted.

#### **4.6 No grants after expiry of five-year grant period**

No Awards may be granted after 17 June 2025 (that is, the expiry of the period of 5 years beginning with the date on which the Plan is approved by the shareholders of the Company). The Plan shall remain in effect after that date in relation to any Awards granted before that date which are still outstanding.

#### **4.7 Approvals and consents**

The grant of any Award shall be subject to obtaining any approval or consent required under any applicable rules of any exchange on which Shares or securities of the Company are listed or traded, any relevant share dealing code of the Company, the City Code on Takeovers and Mergers, or any other relevant UK or overseas regulation or enactment.

#### **4.8 Non-transferability and bankruptcy**

An Award granted to any person:

- (a) shall not be transferred, assigned, encumbered, pledged, charged or otherwise disposed of (save as expressly permitted below in this Rule 4.8 and except on his death to his personal representatives) and shall lapse immediately on any attempt to do so; and
- (b) shall lapse immediately if he is declared bankrupt.

Notwithstanding the foregoing and subject to the IRS Code rules applicable to ISO Options, Participants resident in the United States of America may with the permission of the Committee transfer an Award to family members by gift or pursuant to a domestic relations order, within the parameters permitted for registration of the Shares on a Form S-8 Registration Statement under the US Securities Act of 1933, as amended and other applicable securities rules. In no event may any Award be transferred for consideration.

Each Employee who receives an ISO Option must agree to notify the Company in writing immediately after the Employee makes a Disqualifying Disposition of any Shares acquired pursuant to the exercise of an ISO Option. A Disqualifying Disposition is defined in Section 424(c) of the IRS Code and includes any disposition (including any sale or gift) of such Shares before the later of (a) two years after the date the Employee was granted the ISO Option, or (b) one year after the date the Employee acquired Shares by exercising the ISO Option, except as otherwise provided in Section 424(c) of the IRS Code.

### **5. ISO OPTION LIMITS**

The aggregate maximum number of Ordinary Shares which have been and may be acquired by Participants (including the underlying Ordinary Shares in relation to ADSs) pursuant to the exercise of ISO Options granted under the Plan since its adoption shall be 2,000,000 (the "**ISO Limit**"), subject to such adjustment as the Committee may determine to be appropriate upon

any change that is made in, or other events that occur with respect to, the Shares without the receipt of consideration by the Company through merger, consolidation, reorganization, recapitalization, reincorporation, share dividend, dividend in property other than cash, large nonrecurring cash dividend, share split, reverse share split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or any similar equity restructuring transaction.

## **6. VESTING OF AWARDS**

### **6.1 Timing of Vesting: Normal Vesting Date**

Subject to Rule 6.3 (*Restrictions on Vesting: tax issues*), an Award shall Vest (in whole or in part) on the later of:

- (a) the date on which the Committee determines whether or not any Performance Condition and any other condition imposed on the Vesting of the Award has been satisfied (in whole or part); and
- (b) on such other date as the Committee may determine on or before the grant of the relevant Award,

except where earlier Vesting occurs on an Early Vesting Date under Rule 11.1 or Rule 12 (*Takeovers and other corporate events*) or where the Committee in its discretion permits earlier Vesting, whether pursuant to a separate written plan or agreement approved by the Committee or otherwise ("**Discretionary Vesting**").

### **6.2 Extent of Vesting**

An Award shall only Vest to the extent:

- (a) that any Performance Condition is satisfied on the Normal Vesting Date or, if appropriate, the Early Vesting Date;
- (b) permitted by any other term imposed on the Vesting of the Award, or pursuant to a separate written plan or agreement approved by the Committee; and
- (c) in relation to Vesting before the Normal Vesting Date, as permitted by Rules 11.1 and 12.5 (*Reduction in number of Vested Shares*), or, in the case of Discretionary Vesting to the extent determined by the Committee in its discretion.

Where, under Rule 11.1 or Rule 12 (*Takeovers and other corporate events*) or in the case of Discretionary Vesting, an Award would (subject to the satisfaction of any Performance Condition) Vest before the end of the full period over which performance would be measured under Performance Condition then, unless provided to the contrary by the Performance Condition, the extent to which the Performance Condition has been satisfied in such circumstances shall be determined by the Committee on such reasonable basis as it decides.

### **6.3 Restrictions on Vesting: tax issues**

An Award shall not Vest unless and until the following conditions are satisfied:

- (a) if, on the Vesting of the Award, a Tax Liability would arise by virtue of such Vesting and

the Committee decides that such Tax Liability shall not be satisfied by the sale of Shares pursuant to Rule 6.5 (*Payment of Tax Liability*) then the Participant must have entered into arrangements acceptable to the Committee that the relevant Group Member will receive the amount of such Tax Liability; and

- (b) where the Committee requires, the Participant has entered into, or agreed to enter into, a valid election under Part 7 of ITEPA (*Employment income: elections to disapply tax charge on restricted securities*) or any similar arrangement in any overseas jurisdiction.

For the purposes of this Rule 6.3, references to Group Member include any former Group Member.

In the case of a Participant who is a US Taxpayer, any delay in the Vesting of an Award for the satisfaction of the conditions in Rule 6.3(a) or (b) shall not delay the distribution of Shares or cash in lieu of Shares beyond the Short-Term Deferral Period in relation to the Award, and if any of those conditions is not satisfied by the end of that Short-Term Deferral Period the Award shall lapse without any further obligation of the Company, the Participant's employer, or any other Group Member to the Participant with respect thereto.

#### **6.4 Tax Liability before Vesting**

If any Tax Liability will or is likely to arise before the Vesting of an Award then the Participant must enter into arrangements acceptable to any relevant Group Member to ensure that it receives the amount of such Tax Liability. If no such arrangement is made then the Participant shall be deemed to have authorised the Company to sell or procure the sale of sufficient of the Shares subject to his Award on his behalf to ensure that the relevant Group Member receives the amount required to discharge the Tax Liability and the number of Shares subject to his Award shall be reduced accordingly.

For the purposes of this Rule 6.4, references to Group Member include any former Group Member.

#### **6.5 Payment of Tax Liability**

The Participant authorises the Company to:

- (a) sell or procure the sale of sufficient Vested Shares on or following the Vesting of his Award on his behalf to ensure that any relevant Group Member or former Group Member receives the amount required to discharge the Tax Liability which arises on Vesting; or
- (b) to withhold from the number of Shares deliverable on the Vesting of the Award such number of Shares as has a Fair Market Value on the date the Tax Liability is to be determined equal to the Tax Liability in satisfaction of the Participant's obligations in relation to that Tax Liability,

except to the extent that the Committee decides that all or part of the Tax Liability shall be funded in a different manner.

## **7. CONSEQUENCES OF VESTING**

### **7.1 Conditional Awards**

On or as soon as reasonably practicable after the Vesting of a Conditional Award, the Company shall, subject to Rule 6.5 (*Payment of Tax Liability*) and any arrangement made under Rules 6.3(a) and 6.3(b) (*Restrictions on Vesting: tax issues*), transfer or procure the transfer of the Vested Shares to the Participant (or a nominee for him).

### **7.2 Options**

An Option shall, subject to Rule 8.1 (*Restrictions on the exercise of an Option: regulatory and tax issues*), be exercisable in respect of Vested Shares at any time prior to:

- (a) in relation to a Regular Option, the tenth anniversary of the Grant Date; and
- (b) in relation to a Short-Term Option, the end of the Short-Term Deferral Period in relation to that Option,

unless, in each case, it otherwise lapses earlier in accordance with the Rules of the Plan.

An RSU-style Option shall be automatically exercised upon Vesting in accordance with the provisions of Rule 8.4 (*Method of exercise: RSU-style Option*) and therefore there is no period where the Participant may exercise it.

## **8. EXERCISE OF OPTIONS**

### **8.1 Restrictions on the exercise of an Option: regulatory and tax issues**

An Option which has Vested may not be exercised unless the following conditions are satisfied:

- (a) the exercise of the Option and the issue or transfer of Shares after such exercise would be lawful in all relevant jurisdictions and in compliance with any applicable rules of any exchange on which Shares or securities of the Company are listed or traded, any relevant share dealing code of the Company, the City Code on Takeovers and Mergers and any other relevant UK or overseas regulation or enactment;
- (b) if, on the exercise of the Option, a Tax Liability would arise by virtue of such exercise and the Committee decides that such Tax Liability shall not be satisfied by the sale of Shares pursuant to Rule 8.5 (*Payment of Tax Liability*) then the Participant must have entered into arrangements acceptable to the Committee that the relevant Group Member will receive the amount of such Tax Liability; and
- (c) where the Committee requires, the Participant has entered into, or agreed to enter into, a valid election under Chapter 2, Part 7, ITEPA (*Employment income: elections to disapply tax charge on restricted securities*) or any similar arrangement in any overseas jurisdiction.

In no event shall any restrictions under this Rule 8.1 on the exercise of a Vested Option extend the Exercise Period beyond the limit of Rule 7.2(a) (for a Regular Option) and Rule 7.2(b) (for a Short-Term Option). For the purposes of this Rule 8.1, references to Group Member include any former Group Member.

## 8.2 Exercise in whole or part

An Option must be exercised over at least 100 Shares on any occasion unless the Committee decides that a Participant may exercise the Option in respect of such fewer number of Shares as it decides or there are fewer than 100 Shares (or such other number as the Committee may decide) in respect of which the Option may be exercised at the relevant time, in which case the Option must be exercised to the maximum extent possible at that time.

## 8.3 Method of exercise: Options other than RSU-style Options

The exercise of any Option other than an RSU-style Option shall be effected in the form and manner prescribed by the Committee. Unless the Committee, acting fairly and reasonably determines otherwise, any notice of exercise shall, subject to Rule 8.1 (*Restrictions on the exercise of an Option: regulatory and tax issues*), take effect only when the Company receives it, together with payment of any relevant Option Price (unless other arrangements have entered into acceptable to the Committee including, if the Committee so permits, an undertaking to pay that amount,). An RSU-style Option shall be automatically exercised in accordance with the provisions of Rule 8.4.

## 8.4 Method of exercise: RSU-style Options

An RSU-style Option shall be automatically exercised to the full extent of the Vested Shares on the day it becomes exercisable in relation to those Vested Shares (taking account of any restrictions on exercise pursuant to Rule 8.1), and the Participant's undertaking to pay the Option Price shall satisfy the obligation to pay the Option Price. By accepting the RSU-style Option the Participant shall:

- (a) authorise the Company to sell or procure the sale of sufficient Vested Shares on or following exercise of his RSU-style Option on his behalf to ensure that the Company receives the amount required to discharge that undertaking to pay (and authorises the Company to apply that amount in discharging the undertaking);
- (b) if the Company does not so sell or procure the sale of Vested Shares, authorise the Company to recover a sufficient amount to discharge the undertaking to pay from any amounts payable to the Participant by any Group Member whether by way of salary or otherwise; and
- (c) otherwise agree to be bound by all provisions of the Plan in relation to the RSU-style Option, including, without limitation, in relation to its exercise.

