

THIS AGREEMENT is made the << >> day of << >> and year << >>

PARTIES

(1) <<Name>> of <<Address>>

(2) <<Name>> of <<Address>>

RECITAL

<< >> Limited (“the Company”) is incorporated in England under No. << >> having a share capital of £<< >> consisting of << >> ordinary shares of << >> each (“Ordinary Shares”) which are held

Name of Shareholder

<< >>

y Shares

IT IS AGREED AS FOLLOWS

1. Interpretation

1.1 In this Agreement:

“Option”

pursuant to sub-Clause 2.1;

“Option Period”

or termination in accordance with
period commencing on the date
>>; and

“Option Shares”

Shares fully paid in the capital of
y owned by and registered in the

2. Option

2.1 In consideration of
acknowledged by t
exercisable at any
Shares for a total
terms and subject to

by the Grantee (receipt of which is
or grants to the Grantee the right
n Period to purchase the Option
>> (“the Option Price”) upon the
agreement.

- 2.2 The Option shall be subject of all (but not part only) of the Option Shares.
- 2.3 The parties shall be sale and purchase of the Option Shares seven days of the notice of exercise (or on the next succeeding business day which would otherwise fall on a day other than a business day with Clause 3.
3. **Completion**
- 3.1 Completion of the Option shall be at the offices of the Company or at such other place as the parties may agree not later than 3.00 pm on the relevant day which shall be subject to the following conditions:
- 3.1.1 duly executed transfer of the Option Shares accompanied by the relative share certificate;
- 3.1.2 waiver of any pre-emption, duly signed by all the members of the Company;
- 3.1.3 such other documents as may be necessary to transfer to the Grantee (including but not limited to) the unencumbered beneficial ownership of the Option Shares;
- and the Grantee shall provide to the Grantor a banker's draft for £<< >> in respect of the Option Shares.
- 3.2 The Grantor shall (i) procure that upon presentation of the stamped transfer of the Option Shares to the Company together with the documents referred to in 3.1.1, 3.1.2 and 3.1.3, the transfer is approved and the Grantee shall be registered as the holder of the Option Shares.
4. **Grantee's Rights**
- 4.1 All rights attached to the Option Shares from the date of service of the notice of exercise of the Option, the Grantee shall be entitled to all other distributions of the Company's Shares by reference to the Option Shares from the date of service and shall enjoy the same rights as the Grantee.
- 4.2 The Grantor shall if necessary renounce in favour of the Grantee any rights which may be issued by the Company in respect of the Option Shares or the Shares.
5. **Grantor's Warranties and Representations**
- 5.1 The Grantor warrants that he is and will remain until the exercise or expiry of the Option the beneficial owner of the Option Shares, and shall have full power and authority to grant the Option in accordance with the terms and conditions of this Agreement.
- 5.2 Except as permitted in the Agreement, the Grantor shall not prior to the exercise or expiry of the Option dispose of, charge, pledge or

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encumber in any way the Option Shares shall upon transfer be free of any liens, charges or encumbrances.

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- 5.3 In the event of a transfer of the Option Shares by the Company such that the number of the Option Shares transferred is less than the number of the Option Shares owned by the Grantor, the Grantor shall procure that the transferee shall be bound by the obligations of the Grantor under this Agreement.

any of his ordinary shares in the Company shall not continue to hold following the transfer of his obligations hereunder, the transferee of such shares executes a deed of assignment whereby he is bound by the obligations of the Grantor under this Agreement.

6. Restructuring, Sale or Liquidation

- 6.1 In the event of any restructuring, sale or liquidation of the Company during the Option Period by way of a reduction of capital or any consolidation or division of the Company, the number of the Option Shares owned by the Grantor and the number of the Option Shares outstanding shall be adjusted in such manner (if any) as the auditors for the Company shall certify in writing to be fair and reasonable.

restructure of the Company during the Option Period by way of a reduction of profits or reserves, a reduction of the capital or any consolidation or division of shares, the Option Price and/or the Option Shares shall be adjusted in such manner (if any) as the auditors for the Company shall certify in writing to be fair and reasonable.

- 6.2 The Grantor undertakes to ensure that if an offer being made to all of the members of the Company (save for the Option Shares) (or held to the order of the offeror) in so far as he is able to procure that the Grantee shall be granted hereunder the opportunity to exercise the Option granted hereunder; provided that if such offer is accepted; provided that if such offer becomes or is declared to be the exercise of the Option then the Option shall cease and the Grantee shall have no further rights to acquire the Option Shares.

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- 6.3 The Grantor undertakes to ensure that the Grantee shall have the opportunity to exercise the Option before the shares are listed on the London Stock Exchange or the Alternative Investment Market of such stock exchange; provided that on the occurrence of such event the Option shall cease and the Grantee shall have no further rights to acquire the Option Shares.

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7. Miscellaneous

- 7.1 This Agreement shall be binding on the parties and their successors and assigns (whether or not they may be) but, except as expressly provided above, no part of this Agreement may be assigned or transferred.

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- 7.2 Any notice required by this Agreement may be sent by post to the addressee set out in this Agreement or to such other address as the parties may from time to time have notified in writing. Notices sent by post shall be deemed to have been received on the day of posting. In proving service by post it shall only be necessary to show that the communication was contained in an envelope which was properly addressed and posted in accordance with this clause.

the parties under this agreement shall be the parties set out in this Agreement or to such other address as the parties may from time to time have notified in writing. Notices sent by post shall be deemed to have been received on the day of posting. In proving service by post it shall only be necessary to show that the communication was contained in an envelope which was properly addressed and posted in accordance with this clause.

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7.3 This Agreement (including any non-contractual matters and obligations arising therefrom or associated therewith) shall fall within the scope of the law of England and Wales. Any dispute, controversy, claim or proceedings or claim relating to this Agreement (including any non-contractual matters and obligations arising therefrom or associated therewith) shall fall within the jurisdiction of the courts of England and Wales.

IN WITNESS WHEREOF the Parties have signed this Agreement the day and year first above written

SIGNED for and on behalf of the Company
<<Name>>

SIGNED by the Grantee
<<Name>>

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