## 8.5 Payment of Tax Liability

The Participant authorises the Company to:

- (a) sell or procure the sale of sufficient Vested Shares on or following exercise of his Option on his behalf to ensure that any relevant Group Member receives the amount required to discharge the Tax Liability which arises on such exercise; or
- (b) to withhold from the number of Shares deliverable on exercise of the Option such number of Shares as has a Fair Market Value on the date the Tax Liability is to be determined equal to the Tax Liability in satisfaction of the Participant's obligations in

relation to that Tax Liability,

except to the extent that he and the Company agree that all or part of the Tax Liability is to be funded in a different manner.

#### **8.6 Transfer or allotment timetable**

As soon as reasonably practicable after an Option has been exercised, the Company shall, subject to Rule 8.5 (*Payment of Tax Liability*) and any arrangement made under Rules 8.1(b) and 8.1(c) (*Restrictions on exercise: regulatory and tax issues*), transfer or procure the transfer to him (or a nominee for him) or, if appropriate, allot to him (or a nominee for him) the number of Shares in respect of which the Option has been exercised.

#### **8.7 Lapse of Options**

An Option which has become exercisable shall lapse at the end of the Exercise Period to the extent it has not been exercised.

### **9. CASH ALTERNATIVE**

#### **9.1 Committee determination**

Where a Conditional Award Vests or where an RSU-style Option has been automatically exercised and Vested Shares have not yet been allotted or transferred to the Participant (or his nominee), the Committee may determine that, in substitution for his right to acquire such number of Vested Shares as the Committee may decide (but in full and final satisfaction of his right to acquire those Shares), he shall be paid by way of additional employment income a sum equal to the cash equivalent (as defined in Rule 9.4) of that number of Shares in accordance with the following provisions of this Rule 9. For the avoidance of doubt where the Committee so determines that all or part of any Award be satisfied by a cash equivalent the Company may retain and apply such sums towards satisfying any Tax Liability in accordance with its right to do so under these Rules.

9.2 Where an Option (other than an RSU-style Option) has been exercised and Vested Shares have not yet been allotted or transferred to the Participant (or his nominee), the Committee may determine subject always to the Participant's consent, in substitution for his right to acquire such number of Vested Shares as the Committee may decide (but in full and final satisfaction of his right to acquire those Shares), he shall be paid by way of additional employment income a sum equal to the cash equivalent (as defined in Rule 9.4) of that number of Shares in accordance with the following provisions of this Rule 9. For the avoidance of doubt where the Committee so determines that all or part of any Award be satisfied by a cash equivalent the Company may retain and apply such sums towards satisfying any Tax Liability in accordance with its right to do so under these Rules.

#### **9.3 Limitation on the use of Rules 9.1 or 9.2**

Rule 9.1 and/or Rule 9.2 shall not apply in relation to an Award made to a Participant in any jurisdiction where the presence of such Rule would cause:

- (a) the grant of the Award to be unlawful or for it to fall outside any applicable securities law exclusion or exemption; or
- (b) adverse tax or social security contribution consequences for the Participant or any Group Member as determined by the Committee;

provided that this Rule 9.3 shall only apply if its application would prevent the occurrence of a consequence referred to in (a) or (b) above.

#### **9.4 Cash equivalent**

For the purpose of this Rule 9, the cash equivalent of a Share is:

- (a) in the case of a Conditional Award, the Fair Market Value of a Share on the day when the Award Vests;
- (b) in the case of an Option, the Fair Market Value of a Share on the day when the Option is exercised reduced by the Option Price.

#### **9.5 Payment of cash equivalent**

Subject to Rule 9.6 (*Share alternative*), as soon as reasonably practicable after the Committee has determined under Rule 9.1 or that the Participant has consented in accordance with Rule 9.2 (where applicable) that a Participant shall be paid a sum in substitution for his right to acquire any number of Vested Shares and where the Committee has not determined to retain and apply such sums towards satisfying any Tax Liability in accordance with Rule 9.1 and/or 9.2:

- (a) the Company shall pay to him or procure the payment to him of that sum in cash; and
- (b) if he has already paid the Company for those Shares, the Company shall return to him the amount so paid by him.

#### **9.6 Share alternative**

If the Committee so decides, the whole or any part of the sum payable under Rule 9.5 shall, instead of being paid to the Participant in cash, be applied on his behalf:

- (a) in subscribing for Shares at a price equal to the market value by reference to which the cash equivalent is calculated; or
- (b) in purchasing such Shares; or
- (c) partly in one way and partly in the other

and the Company shall allot or transfer to him (or his nominee) or procure the transfer to him (or his nominee) of the Shares so subscribed for or purchased.

#### **9.7 Deductions**

There shall be deducted from any payment under this Rule 9 such amounts (on account of tax or similar liabilities or in satisfaction of any Option Price outstanding) as may be required by law or as the Committee may reasonably consider to be necessary or desirable and permitted by law.

### **10. LAPSE OF AWARDS**

#### **10.1 General**

An Award shall lapse:



- (a) in accordance with the Rules of the Plan; or
- (b) to the extent it does not Vest under the Rules of the Plan.

## 10.2 Short-Term Options

A Short-Term Option shall lapse at the end of the Short-Term Deferral Period in relation to that Option (or such shorter period set forth in the grant documentation or as specified by the Committee in order to avoid adverse tax consequences), if not exercised.

## 11. CESSATION OF OFFICE, EMPLOYMENT AND/OR CONSULTANCY

11.1 Where a Participant ceases to be an Engaged Person for any reason all Awards which are unvested shall lapse forthwith unless the Committee decides in its sole discretion that, subject to Rule 6.3 (*Restrictions on Vesting: tax issues*), his Award shall Vest on the date of such cessation or such later date that the Committee may determine; provided, however, that in the case of an Award granted to a US Taxpayer, Rule 11 shall be administered in a manner that either complies with Section 409A of the IRS Code, or in a manner that does not result in the Award becoming subject to Section 409A. In applying such discretion the Committee may determine a reduction to the number of Vested Shares as it sees fit.

11.2 If a Participant dies before exercising an Award or part thereof which has Vested prior to the date of death, the Award may (and must, if at all) be exercised by his personal representatives within the period ending on the earlier of:

- (a) the expiry of 12 months after the date of death; and
- (b) the expiry of the Exercise Period,

and failing such exercise the Award shall lapse.

11.3 If a Participant ceases to be an Engaged Person otherwise than upon death:

- (a) by reason of cessation of his office, employment or consultancy contract with any Group Member due to ill health, injury or disability, redundancy or retirement on reaching the age at which he is bound to retire in accordance with the terms of his contract of employment; or
- (b) by reason only that his office or employment or consultancy contract is in or with a company of which the Company ceases to have Control; or
- (c) his office or employment or consultancy contract relates to a business or part of a business which is transferred to a person who is neither an Group Member nor a company of which the Company has Control; or
- (d) by reason of cessation of his office or employment or consultancy contract for any other reason, apart from summary dismissal or termination for fraud or gross misconduct;

then any Award held by him may be exercised, always only to the extent Vested at the time when the Participant ceased to be an Engaged Person, at any time prior to the earlier of:

(i) the expiry of the period of 12 months (or such longer period as the Committee may determine) after such cessation; and

(ii) the expiry of the Exercise Period;

and any Award not so exercised shall automatically lapse.

For the avoidance of doubt:-

- where a Participant ceases to be an Engaged Person any part of an Award which has not vested shall lapse forthwith subject to Rule 11.1; and/or
- when a Participant ceases to be an Engaged Person due to his office, employment or consultancy contract being summarily dismissed/terminated by any member of the Group for fraud or gross misconduct any Award (whether Vested or not yet Vested) held by that person and not exercised prior to cessation shall automatically lapse on such cessation

To the extent that an Award is not exercised within the Exercise Period, it shall (regardless of any other provision of the Plan) lapse at the end of that Exercise Period.

#### **11.4 Meaning of ceasing to be an Engaged Person**

A Participant shall not be treated for the purposes of this Rule 11 as ceasing to be an Engaged Person until such time as he is no longer a director or employee of, or a Consultant to, any Group Member. If any Participant ceases to be such a director or employee before the Vesting of his Award in circumstances where he retains a statutory right to return to work then he shall be treated as not having ceased to be such a director or employee until such time (if at all) as he ceases to have such a right to return to work while not acting as an employee or director. In the case of a US Taxpayer, a Participant shall not be treated for the purposes of this Rule 11 as ceasing to be an Engaged Person unless and until the Participant has also had a "separation from service" for purposes of Section 409A.

The reason for the termination of office or employment of a Participant, or the relevant consultancy contract, shall be determined by reference to Rules 11.3 regardless of whether such termination was lawful or unlawful.

### **12. TAKEOVERS AND OTHER CORPORATE EVENTS**

#### **12.1 General offers**

If any person (or group of persons acting in concert):

- (a) obtains (or, in the reasonable opinion of the Committee, is expected to obtain) Control of the Company as a result of making a general offer to acquire Shares; or
- (b) having obtained Control of the Company makes such an offer and such offer becomes unconditional in all respects

the Committee shall within 7 days of becoming aware of that event or forming such opinion (as applicable) notify every Participant accordingly and, subject to Rule 12.4 (*Internal reorganisations*), the following provisions shall apply:

- (i) subject to Rule 6.3 (*Restrictions on Vesting: tax issues*), all Awards shall Vest on such date

as the Committee may determine (being no later than the date of the change in Control of the Company or the offer becoming unconditional in all respects, as applicable) (such date being the Early Vesting Date) if they have not then Vested and Rule 12.5 (*Corporate events: reduction in number of Vested Shares*) shall apply; and

- (ii) any Option may, subject to Rule 8.1 (*Restrictions on the exercise of an Option: regulatory and tax issues*), be exercised within one month of the Early Vesting Date (or such shorter period of time approved by the Committee, not to be less than five days), except for RSU-style Options, which shall be automatically exercised to the full extent of the Vested Shares upon the Early Vesting Date, but to the extent that an Option is not exercised within that period, that Option shall (regardless of any other provision of the Plan) lapse at the end of that period.

## 12.2 Schemes of arrangement and winding up

In the event that:

- (a) a compromise or arrangement is sanctioned by the Court under section 899 of the Companies Act 2006 in connection with or for the purposes of a change in Control of the Company; or
- (b) the Company passes a resolution for a voluntary winding up of the Company; or
- (c) an order is made for the compulsory winding up of the Company

or, in the reasonable opinion of the Committee, any of the above events is expected to occur, all Awards shall, subject to Rule 6.3 (*Restrictions on Vesting: tax issues*) and Rule 12.4 (*Internal reorganisations*), Vest on such date as the Committee may determine (being no later than the date of such event) (such date being the Early Vesting Date) if they have not then Vested and Rule 12.5 (*Corporate events: reduction in number of Vested Shares*) shall apply.

If an event as described in this Rule 12.2 occurs (or, in the reasonable opinion of the Committee, is expected to occur) then an Option may, subject to Rule 8.1 (*Restrictions on the exercise of an Option: regulatory and tax issues*) and Rule 12.4 (*Internal reorganisations*), be exercised within one month of the Early Vesting Date (except for RSU- style Options, which shall be automatically exercised to the full extent of the Vested Shares upon the Early Vesting Date), but to the extent that the Option is not exercised within that period, it shall (regardless of any other provision of the Plan) lapse at the end of that period.

## 12.3 Demergers and similar events

If a demerger, special dividend or other similar event (the "**Relevant Event**") is proposed which, in the opinion of the Committee, would affect the market price of Shares to a material extent, then the Committee may, at its discretion, decide that the following provisions shall apply:

- (a) the Committee shall, as soon as reasonably practicable after deciding to apply these provisions, notify a Participant that, subject to earlier lapse under Rule 11, his Award Vests and, if relevant, his Option may be exercised on such terms as the Committee may determine and during such period preceding the Relevant Event or on the Relevant Event as the Committee may determine and shall lapse at the end of that period to the extent unexercised;

- (b) if an Award Vests, or an Option is exercised, conditional upon the Relevant Event and such event does not occur then the conditional Vesting or exercise shall not be effective and the Award shall continue to subsist; and
- (c) if the Committee decides that an Award Vests under this Rule 12.3 then the date of that Vesting shall be the Early Vesting Date and the provisions of Rule 12.5 (*Corporate events: reduction in number of Vested Shares*) shall apply.

#### 12.4 Internal reorganisations

In the event that:

- (a) a company (the "**Acquiring Company**") is expected to obtain Control of the Company as a result of an offer referred to in Rule 12.1 (*General offers*) or a compromise or arrangement referred to in Rule 12.2(a) (*Schemes of arrangement and winding up*); and
- (b) at least 75% of the shares in the Acquiring Company are expected to be held by substantially the same persons who immediately before the obtaining of Control of the Company were shareholders in the Company

then the Committee, with the consent of the Acquiring Company, may decide before the obtaining of such Control that an Award shall not Vest under Rule 12.1 or Rule 12.2 but shall be automatically surrendered in consideration for the grant of a new award which the Committee determines is equivalent to the Award it replaces except that it will be over shares in the Acquiring Company or some other company.

The Rules will apply to any new award granted under this Rule 12.4 as if references to Shares were references to shares over which the new award is granted and references to the Company were references to the company whose shares are subject to the new award.

In the case of an Award granted to a US Taxpayer, Rule 12.4 shall be administered in a manner that either complies with Section 409A of the IRS Code, or in a manner that does not result in the Award becoming subject to Section 409A.

#### 12.5 Corporate events: reduction in number of Vested Shares

If an Award Vests under any of Rules 12.1 to 12.3, the Committee shall determine in its absolute discretion, including by way of an agreement approved by the Committee, the number of Vested Shares of that Award. Without limitation to the generality of the foregoing, the Committee may determine that number by the following steps:

- (a) applying any Performance Condition and any other condition imposed on the Vesting of the Award; and
- (b) if the Committee so decides, by applying such reduction to the number of Shares determined under Rule 12.5(a) as it sees fit (such reduction to be, unless it decides otherwise, on such pro-rata basis as it may determine).

If an Award Vests under any of Rules 12.1 to 12.3 after the holder of that Award has ceased to be an Engaged Person then Rule 11.1 shall take precedence.

## **13. ADJUSTMENT OF AWARDS**

### **13.1 General rule**

In the event of:

- (a) any variation of the share capital of the Company; or
- (b) a demerger, special dividend or other similar event which affects the market price of Shares to a material extent

the Committee may make such adjustments as it considers appropriate under Rule 13.2 (*Method of adjustment*).

### **13.2 Method of adjustment**

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

- (a) the number of Shares comprised in an Award;
- (b) subject to Rule 13.3 (*Adjustment below nominal value*), the Option Price; and
- (c) where any Award has Vested or Option has been exercised but no Shares have been transferred or allotted after such Vesting or exercise, the number of Shares which may be so transferred or allotted and (if relevant) the price at which they may be acquired.

In the case of any Award granted to a US Taxpayer, any adjustment under this Rule 13.2 shall be made in a manner that complies with Sections 409A and, in the case of ISO Options, 424 of the Code.

### **13.3 Adjustment below nominal value**

An adjustment under Rule 13.2 may have the effect of reducing the price at which Shares may be subscribed for on the exercise of an Option to less than their nominal value, but only if and to the extent that the Board is authorised:

- (a) to capitalise from the reserves of the Company a sum equal to the amount by which the nominal value of the Shares in respect of which the Option is exercised and which are to be allotted after such exercise exceeds the price at which the Shares may be subscribed for; and
- (b) to apply that sum in paying up such amount on such Shares

so that on exercise of any Option in respect of which such a reduction shall have been made the Board shall capitalise that sum (if any) and apply it in paying up that amount.

## **14. ALTERATIONS**

Any alteration shall take effect without the requirement for the prior approval of the shareholders of the Company, except as otherwise required by applicable law and/or the rules of any securities exchange on which the Shares (or securities representing Shares) may be listed.

## **15. MISCELLANEOUS**

#### **15.1 Employment, office or consultancy**

The rights and obligations of any individual under the terms of his office or employment with any Group Member, or the contract pursuant to which he is a Consultant, shall not be affected by his participation in the Plan or any right which he may have to participate in it. An individual who participates in the Plan waives any and all rights to compensation or damages in consequence of the termination of his office, employment or consultancy for any reason whatsoever insofar as those rights arise or may arise from him ceasing to have rights under an Award as a result of such termination. Participation in the Plan shall not confer a right to continued employment, office or consultancy upon any individual who participates in it.

#### **15.2 No implied right to participate**

No Engaged Person has a right to participate in the Plan. The grant of any Award does not imply that any further Award will be granted nor that a Participant has any right to receive any further Award. Participation in the Plan or the grant of Awards on a particular basis in any year does not create any right to or expectation of participation in the Plan or the grant of Awards on the same basis, or at all, in any future year.

#### **15.3 Disputes**

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 relating to the Plan, the decision of the Committee shall be final and binding upon all persons.

#### **15.4 Exercise of powers and discretions**

The exercise of any power or discretion by the Committee shall not be open to question by any person and a Participant or former Participant shall have no rights in relation to the exercise of or omission to exercise any such power or discretion.

#### **15.5 Share rights**

All Shares allotted under the Plan shall rank equally in all respects with Shares then in issue except for any rights attaching to such Shares by reference to a record date before the date of the allotment.

Where Vested Shares are transferred to Participants (or their nominee) they shall be entitled to all rights attaching to such Shares by reference to a record date on or after the date of such transfer.

#### **15.6 Notices**

Any notice or other communication under or in connection with the Plan may be given:

- (a) by personal delivery or 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 Engaged Person, 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 office, employment or other arrangement pursuant to which he is an Engaged Person;
- (b) in an electronic communication to their usual business address or such other address for

the time being notified for that purpose to the person giving the notice; or

- (c) by such other method as the Committee determines.

#### **15.7 Third parties**

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

#### **15.8 Benefits not pensionable**

Benefits provided under the Plan shall not be pensionable.

#### **15.9 Data Protection**

Each Participant consents to the collection, processing and transfer of his personal data for any purpose relating to the operation of the Plan. This includes:

- (a) providing personal data to any Group Member and any third party such as trustees of any employee benefit trust, administrators of the Plan, registrars, brokers and any of their respective agents;
- (b) processing of personal data by any such Group Member or third party;
- (c) transferring personal data to a country outside the European Economic Area (including a country which does not have data protection laws equivalent to those prevailing in the European Economic Area); and
- (d) providing personal data to potential purchasers of the Company, the Participant's employer or the business in which the Participant works.

#### **15.10 Governing law**

The Plan and all Awards shall be governed by 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.

#### **15.11 Section 409A**

Although neither the Company, the Committee nor any Group Member guarantees any particular tax treatment to a US Participant, all Awards granted to US Taxpayers are intended to be exempt from, or compliant with, the application of Section 409A of the IRS Code:

- (a) in the case of Awards other than Regular Options, pursuant to the short-term deferral exception set forth Treas. Regs. §1.409A-1(b)(4)); and
- (b) in the case of Regular Options, as options which are exempt from Section 409A;

and this Plan shall be limited, construed and administered consistent with that intent. Accordingly, without limiting the generality of the foregoing and notwithstanding any Rule in the Plan to the contrary, in the case of Awards granted to US Taxpayers:

- (c) in any instance in which a new Regular Option is substituted for an outstanding Option

pursuant to a corporate transaction or in any instance in which an outstanding Regular Option is assumed pursuant to a corporate transaction, the number of Shares and the Option Price shall be adjusted in accordance with the principles set forth in Sections 1.424-1(a)(5) and 1.409A-1(b)(5)(v)(D) of the Treasury Regulations. The instances in which there may be a substitution of a new Regular Option for an outstanding Option pursuant to a corporate transaction shall be limited to those corporate transactions authorized by the Plan but shall be further limited to only those corporate transactions described in Section 1.424(a)(3) of the Treasury Regulations. In the case of a stock split (including a reverse stock split), or stock dividend involving the Shares where the only effect of the stock split or stock dividend is to increase or decrease on a pro rata basis the number of Shares owned by each shareholder, the Option Price and the number of Shares subject to an Option shall be proportionally adjusted to reflect such stock split or stock dividend;

- (d) The Shares underlying any Regular Option granted to a US Taxpayer shall in all instances constitute "service recipient stock" and shall be issued by a Group Member that is, with respect to such US Taxpayer, an "eligible issuer of service recipient stock" for purposes of IRS Code Section 409A;
- (e) To the extent that any amount payable under the Plan constitutes non-exempt "deferred compensation" for purposes of Section 409A and would otherwise be payable or distributable under the Plan by reason of the occurrence of a corporate transaction, such amount or benefit will not be payable or distributable to the Participant who is a US Taxpayer by reason of such corporate transaction unless the circumstances giving rise to such corporate transaction constitutes a "change in control event" in Section 409A of the IRS Code. If this provision prevents the payment or distribution of any amount, such payment or distribution shall be made on the next earliest payment or distribution date or event specified in the Plan that is permissible under Section 409A; and
- (f) If any amount or benefit that constitutes non-exempt "deferred compensation" for purposes of Section 409A would otherwise be payable or distributable under this Plan by reason of a Participant's separation from service during a period in which the Participant is a Specified Employee (as defined below), then, subject to any permissible acceleration of payment by the Committee under Treas. Reg. Section 1.409A -3(j)(4)(ii) (domestic relations order), (j)(4)(iii) (conflicts of interest), or (j)(4)(vi) (payment of employment taxes), the Participant's right to receive payment or distribution of such non-exempt deferred compensation will be delayed until the earlier of the Participant's death or the first day of the seventh month following the Participant's separation from service. For purposes of this Plan, the term "Specified Employee" has the meaning given such term in Section 409A, provided, however, that, as permitted thereunder, the Company's Specified Employees and its application of the six-month delay rule of IRS Code Section 409A(a)(2)(B)(i) shall be determined in accordance with rules adopted by the Committee, which shall be applied consistently with respect to all nonqualified deferred compensation arrangements of the Company applicable to US Taxpayers, including this Plan.
- (g) In the event any Award is subject to US Code Section 409A, the Board or the Company's general counsel may, in their sole discretion and without a US Taxpayer's prior consent, amend this Plan or the Award, adopt policies and procedures, or take any other actions as deemed appropriate by the Board or the Company's general counsel to (i) exempt the Plan and/or any Award from the application of Section 409A, (ii) preserve the intended tax



treatment of any such Award or (iii) comply with the requirements of Section 409A. Neither the Company nor any of its Subsidiaries shall be held liable for any taxes, interest, penalties or other amounts owed by a US Taxpayer under Section 409A.

- (h) It is intended that each installment of the payments and benefits provided under this Plan shall be treated as a separate “payment” for purposes of Section 409A. Neither the Company nor the Participant shall have the right to accelerate or defer the delivery of any such payments or benefits except to the extent specifically permitted or required by Section 409A.

**2020**

COMPANY SHARE OPTION PLAN



# **NuCana plc**

**Company Number 03308778**

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## **2020 COMPANY SHARE OPTION PLAN**

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Approved by shareholders on [DATE]

Adopted by the board of directors on [DATE]

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## **RULES OF THE NUCANA PLC 2020 COMPANY SHARE OPTION PLAN**

[APPROVED BY THE COMPANY ON *[17 June 2020]*]

ADOPTED BY THE DIRECTORS ON *[insert date of adoption by the board of directors]*

### **1 Definitions and interpretation**

#### **1.1 Definitions**

In this Plan, except where the context otherwise requires, the words and expressions set out below will bear the following meanings, namely:

<b>Appropriate Period</b>	means the period referred to in paragraph 26(3) of Schedule 4;
<b>Appropriate Limit</b>	means £30,000 or such other limit as may be prescribed by paragraph 6 of Schedule 4;
<b>Associated Company</b>	has the meaning ascribed to it in paragraph 35 of Schedule 4;
<b>Company</b>	means NuCana plc a company incorporated in England under company number 03308778 and having its registered office at 77 78 Cannon Street, London, England, EC4N 6AF;
<b>Control</b>	has the meaning ascribed to it in section 719 ITEPA and derivative terms shall be construed accordingly;
<b>Date of Adoption</b>	means the date on which the Plan is adopted by the Directors;
<b>Date of Grant</b>	means in respect of an Option, the date on which the Option is, was, or is to be granted under the Plan;
<b>Directors</b>	means the board of directors of the Company from time to time or a duly authorised committee of such directors including the remuneration committee;
<b>Eligible Employee</b>	means either:  (a) a director who is required, under the terms of his contract of employment, to devote substantially the whole of his working time to the business of the Group, not being less than 25 hours per week (excluding meal breaks), or

	(b) an employee (other than a director),
	in both cases, of any Participating Company, but excluding any Excluded Persons;
<b>Employer's NICs</b>	means secondary class 1 (employer's) National Insurance contributions, or employer's social security or similar contributions;
<b>Excluded Persons</b>	means any person who is precluded by paragraph 9 of Schedule 4 from participating in the Scheme;
<b>Exercise Price</b>	means in respect of an Option, the price per Share under Option to be paid by the Option Holder on the exercise of the Option, which price shall not be manifestly less than the unrestricted Market Value of a Share on the Date of Grant, as determined in accordance with paragraph 22 of Schedule 4. If and to the extent that the Option is to be satisfied by the issue of Shares, the Exercise Price shall not be less than the nominal value of a Share;
<b>Grantor</b>	means the Company or such other person or entity authorised by the Directors to grant an Option including a trustee of any employee benefit trust established by the Company;
<b>Group</b>	means the Company and any subsidiary of the Company which is under the Control of the Company or, where the context permits, any one or more of them and references to 'member of the Group' shall be construed accordingly;
<b>HMRC</b>	means Her Majesty's Revenue and Customs;
<b>ITEPA</b>	means the Income Tax (Earnings and Pensions) Act 2003;
<b>Market Value</b>	means (a) if at the time Shares are quoted on the London Stock Exchange, the average of the middle-market quotations for a Share (as derived from the Official List) for the last Dealing Day before the Grant Date; or (b) where Shares are not so quoted, has the meaning ascribed to it in sections 272–273 of the Taxation of Chargeable Gains Act 1992 as agreed with HMRC Shares and Assets Valuation using such methodology for determining

	market value on an ongoing basis within such period as HMRC will permit;
<b>Non-UK Company Reorganisation Arrangement</b>	has the meaning given in paragraph 35ZA of Schedule 4;
<b>Option</b>	means a non-transferable right to acquire Shares granted to an Eligible Employee pursuant to this Plan (or, where the context so admits, such a right which is proposed to be granted);
<b>Option Certificate</b>	means in respect of an Option, a certificate to be issued to an Option Holder in accordance with the provisions of Rule 2.7 confirming the grant of an Option;
<b>Option Holder</b>	means a person holding an Option or where applicable their personal representatives;
<b>Option Period</b>	means in respect of an Option, the period of ten years commencing on the Date of Grant of that Option or such shorter period as shall be determined by the Directors at the Date of Grant;
<b>Participating Company</b>	means any member of the Group designated from time to time by the Directors as being a participating company for the purposes of the Plan;
<b>Performance Period</b>	means the period over which a Performance Target is measured;
<b>Performance Target</b>	means in respect of an Option, any objective or target by reference to which the exercise of an Option is expressed to be conditional;
<b>Plan</b>	means this plan in its present form or as from time to time altered in accordance with its provisions;
<b>Relevant Date</b>	means the date on which either: <ul style="list-style-type: none"> <li>(a) for the purposes of Rule 8.1, a person has obtained Control of the Company as the result of making an offer in accordance with Rule 8.1 and any condition to which the offer was subject has been satisfied</li> <li>(b) for the purposes of Rule 8.2, any person becomes bound or entitled to</li> </ul>

	acquire shares in the Company as described in Rule 8.2
	(c) for the purposes of Rule 8.3, the court sanctions a compromise or arrangement in accordance with Rule 8.3, or
	(d) for the purposes of Rule 8.4, a Non-UK Company Reorganisation Arrangement becomes binding on shareholders covered by it in accordance with paragraph 6A of Schedule 4;
<b>Relevant Event</b>	means a person obtaining Control of the Company, either: <ul style="list-style-type: none"> <li>(a) as a result of making an offer in accordance with Rule 8.1</li> <li>(b) following that person having been bound or entitled to acquire shares in the Company as described in Rule 8.2</li> <li>(c) as a result of a compromise or arrangement sanctioned by the court as described in Rule 8.3, or</li> <li>(d) as a result of a Non-UK Company Reorganisation Arrangement which has become binding on the shareholders covered by it in accordance with paragraph 6A of Schedule 4;</li> </ul>
<b>Rules</b>	means the rules of the Plan as from time to time amended;
<b>Schedule 4</b>	means Schedule 4 to ITEPA;
<b>Schedule 4 CSOP</b>	means a company share option plan in relation to which the requirements of Schedule 4 are (and are being) met;
<b>Share</b>	ordinary share of £0.04 each in the capital of the Company which satisfy the requirements of paragraphs 16–20 of Schedule 4;
<b>Share Dealing Code</b>	means the code on dealings in the Company's securities and any other code on transactions in securities which applies to the Company;



**Tax Liability**

means all liability to:

- (a) income tax, or any other tax, which any member of the Group is or may be liable to account for on behalf of the Option Holder to any taxation authority; and
- (b) social security or similar contributions which the Company or any member of the Group is or may be liable to account for (or, for which it has agreed to account) on behalf of the Option Holder to any taxation authority (including, but without limitation, Employer's NICs, where the liability for this has been transferred to Option Holder); and
- (c) Employer's NICs which the Option Holder is required to pay in accordance with Rules 6.1.1 or 6.1.2,

which arises as a consequence of the exercise of the Option and/or the acquisition of Shares pursuant to it;

**Variation**

means any variation in the share capital of the Company arising from any reduction, subdivision or consolidation of capital or issue of shares by way of capitalisation of profits or reserves or by way of rights or any other variation of the Company's share capital; and

**"Vest"**

means in relation to an Option, it becoming exercisable and Vesting, Vested and Vests shall be construed accordingly.

**1.2 Interpretation**

- 1.2.1 In this Plan any reference to a statutory provision will be deemed to include that provision as it may from time to time be consolidated, amended or re-enacted, and will include a reference to any subordinate legislation or regulation created under it and wherever the context so admits or requires, the singular will include the plural and vice versa and the masculine will include the feminine.
- 1.2.2 Headings shall not affect the interpretation of these Rules.
- 1.2.3 In this Plan or any supplemental documentation, references to Rules are to rules in this Plan unless otherwise specified.

## **2 Grant of Options**

- 2.1 Subject to and in accordance with the Rules, an Option may, with the consent of the Directors, be granted by the Grantor to any Eligible Employee over such number of Shares and at such Exercise Price as the Directors may, from time to time, in their absolute discretion determine.
- 2.2 The exercise of an Option may be subject to a Performance Target (if any) and an Option may only be exercised to the extent it has Vested.
- 2.3 The Performance Target subject to which any Option may be granted must be objective and may include terms and conditions relating to the financial or other performance of the Group or any member of the Group or any business carried on within the Group or the performance of the proposed Option Holder (as an employee of the Group). Following the end of the Performance Period, the Directors will determine, acting fairly and reasonably, the extent to which the Performance Target has been met, if at all. A Performance Target may only be adjusted if an event occurs which causes the Directors, acting fairly and reasonably, to believe that the Performance Target is no longer a fair target, in which case the Directors can waive or adjust the Performance Target so that it is a fairer measure and affords a more effective incentive to the Option Holder. A Performance Target cannot be adjusted so that it is more difficult to satisfy than the original Performance Target(s). The Directors will notify all relevant Option Holders in writing of any variation or waiver of existing Performance Target(s) or conditions made pursuant to this Rule 2.3.
- 2.4 An Option shall not be granted other than with the prior approval of the Directors. The Grantor shall grant Options by deed or otherwise so that it constitutes a binding contract between the Grantor and the Option Holder. A single deed of grant may be executed in favour of any number of Eligible Employees. No payment shall be required for the grant of any Option
- 2.5 Options may not be granted more than ten years after the Date of Adoption.
- 2.6 The Grantor shall in granting Options be bound by the provisions (as from time to time in force) of the Share Dealing Code and all other legal and regulatory requirements to which the Company is subject.
- 2.7 As soon as practicable following the grant of an Option to an Eligible Employee the Grantor shall send the Eligible Employee an Option Certificate specifying the following:
  - 2.7.1 the Date of Grant of the Option;
  - 2.7.2 the number and description of Shares under Option;
  - 2.7.3 the Option Period;
  - 2.7.4 the Exercise Price, or the method by which that Exercise Price is to be determined;
  - 2.7.5 details of how and when the Option is capable of being exercised (including when the Option Vests) and the circumstances in which the Option will lapse or be cancelled (by reference to the Rules or otherwise);
  - 2.7.6 details of any Performance Target(s) or other conditions attaching to the Option;
  - 2.7.7 details of any restrictions attaching to the Shares under Option; and

2.7.8 such other information as the Directors consider appropriate

- 2.8 No Option or any interest in it shall be capable of being assigned, transferred, pledged, charged or otherwise encumbered except that an Option Holder's Option may be transmitted to the Option Holder's personal representatives on the Option Holder's death. In all other circumstances any attempt to assign, transfer, pledge, charge or otherwise encumber an Option shall cause the Option to lapse automatically.
- 2.9 An Eligible Employee may disclaim an Option, in whole or in part, in writing to the company secretary within thirty (30) days after the Date of Grant. No consideration will be paid for the disclaimer of an Option. To the extent that an Option is disclaimed it will be taken never to have been granted.

### **3 Limits on the Value of a Grant**

- 3.1 The aggregate unrestricted Market Value of Shares under Options which may be granted to an Eligible Employee under the Plan or under any other Schedule 4 CSOP established by the Company or an Associated Company of the Company (and not exercised), shall not exceed the Appropriate Limit.
- 3.2 For the purpose of calculating the limits contained in this Rule 3 shares comprised in any Option which has been cancelled or waived or has otherwise lapsed without being exercised shall be disregarded.
- 3.3 If an Eligible Employee is granted an Option which causes the limit referred to in Rule 3.1 to be exceeded, the whole of that Option will take effect as if it had been granted outside of the Plan but is otherwise subject to the same terms and conditions as if it were an Option but without the associated tax benefits which apply to Options
- 3.4 For the purposes of this Rule 3, the Market Value of shares under an option shall be calculated as at the date on which that option was granted and, if the shares in the Group are subject to any provision included in any contract, agreement or arrangement or condition to which any of sections 423(2), 423(3) or 423(4) of ITEPA would apply, their Market Value shall be determined as if they were not subject to that provision.

### **4 Exercise and lapse of Options**

- 4.1 Notwithstanding any other provision of this Plan except Rule 7, in the event that the Option Holder dies the Option may be exercised at any time during the 12 month period following the Option Holder's death, at the end of which it will lapse to the extent that it has not been exercised. The Option may only be exercised to the extent it has Vested and any applicable Performance Targets have been met as at the date of death, and shall be pro-rated to reflect the proportion of any applicable Performance Period that has elapsed as at the date of death, unless the Directors, in their discretion, acting fairly and reasonably, determine that the Option may be exercised over a greater number of Shares. An Option shall in no circumstances be exercisable after the expiry of the Option Period save for in the event of the Option Holder's death.
- 4.2 Subject to Rules 7 and 8, an Option may be exercised from the date or dates stated in the Option Certificate but only if and to the extent it has Vested, not lapsed in accordance with these Rules and that any Performance Targets which apply to the Option have been met.

- 4.3 If an Option Holder ceases to be an Eligible Employee (and does not immediately again become an Eligible Employee) then notwithstanding any other Rule any Option, or part of an Option, held by such Option Holder which is not Vested on the date of such cessation shall lapse forthwith.
- 4.4 An Option shall automatically lapse on the earliest of the following:
- 4.4.1 as provided by Rule 4.1 following the Option Holder's death;
  - 4.4.2 when an Option Holder ceases to be an Eligible Employee (and does not immediately again become an Eligible Employee) due to his office or employment being summarily dismissed/terminated by any member of the Group for fraud or gross misconduct;
  - 4.4.3 when an Option Holder ceases to be an Eligible Employee (and does not immediately again become an Eligible Employee) for a reason other than as set out in Rule 4.4.2 the expiry of the period of 12 months (or such longer period as the Committee may determine) after such cessation;
  - 4.4.4 if Rule 4.3 applies, in accordance with Rule 4.3 (option not Vested on date of cessation of being an Eligible Employee);
  - 4.4.5 save for in the event of the Option Holder's death, in the event that the Option Holder is adjudicated bankrupt or a bankruptcy order is made against the Option Holder pursuant to Chapter I of Part IX of the UK Insolvency Act 1986;
  - 4.4.6 in the event that the Directors determine that all Performance Targets which apply to the Option have not been satisfied or are no longer capable of being satisfied;
  - 4.4.7 any attempt to assign, transfer or otherwise encumber the Option in breach of Rule 2.8;
  - 4.4.8 on any date specified in Rule 8;
  - 4.4.9 save for in the event of the Option Holder's death, at the expiry of the Option Period;  
or
  - 4.4.10 in accordance with Rule 7.
- 4.5 An Option may not be exercised by an Excluded Person at any time, nor may an Option be exercised by the personal representatives of a deceased Option Holder who was an Excluded Person at the date of the Option Holder's death.

## **5 Exercise of Options**

- 5.1 An Option will be exercisable in whole or in part by notice in writing (in the form prescribed by the Company from time to time) given by the Option Holder (or their personal representatives as the case may be) to the Grantor (and if different, the Company). The notice of exercise of the Option will be accompanied by the Option Certificate and a remittance in cleared funds for the aggregate of the Exercise Price payable unless the Grantor has agreed an alternative arrangement. The effective date of exercise will be the date on which the company secretary or their agent processes such notice once they are satisfied that all

necessary documentation and information has been provided. If the Option is exercised in part, the Company will provide the Option Holder with a revised Option Certificate.

- 5.2 All allotments, issues and acquisitions by way of transfer of Shares will be made within 30 days of the effective date of exercise of the related Option, and will be subject to such consents (if any) of HM Treasury or other authorities, approvals or consents as may for the time being be necessary.
- 5.3 Shares which are allotted or transferred under the Plan will rank equally in all respects with the Shares then in issue, except that they shall not rank for any right attaching to Shares by reference to a record date preceding the date of exercise of the Option.
- 5.4 The exercise of an Option shall be subject to any restrictions on dealing set out in the Share Dealing Code or otherwise imposed by statute, order, regulation or government directive. Shares acquired on the exercise of an Option shall also be held subject to such dealing restrictions and to the Articles of Association of the Company.

## **6 The Tax Liability**

- 6.1 An Option Holder unconditionally and irrevocably agrees as a condition of the Option Holder's right to exercise an Option that to the extent lawful and to the extent permitted pursuant to HMRC policy and unless the Directors determine otherwise:
  - 6.1.1 there may be recovered from the Option Holder an amount equal to any liability to Employer's NICs which arises as a consequence of or in connection with the exercise of the Option;
  - 6.1.2 the Option Holder will enter into any election or agreement required by the Directors (including, but without limitation, a joint election of the type referred to in paragraph 3B of Schedule 1 to the Social Security Contributions and Benefits Act 1992) under which the liability for any Employer's NICs which arises as a consequence of or in connection with the exercise of an Option is transferred to the Option Holder;
  - 6.1.3 the Option Holder will place the Group in funds and to indemnify the Group in respect of the Tax Liability unless the Grantor has agreed an alternative arrangement;
  - 6.1.4 to the extent that the Option Holder does not place the Group in funds in accordance with Rule 6.1.3, within 2 days of his serving notice exercising the Option, and where the Grantor has not agreed an alternative arrangement, the Option Holder permits any member of the Group to sell on the Option Holder's behalf at the best price which it can reasonably obtain such number of Shares allocated or allotted to the Option Holder following exercise as will provide an amount equal to the Tax Liability and/or an amount equal to the Tax Liability may be withheld from any amounts due to the Option Holder from the Group; and
  - 6.1.5 the exercise of an Option will be conditional on the Option Holder executing a tax election under section 431(1) of ITEPA to disapply fully the provisions of Chapter 2 of Part 7 of ITEPA in respect of restricted securities in such form as is approved by or agreed with HMRC under the terms of section 431(5) of ITEPA.

## **7 Liquidations**

If notice is duly given of a general meeting at which a resolution will be proposed for the voluntary winding-up of the Company, an Option shall become exercisable unless the Directors in their discretion, acting fairly and reasonably, determine otherwise. The extent to which an Option may be exercised shall be determined by the Directors, acting fairly and reasonably, having regard to the extent to which any Performance Targets have been met and the proportion of any applicable Performance Period that has elapsed to the date immediately before it is envisaged the resolution will be passed. An Option, to the extent it becomes exercisable, may be exercised at any time after the Directors have notified Option Holders that their Options have become exercisable and before the resolution winding-up the Company has been passed. If such resolution is duly passed all outstanding Options will immediately lapse and cease to be exercisable.

## **8 Takeovers and reconstructions**

### **8.1 Where:**

8.1.1 a general offer (whether made to shareholders in a different manner or otherwise) is made to acquire all of the issued ordinary share capital of the Company (or such part of it as is not at the time owned by the offeror or any company controlled by the offeror or any person acting in concert with the offeror) and a person obtains Control of the Company as the result of making the offer and any condition to which the offer was made has been satisfied; or

8.1.2 a general offer (whether made to shareholders in a different manner or otherwise) is made to acquire all of the issued shares of the Company (or such part of it as is not at the time owned by the offeror or any company controlled by the offeror or any person acting in concert with the offeror) which are of the same class as Shares and a person acquires Control of the Company as a result of making the offer and any condition to which the offer was made has been satisfied

then, subject to the provisions of Rules 8.2, 8.5 and 8.6, Options may be exercised to the extent permitted by Rule 8.9 for a period of six months from the Relevant Date and shall lapse, to the extent not exercised, at the end of that six month period.

8.2 Subject to Rules 8.5 and 8.6, if any person becomes entitled or bound to acquire Shares under sections 979–982 or 983–985 of the Companies Act 2006, Options may be exercised to the extent permitted by Rule 8.9 at any time when that person is so bound or entitled and shall lapse, to the extent not exercised, at the end of that period.

8.3 Subject to Rules 8.5 and 8.6, if the court sanctions a compromise or arrangement under section 899 of the Companies Act 2006 that is applicable to or affecting (a) all of the ordinary share capital of the Company or all of the shares of the same class as the Shares or (b) all of the Shares, or all of the shares of that same class, which are held by shareholders identified other than by reference to their employment or directorships or their participation in a Schedule 4 CSOP, an Option may be exercised, to the extent permitted by Rule 8.9, for a period of six months from the Relevant Date and shall lapse, to the extent not exercised, at the end of that period.

8.4 Subject to Rules 8.5 and 8.6, if a Non-UK Company Reorganisation Arrangement becomes binding on the shareholders covered by it and is applicable to or affecting (a) all of the ordinary

share capital of the Company or all of the Shares or, (b) all of the Shares, or all of the Shares of that same class which are held by a class of shareholders identified otherwise than by reference to their employment or directorships or their participation in a Schedule 4 CSOP, an Option may be exercised, to the extent permitted by Rule 8.9, for a period of six months from the Relevant Date and shall lapse, to the extent not exercised, at the end of that period.

8.5 Subject to Rule 8.6, if, in accordance with Paragraph 26(2) of Schedule 4, any Company (the **Acquiring Company**):

8.5.1 obtains Control of the Company as a result of making a general offer as described in Rule 8.1

8.5.2 obtains Control of the Company pursuant to a scheme of arrangement or compromise as described in Rule 8.3; or

8.5.3 obtains Control of the Company as a result of a Non-UK Company Reorganisation Arrangement which has become binding as described in Rule 8.4, or

8.5.4 becomes entitled or bound to acquire shares in the Company as described in Rule 8.2

any Option Holder can (subject to the remainder of this Rule), at any time within the Appropriate Period, by agreement with the Acquiring Company, release any Option (the **Old Option**) in consideration of the grant to the Option Holder of an Option (the **New Option**) which is equivalent to the Old Option but relates to shares in a different company and so that the provisions of the Plan will for this purpose be construed as if the New Option were an option granted under the Plan at the same time as the Old Option. The New Option will not be regarded as equivalent to the Old Option unless the conditions set out in Paragraph 27 of Schedule 4 are satisfied. References to Shares will, in relation to the New Option, be taken as references to shares of the company whose shares are under the New Option. References to the Company shall be taken to be references to the company whose shares are under the New Option, where appropriate. A New Option will not lapse under Rules 8.1 to 8.4 in respect of the change of Control which led to its grant.

8.6 If an event referred to in Rules 8.1 to 8.4 has the purpose or effect of creating a new holding company for the Company (the **Holding Company**) and the Holding Company would, following the scheme of arrangement, have substantially the same shareholders and proportionate shareholdings as those of the Company immediately before the scheme of arrangement, Options will not become exercisable unless the Directors, acting fairly and reasonably, determine otherwise. Instead, all outstanding Options may be exchanged for equivalent Options over shares in the Holding Company on the same terms and conditions referred to in Rule 8.5. A new option over shares in the Holding Company will not lapse under Rules 8.1 to 8.4 in respect of the change of Control which led to its grant. For the avoidance of doubt, in such circumstances as referred to in this Rule 8.6, the Plan will remain that of the Company and not the Holding Company.

8.7 If the Directors, acting fairly and reasonably, conclude that a Relevant Date is expected to occur, the Directors may notify the Option Holders that Options may be exercised to the extent permitted by Rule 8.9. Provided that an Option is then exercised within the period of 20 days ending with the Relevant Date, it will then be treated as being exercised in accordance with Rules 8.1 to 8.4 as applicable. If an Option is exercised under this Rule 8.7 in anticipation of a Relevant Date occurring, but, the Relevant Date does not occur during the period of 20 days beginning with the date on which the Option is exercised, the exercise of such Option

shall be void and of no effect and the Option will remain in force in accordance with the Rules of the Plan.

- 8.8 If, as the result of a Relevant Event occurring, the Shares no longer meet the requirements of Part 4 of Schedule 4, Options may nevertheless be exercised in accordance with Rule 8.1, 8.2, 8.3 or 8.4 as applicable provided that any such exercise is no later than 20 days after the day on which the Relevant Event occurs.
- 8.9 If an Option becomes exercisable under any of Rules 8.1 to 8.4, or Rule 8.7, the Directors acting fairly and reasonably shall:
  - 8.9.1 determine the extent to which any Performance Target has been met as at the date of the Relevant Date, and
  - 8.9.2 reduce the number of Shares over which the Option may be exercised on a pro-rata basis to reflect the proportion of the Performance Period that has elapsed as at the Relevant Date

## **9 Variation of share capital**

- 9.1 Subject to Rule 9.4, upon the occurrence of any Variation, the Directors may adjust, in a manner they consider fair and reasonable, the Exercise Price in accordance with paragraph 22 of Schedule 4, and the number and description of the Shares under Option either in accordance with paragraph 22 of Schedule 4 or by way of a mechanism which is stated and notified to the Option Holder at the time the Option is granted. Notice of any such adjustments to the terms of the Options will be given in writing to the Option Holders by the Directors as soon as practicable following the Variation. No adjustment will cause Shares to be issued at less than their nominal value (save as permitted by Rule 9.2).
- 9.2 If the Directors determine that an adjustment to the Exercise Price below nominal value should be made, such adjustment shall only be made if and to the extent that the Directors will be authorised to:
  - 9.2.1 capitalise from the reserves of the Company a sum equal to the amount by which the nominal value of the Shares in respect of which the Option is exercisable exceeds the adjusted aggregate Exercise Price, and
  - 9.2.2 apply such sum in paying up such amount on such Shares so that, on exercise of any Option in respect of which such a reduction shall have been made, the Directors shall capitalise such sum (if any) and apply the same in paying up such amount
- 9.3 Notice of any adjustments to an Option shall be given to the Option Holders by the Grantor who may call in Option Certificates for endorsement or replacement.
- 9.4 Any adjustment under this Rule 9 must meet the following requirements:
  - 9.4.1 no adjustment may result in the requirements of Schedule 4 to cease to be met in relation to an Option;
  - 9.4.2 the total Market Value of the Shares which may be acquired by the exercise of the Option is, immediately after the adjustment, substantially the same as it was immediately before the adjustment



9.4.3 the total price at which those Shares may be acquired is, immediately after the adjustment, substantially the same as it was immediately before the adjustment

and for the purposes of this provision, the Market Value of a share which is subject to a restriction is to be determined as if it were not subject to a restriction.

## **10 Data protection**

Any member of the Group may collect, hold, process and transfer the Option Holder's personal information including, sensitive personal data, as set out in the Option Holder's data protection privacy notice.

Any member of the Group may transfer personal data and sensitive personal data outside the European Economic Area in accordance with the Option Holder's data protection privacy notice.

## **11 Amendments**

11.1 The Plan shall be administered by the Directors.

11.2 The Directors may amend the Rules and the terms of an Option (and the applicable Option Certificate) from time to time subject to the following provisions of this Rule 11, provided that:

11.2.1 no amendment may be made that would cause the Plan to cease to be a "Schedule 4 CSOP scheme" within the meaning of paragraph 1(A1) of Schedule 4 and in respect of any amendment to a key feature of the Plan (being a provision that is necessary in order to meet the requirements of Schedule 4) the Company will make a declaration to HMRC in the next annual return relating to the Plan that the alteration has not caused the Plan to cease to meet the requirements of Schedule 4;

11.2.2 following the grant of an Option, the Exercise Price may only be amended in accordance with Rule 9; and

11.2.3 any other amendments to the Option must be carried out in a manner which is fair and reasonable.

## **12 Administration**

12.1 The decision of the Directors in relation to any dispute or question affecting any Option Holder or as to any rights or obligations of any person under this Plan or in relation to its construction or effect will be final and conclusive.

12.2 The Company may, but will not be obliged to, provide Eligible Employees or Option Holders with copies of any notices, circulars or other documents sent to shareholders of the Company.

## **13 General**

13.1 This Plan will commence upon the date the Plan is approved by the Directors (subject to an ordinary resolution of the Company in general meeting) and will terminate on the expiry of the period of ten years from such date. On termination no further Options may be granted but such termination will be without prejudice to any accrued rights in existence at that time.

- 13.2 The Company will at all times ensure that there are sufficient Shares available for issue or to be transferred in satisfaction of the exercise of all outstanding Options. The Grantor shall at all times:
- 13.2.1 keep sufficient issued Shares available; and/or
- 13.2.2 hold sufficient enforceable rights to subscribe for Shares, or to acquire issued Shares.
- 13.3 Notwithstanding any other provision of this Plan, the grant of an Option will not form part of the Option Holder's entitlement to remuneration or benefits pursuant to the Option Holder's contract of employment nor does the existence of a contract of employment between any person and any member of the Group give such person any right or entitlement to have an Option granted to that person in respect of any number of Shares or any expectation that an Option will or might be granted to him whether subject to any conditions or at all.
- 13.4 The rights and obligations of an Option Holder under the terms of the Option Holder's contract of employment with any member of the Group will not be affected by the grant of an Option
- 13.5 An Option Holder will not be entitled to any compensation or damages for any loss or potential loss which the Option Holder may suffer by reason of being or becoming unable to exercise an Option in consequence of the loss or termination of the Option Holder's office or employment with any member of the Group for any reason or for any other reason which may cause the Option to lapse (including, without limitation, any breach of contract by his employer) or in any other circumstances whatsoever
- 13.6 The value of any benefit realised under the Plan by Option Holders shall not be taken into account in determining any pension or similar entitlements.
- 13.7 The Option Holder shall have no rights to compensation or damages on account of any tax or NICs liability which arises or is increased in whole or part because of:
- 13.7.1 the limits contained in these Rules being exceeded
- 13.7.2 any decision made by HMRC that an Option does not meet the requirements of Schedule 4 and is therefore not an qualifying CSOP Option, and
- 13.7.3 any other action by the Directors and/or the Company
- 13.8 The Directors may at any time resolve to terminate this Plan in which event no further Options shall be granted, but the provisions of this Plan shall, in relation to Options then subsisting, continue in full force and effect.

## **14 Notices**

Any notice or other communication in connection with this Plan to be given to the Company shall be delivered or sent by post to its registered office or by any other written means which the Company and Eligible Employees use to communicate with each other and which the Company shall prescribe, and in all cases shall be effective upon receipt. Any notice or other communication to be given to any Option Holder or Eligible Employee in connection with this Plan shall be delivered to that individual's place of work or by email (if the individual is still an Eligible Employee) or sent through the post in a prepaid cover addressed to the individual at the address last known to the Company and if so sent, shall be deemed to have been duly given on the date of posting. Any document so sent to an Option Holder shall be deemed to

have been duly delivered, notwithstanding that the Option Holder is then deceased (and whether or not the Company has notice of the Option Holder's death), except where the legal personal representatives have established their title to the satisfaction of the Company and supplied to the Company an address to which documents are to be sent. Where the Grantor is not the Company, this Rule 14 shall apply so that references to the Company shall be taken to refer to the Grantor instead.

**15 Stamp duty**

Any stamp duty or stamp duty reserve tax payable in respect of a transfer of Shares to or at the direction of the Option Holder (other than stamp duty or stamp duty reserve tax payable on the sale of Shares by the Grantor at the direction of the Option Holder) shall be paid by the Company.

**16 Contracts (Rights of Third Parties) Act 1999**

Except as expressly provided by the Company, a person who is not an Option Holder or a company which is not a member of the Group has no right under the Contracts (Rights of Third Parties) Act 1999 to rely upon or enforce any provisions of this Plan, but this does not affect any right or remedy of a third party which exists or is available apart from that Act. No Option Holder may declare himself a trustee of his rights under this Plan for the benefit of any third parties.

**17 Governing law**

These Rules and any dispute or claim arising out of, or in connection with, them, their subject matter or formation shall be governed by, and construed in accordance with, the laws of England and Wales. The parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of, or in connection with, these Rules, their subject matter or formation.

2020

JOINT SHARE OWNERSHIP PLAN (JSOP) AGREEMENT



# NuCana plc

## Joint share ownership plan (JSOP) agreement

(1) Participant

and

(2) Company

and

(3) Trustee

THIS DEED is made on the [insert] day of [insert month] 20 [insert year]

## PARTIES

- (1) [insert name] of [address] (the **Participant**)
- (2) **NUCANA PLC** a company registered in England and Wales (with registered number 03308778)), whose registered office is at 77 78 Cannon Street, London, England, EC4N 6AF (the **Company**); and
- (3) [insert name of trustee], incorporated in [insert jurisdiction] with registered number [insert] and with a registered office situated at [insert address], as trustee (the **Trustee**) of the [insert name of trust].

## BACKGROUND

- A The Company wishes to incentivise certain executive directors and employees of the Group by allowing them to acquire interests in its shares and has made recommendations to the Trustee in relation to this. The Participant is an executive director or employee of the Group.
- B The Participant wishes to acquire a beneficial interest in [insert number] ordinary shares of £0.04 each in the Company, to be held by the Participant and the Trustee as tenants in common in undivided shares upon and subject to the terms of this Deed.

## Joint share ownership agreement

### 1 Definitions

- 1.1 For the purposes of this Deed the following expressions have the meanings set out below:

<b>Buy Notice</b>	a notice to be served on the Participant by the Trustee further to the exercise of the Trustee's Buy Right, being in such form as the Directors may decide;
<b>Buy Right</b>	the right of the Trustee to acquire the Participant's Interest from the Participant, which shall be exercisable in the circumstances as set out in clause 8;
<b>Control</b>	the meaning ascribed to it in section 995 of the Income Tax Act 2007 and derivative terms shall be construed accordingly;
<b>Deed Date</b>	the date on which this Deed has been entered into by all parties to it;

<b>Directors</b>	the board of directors of the Company from time to time or a duly authorised committee of such directors (including, but not limited to, the duly authorised remuneration committee of such directors);
<b>Eligible Employee</b>	means either: <ul style="list-style-type: none"> <li>(a) a director who is required, under the terms of his contract of employment, to devote substantially the whole of his working time to the business of the Group, or</li> <li>(b) an employee (other than a director) of any member of the Group;</li> </ul>
<b>Exercise Date</b>	the date on which an agreement to sell the Participant's Interest pursuant to the Buy Right or the Sell Right, as applicable, becomes unconditional, being such date as determined by the Trustee subject to this Deed;
<b>Group</b>	the Company and any Subsidiary of the Company or, where the context permits, any one or more of them and references to 'member of the Group' shall be construed accordingly;
<b>Market Value</b>	in respect of a Share on any date, an amount equal to the market value of a Share on that date within the meaning given in Part VIII of the Taxation of Chargeable Gains Act 1992;
<b>Participant's Cost</b>	£[insert value] [, being the amount paid by the Participant, in accordance with clause 2, in order to acquire the Participant's Interest which is an amount which the Directors consider to be the full 'unrestricted' market value (as defined in section 421 of the Income Tax (Earnings and Pensions) Act 2003) of the Participant's Interest on the Deed Date];
<b>Participant's Interest</b>	means on any given date, an undivided beneficial interest in the Shares which are subject to this Deed, being of such percentage as is equal to the Participant's Percentage;

<b>Participant's Percentage</b>	<p>is calculated, as a percentage, on any given date as follows:</p> $(1 - (\text{Threshold Value} \div \text{Relevant Date Value})),$ <p>but so that if Relevant Date Value is less than Threshold Value then for the purposes of this calculation it shall be treated as equal to Threshold Value;</p>
<b>Relevant Date</b>	means the Exercise Date or, where any of the Shares are sold other than pursuant to the Buy Right or the Sell Right, the date of such sale, or such other date on which the Participant's Interest is otherwise being quantified;
<b>Relevant Date Value</b>	the Market Value of a Share at the Relevant Date.
<b>Rights Issue</b>	in respect of any Shares, a conferment of rights on existing shareholders of the Company relating to shares or securities or rights of any description in the Company;
<b>Sell Notice</b>	the notice to be served on the Trustee by the Participant indicating the Participant's wish that the Sell Right be exercised, being in such form as the Directors may decide;
<b>Sell Right</b>	the right attaching to the Participant's Interest, which shall be exercisable in respect of the Participant's Interest in the circumstances as set out in this Deed;
<b>Shares</b>	<i>[insert number]</i> ordinary shares of £0.04 each in the capital of the Company which are jointly held by the Participant and the Trustee under the terms of this Deed and any other securities which are acquired as a result of holding them, provided that if the Sell Right or the Buy Right is exercised in respect of a proportion of the Participant's Interest and Shares are sold or transferred further to an agreement between the Trustee and the



	Participant in accordance with this Deed, an equivalent proportion of the Shares will immediately cease to be the subject of this Deed;
<b>Subscription Price</b>	£[ ], being the price paid by the Trustee and the Participant together for their interests in the Shares, in accordance with clause 2;
<b>Subsidiary</b>	has the meaning ascribed to it in section 1159 of the Companies Act 2006;
<b>Tax Liability</b>	any liability or obligation of a member of the Group to account to a tax authority for any amount of, or representing, income tax or social security contributions or other taxes or contributions which are payable in respect of the Participant's Interest or which may arise in connection with the Participant's Interest;
<b>Threshold Value</b>	[£[insert value] OR the Market Value of a Share at the Deed Date];
<b>Trust</b>	the [ <i>insert name of Employee Benefit Trust</i> ] established by the execution of a trust deed dated [ <i>insert date</i> ] between the Company and the Trustee;
<b>Trustee's Interest</b>	means on any given date, an undivided beneficial interest in the Shares which are subject to this Deed, being of such percentage as is equal to the Trustee's Percentage;
<b>Trustee's Percentage</b>	is calculated, in relation to the Shares, as a percentage, on any given date according to the following formula:  100 – Participant's Percentage;
<b>Variation</b>	any variation in the share capital of the Company arising from any reduction, subdivision or consolidation of capital or issue of shares by way of capitalisation of profits or reserves or by way of rights, or any other variation of share capital of the Company or a demerger (in whatever form), a distribution in

specie or a special dividend;

**Vested**

has the meaning ascribed to it in clause 1.2;

**Vesting Date**

means the date of expiry of the Vesting Period; and

**Vesting Period**

the period which must elapse before the Participant's Interest is capable of Vesting, being the period which ends on [*the [XX] anniversary of the Deed Date*].

- 1.2 For the purposes of this Deed, all or part of a Participant's Interest shall be treated as **'Vested'** provided the Participant is an Eligible Employee on the Vesting Date. **'Vesting'**, **'Vests'** and **'Vest'** shall be construed accordingly.
- 1.3 In this Deed, wherever the context so admits or requires, the singular shall include the plural and vice versa and masculine will include feminine.
- 1.4 References to any party in this Deed shall include that party's personal representatives, successors and permitted assigns.
- 1.5 Headings in this Deed are for ease of reference and shall not affect the construction of this Deed.
- 1.6 Any reference to a statutory provision in this Deed will be deemed to include that provision as it may from time to time be consolidated, amended or re-enacted, and will include a reference to any subordinate legislation or regulation created under it.

**2 Acquisition of beneficial interest in Shares**

- 2.1 In consideration of the Trustee and the Participant paying the Subscription Price to the Company, the Company agrees to issue and allot the Shares to the Trustee, which shall hold the Shares on behalf of the Trustee and the Participant on the terms set out in this Deed.
- 2.2 The Trustee will pay the Subscription Price to the Company on behalf of itself and the Participant. The Subscription Price comprises:
- 2.2.1 the Participant's Cost, which the Participant agrees to pay in order to acquire the Participant's Interest, free from all burdens, and which the Participant has paid to the Trustee (receipt of which is hereby acknowledged) in order to fund the Participant's part of the Subscription Price; and
- 2.2.2 the balance of the Subscription Price, which the Trustee agrees to pay in order to acquire the Trustee's Interest.

### **3 Legal title and beneficial interest in the Shares**

- 3.1 The Trustee and the Participant agree that legal title to the Shares shall be, and shall remain, vested in the Trustee, subject to and in accordance with the provisions of this Deed.
- 3.2 The Trustee shall hold the Shares on trust for itself and the Participant according to their respective interests in the Shares as tenants in common in undivided shares.
- 3.3 The beneficial interest of each of the Trustee and the Participant in the Shares shall exist in the whole of each Share and is not and shall not give sole beneficial ownership of any particular Share comprised in that joint holding. If on any occasion all or any of the Shares are sold by the Trustee (and any such decision to sell the Shares, other than pursuant to the Buy Right or the Sell Right, must be by prior agreement of the Trustee and the Participant, with the prior consent of the Company), the proceeds of sale of the Shares shall be distributed between the Trustee and the Participant by reference to the Participant's Percentage and the Trustee's Percentage, respectively, as calculated on the date of such sale.
- 3.4 The Shares shall be held subject to any dealing restrictions set out in the Company's share dealing code, or otherwise imposed by statute, order, regulation or government directive, and subject to the constitutional documents of the Company.

### **4 Non-transferability**

The Trustee and the Participant agree that they may only deal with the Shares on the terms permitted under this Deed and that, save as is permitted under this Deed, no interest in the Shares shall be assigned, disposed of, dealt in, created, transferred, or otherwise burdened without their prior agreement (in the case of the Trustee, with the prior consent of the Company), except that the Participant's Interest will be transferred to the Participant's personal representative(s) on his death. The Participant's Interest is personal to the Participant.

### **5 Voting and dividends**

- 5.1 In the event that any dividend is paid on the Shares, the Participant shall be entitled to receive an amount which is equal to the dividend per Share multiplied by the number of Shares which reflect the Participant's Interest, as calculated on the date that the dividend is declared (which shall be the Relevant Date for the purposes of this clause). The Participant shall be paid such entitlement in cash within 14 days of actual receipt of the dividend payment.
- 5.2 The Participant may instruct the Trustee to vote in accordance with his wishes on the number of Shares which reflect the Participant's Interest at that time. However, the Trustee shall be under no obligation to cast votes unless the Trustee has received clear, written instructions in a form prescribed by the Trustee, from the Participant, not less than five business days (or such other period as the Trustee may agree from time to time) before the

date of the relevant meeting of shareholders. The Trustee shall be entitled to vote by proxy and shall be under no obligation to attend a meeting of the Company's shareholders.

## **6 Exercise and lapse of Sell Right**

- 6.1 As soon as practicable after the end of the Vesting Period the Directors shall determine the extent to which the Participant's Interest has Vested in accordance with clause 1.2. Following such determination, the Directors shall notify the Participant and the Trustee of the proportion of the Participant's Interest which has Vested.
- 6.2 Subject to the rest of this clause 6 and clauses 7 and 8 below, the Trustee hereby grants the Participant the Sell Right, which may be exercised by the Participant from the date on which all or part of the Participant's Interest Vests. The Sell Right may only be exercised once in respect of any Vested part of the Participant's Interest. If the Sell Right is exercised, it shall have the effect of requiring the Trustee to join with the Participant, as soon as reasonably practicable, in selling all or any of the Shares which are subject to the Sell Notice in the market at the best price which can reasonably be obtained for those Shares. In order to exercise the Sell Right, the Participant must return a Sell Notice to the Trustee.
- 6.3 Subject to clauses 12 and 6.5, as soon as reasonably practicable following receipt of the Sell Notice, the Trustee shall arrange to sell the Shares which are the subject of the Sell Notice. All proceeds resulting from such sale shall be divided between the Participant and the Trustee in proportion to the Participant's Interest and the Trustee's Interest in those Shares on the Relevant Date.
- 6.4 The Sell Right shall lapse without becoming exercisable:
- 6.4.1 in respect of all of the Participant's Interest that has Vested, in the event that no Sell Notice in respect of that Participant's Interest has been received by the Trustee from the Participant (or following his death, from his personal representative(s)) before the end of 12 months (or such longer period as the Directors may determine) from the date on which the Participant ceases to be an Eligible Employee;
  - 6.4.2 in respect of the Participant's Interest to the extent it has not Vested prior to the Participant ceasing to be an Eligible Employee, immediately on such cessation;
  - 6.4.3 in respect of all of the Participant's Interest where the Participant ceases to be an Eligible Employee due to summary dismissal/termination for fraud or gross misconduct, immediately on such cessation;
  - 6.4.4 in respect of all of the Participant's Interest, where so specified under clause 7 (Corporate Events); or
  - 6.4.5 in respect of all of the Participant's Interest in the event that the Participant is adjudicated bankrupt or a bankruptcy order is made against him pursuant to Chapter I of Part IX of the Insolvency Act 1986.

- 6.5 The Sell Right shall not be exercisable unless such exercise would be in compliance with the Company's share dealing code and any other relevant regulation or enactment to which the Company and/or the Trustee is subject.

## **7 Corporate events**

- 7.1 Subject to clause 7.2 below, in the event that:

- 7.1.1 a general offer is made to acquire all of the issued ordinary share capital of the Company (or such part of it as is not at the time owned by the offeror or any company controlled by the offeror or any person acting in concert with the offeror) and, after the announcement of the general offer, the offeror (and any such company or person) acquires Control of the Company;
- 7.1.2 a general offer is made to acquire all of the issued share capital of the Company (or such part of it as is not at the time owned by the offeror or any company controlled by the offeror or any person acting in concert with the offeror) which is of the same class as the Shares and, after the announcement of the general offer, the offeror (and any such company or person) acquires Control of the Company;
- 7.1.3 any person becomes entitled or bound to acquire Shares under sections 974 to 991 (inclusive) of the Companies Act 2006 (or would be so entitled but for the fact that there were no dissenting shareholders); or
- 7.1.4 the shareholders of the Company pass a resolution approving a scheme of arrangement or compromise between the Company and its shareholders under Part 26 of the Companies Act 2006 under which any person would obtain Control of the Company,

the Sell Right shall not be exercisable and shall lapse in respect of the whole of the Participant's Interest, and the Trustee's Buy Right shall be exercisable in accordance with clause 8 below.

- 7.2 If the Directors consider that the purpose of the event referred to in clause 7.1 is to establish a holding company of the Company with substantially the same shareholders (with the same proportionate shareholdings) as the shareholders of the Company immediately before the scheme of arrangement or compromise, they may determine, subject to the consent of the new holding company, that the Sell Right shall not lapse under clause 7.1 above and that the Trustee and the Participant may enter into a new Deed over shares in the new holding company on equivalent terms as set out in this Deed and in place of this Deed. If no agreement is reached for the parties to enter into a new Deed under this clause 7.2, the Sell Right shall not be exercisable and shall lapse in respect of the whole of the Participant's Interest and the Trustee's Buy Right shall be exercisable in accordance with clause 8 below.
- 7.3 If notice is duly given of a general meeting at which a resolution will be proposed for the voluntary winding-up of the Company, the Sell Right shall not be exercisable and shall lapse

in respect of the whole of the Participant's Interest, and the Trustee's Buy Right shall be exercisable in accordance with clause 8 below.

## **8 Trustee's Buy Right**

- 8.1 The Participant hereby grants the Trustee the Buy Right, which entitles the Trustee to acquire any part of the Participant's Interest in circumstances where the Sell Right in relation to that part of the Participant's Interest has lapsed. The price payable by the Trustee in exercise of the Buy Right is determined in accordance with the remainder of this clause 8 and shall be paid by the Trustee to the Participant as soon as practicable following exercise of the Buy Right.
- 8.2 If the Sell Right has lapsed under any of clauses 6.4.2, 6.4.3 or 6.4.5 above, the Trustee may exercise the Buy Right for a cash amount equal to the Participant's Cost plus any tax paid by the Participant as a result of acquiring the Participant's Interest. Where the Sell Right has lapsed in relation to only a portion of the Participant's Interest, this cash amount payable shall be subject to a pro-rata reduction to reflect the proportion of the Participant's Interest which is being acquired under the Buy Right.
- 8.3 If the Sell Right has lapsed under clauses 6.4.1, 6.4.4 or under clause 7, the Trustee may exercise the Buy Right for a cash amount per Share which reflects the Participant's Interest in the Market Value of a Share on the Relevant Date, provided that, if the Sell Right had lapsed as the result of a corporate event under clause 7, the cash amount may be subject to pro-rata reduction applied by and at the discretion of the Directors (and as notified to the Trustee) which shall also take into account the proportion of the Vesting Period that has elapsed at the date of the relevant corporate event.
- 8.4 The Trustee shall exercise the Trustee's Buy Right only after having received notification from the Company that the Sell Right has lapsed, which notification shall be given in writing, as soon as practicable following the Sell Right having lapsed and shall include confirmation that the Trustee's Buy Right may validly be exercised in accordance with this Deed.
- 8.5 Following the exercise of the Trustee's Buy Right, the Trustee shall serve a Buy Notice on the Participant confirming that the Trustee's Buy Right has been exercised and the relevant Exercise Date and the Participant's Interest shall be transferred to the Trustee on the Exercise Date, subject to this Deed.
- 8.6 The Buy Right shall not be exercisable unless such exercise would be in compliance the Company's share dealing code and any other relevant regulation or enactment to which the Company and/or the Trustee is subject.

## **9 Alteration of share capital**

- 9.1 Subject to clause 9.2 below, upon the occurrence of any Variation, any new Shares which are allocated to the Trustee and a Participant shall be added to and be held on the same terms as the Shares held by the Trustee and the Participant under this Deed.

- 9.2 In the event of a Rights Issue, the Trustee and a Participant shall sell sufficient of the rights (nil paid) to fund the exercise of the balance of such rights and such additional Shares acquired pursuant to this clause 9.2 shall accrue and be added to and be held on the same terms as the Shares held by the Trustee and such Participant under this Deed.
- 9.3 On the occurrence of a Rights Issue or any such other Variation, the formula for determining a Participant's Percentage may be adjusted in such manner as the Directors determine is fair and reasonable and, except in relation to a capitalisation issue, upon the written confirmation of the auditors of the Company (acting only as experts and not arbitrators) that in their opinion, such adjustment is fair and reasonable and in such manner that a Participant will not receive a benefit that a Company shareholder does not receive.
- 9.4 For the purposes of any new or additional shares allocated to or acquired by the Trustee and a Participant pursuant to this clause 9, references in this Deed to Shares shall after that date be taken to include those new or additional shares.

## **10 Power of attorney**

The Participant hereby irrevocably appoints any director of the Company to be the Participant's lawful attorney for the purpose of signing all such documents and doing all such things as may, in the Directors' reasonable opinion, be to the advantage, or for the benefit, of the Participant in respect of any term or terms of this Deed as amended from time to time (including, for the avoidance of doubt, the acquisition of the Participant's Interest). The Company will inform the Participant in writing of the acts that have been performed by the relevant director acting as attorney of the Participant. This power of attorney is given by way of security for the performance of the Participant's obligations set out in this Deed and is irrevocable in accordance with section 4 of the Powers of Attorney Act 1971 as enacted under English law.

## **11 Amending this Deed**

The Company and the Participant may at any time, and by execution of a deed, alter or add to any of the provisions of this Deed, but no alteration shall be made which would, if carried out, involve the Trustee in a new or additional obligation or liability, or which would otherwise adversely affect the Trustee's position under this Deed, without the prior agreement of the Trustee.

## **12 Taxation**

- 12.1 The Participant hereby unconditionally and irrevocably agrees, to the extent lawful, to:
- 12.1.1 pay to the relevant member of the Group, within 14 days of being notified by the relevant member of the Group of the amount due, an amount equal to the Tax Liability;
  - 12.1.2 permit any member of the Group to deduct from any amount owed to the Participant an amount equal to the Tax Liability;

- 12.1.3 permit the Trustee to deduct out of the proceeds of disposal, transfer or realisation of any of Shares subject to this Deed, or such other cash amounts owed to the Participant, and to pay to the relevant member of the Group on behalf of the Participant, a sum sufficient to satisfy any obligation of the Participant under this clause 12; and
  - 12.1.4 permit the Trustee (acting subject to this Deed at the request of the Company) to sell in the market such number of the Shares as shall enable the Trustee to deduct and pay over to the relevant member of the Group a sum sufficient to satisfy any obligation of the Participant to make good to the relevant member of the Group the amount of any Tax Liability.
- 12.2 As a condition of this Deed, the Participant agrees to enter into a joint election with his employer under section 431 of the Income Tax (Earnings and Pensions) Act 2003 in relation to his acquisition of the Participant's Interest and that he will enter into such election within 14 days of the date of this Deed. The Participant further agrees to enter into such an election in relation to any further securities acquired pursuant to this Deed, and that he will do so within 14 days of acquiring such securities.

### **13 Relationship with employment**

- 13.1 The Participant hereby agrees that any benefit afforded to him on entering into this Deed shall not form part of his entitlement to remuneration or benefits pursuant to his contract of employment with any member of the Group and the rights and obligations of the Participant under the terms of his contract of employment with any member of the Group shall not be affected by the Participant having entered into this Deed.
- 13.2 The Participant hereby agrees that he shall not be entitled to any, or any additional, damages or compensation for any loss of benefit under this Deed, being a loss arising in consequence of the Participant ceasing to hold employment with any member of the Group for any reason whatsoever (including, without limitation, any breach of contract by his employer).

### **14 Data protection**

Any member of the Group may collect, hold, process and transfer the Participant's personal information including, sensitive personal data, as set out in the Participant's data protection privacy notice.

Any member of the Group may transfer personal data and sensitive personal data outside the European Economic Area in accordance with the Participant's data protection privacy notice.



## **15 General**

- 15.1 The decision of the Directors in relation to any dispute or question affecting the Participant or as to any rights or obligations of any person under this Deed or in relation to the construction or effect of any provision of this Deed shall be final and conclusive.
- 15.2 The Company shall pay or procure that the Trustee pays any stamp duty (or similar tax), if any, on the transfer of Shares.
- 15.3 Benefits received under this Deed are not pensionable in any circumstances.
- 15.4 Any notice or other document which the Company or Trustee is required or may desire to give to the Participant pursuant to this Deed shall be sufficiently given if delivered to him at his place of work or by electronic mail or sent through the post in a first class prepaid cover addressed to the Participant at his address last known to the Company or the Trustee as applicable and if so sent shall be deemed to have been duly received 48 hours after posting. Any document so sent to a Participant shall be deemed to have been duly delivered notwithstanding that he is then deceased (and whether or not the Company has notice of his death) except where his legal personal representatives have established their title to the satisfaction of the Company or Trustee as applicable and supplied an address to which documents are to be sent.

## **16 Governing law**

This Deed and any dispute or claim arising out of, or in connection with, it, its subject matter or formation shall be governed by, and construed in accordance with, the laws of England and Wales. The parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of, or in connection with, this Deed, its subject matter or formation.

## **17 Contracts (Rights of Third Parties) Act 1999**

Except as expressly provided by the Company, a person who is not a Participant or a company who is not a member of the Group has no right under the Contracts (Rights of Third Parties) Act 1999 to rely upon or enforce any provisions of this Deed, but this does not affect any right or remedy of a third party which exists or is available apart from that Act. The Participant may not declare himself a trustee of his rights under this Deed for the benefit of any third parties.

## **18 Execution in counterpart**

This Deed may be executed in counterparts each of which shall be deemed to be an original of this Deed.

IN WITNESS of which this Deed has been executed and delivered on the date first written above.

<b>EXECUTED AS A DEED by</b>	
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[ <b><i>NAME OF EMPLOYEE</i></b> ]	
	<p>.....</p> <p>.....</p> <p>(Witness's signature)</p> <p>.....</p> <p>(Witness's name)</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>(Witness's address)</p>
<b>EXECUTED AS A DEED</b> by <b>NUCANA PLC</b> acting by	<p>.....</p>
	Director <p>.....</p> Director/Company Secretary
<b>EXECUTED AS A DEED</b> by [ <b><i>INSERT NAME OF TRUSTEE</i></b> ] in its capacity as Trustee of the [ <b><i>insert name of Trust</i></b> ] acting by	<p>.....</p>
	Authorised Signatory <p>.....</p> Authorised Signatory