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UNITED STATES
 SECURITIES AND EXCHANGE COMMISSION
 WASHINGTON, D.C. 20549

FORM S-8

REGISTRATION STATEMENT UNDER
 THE SECURITIES ACT OF 1933

AMDOCS LIMITED
 (Exact name of registrant as specified in its charter)

ISLAND OF GUERNSEY
 (State or other jurisdiction of
 incorporation or organization)

NOT APPLICABLE
 (I.R.S. Employer
 Identification No.)

SUITE 5, TOWER HILL HOUSE LE BORDAGE
 ST. PETER PORT, ISLAND OF GUERNSEY, GY1 3QT CHANNEL ISLANDS
 (Address of registrant's principal executive offices)

CRAMER SYSTEMS GROUP LIMITED Y SHARE SCHEME
 CRAMER SYSTEMS GROUP LIMITED ENTERPRISE MANAGEMENT INCENTIVES SCHEME
 (Full Title of the Plan)

AMDOCS, INC.
 1390 TIMBERLAKE MANOR PARKWAY, CHESTERFIELD, MISSOURI 63017
 ATTENTION: THOMAS G. O'BRIEN, TREASURER
 (Name and address of agent for service)

(314) 212-8328
 (Telephone Number, Including Area Code, of Agent For Service)

THE COMMISSION IS REQUESTED TO SEND COPIES OF ALL COMMUNICATIONS TO:

ROBERT A. SCHWED, ESQ.
 WILMER CUTLER PICKERING HALE AND DORR LLP
 399 PARK AVENUE
 NEW YORK, NEW YORK 10022
 (212) 937-7200

CALCULATION OF REGISTRATION FEE

Title of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Ordinary Shares, L0.01 par value.....	252,261 Ordinary Shares	\$1.76 - \$11.64 (2)	\$4,558,282 (2)	\$488

(1) Consists of (i) 162,486 Ordinary Shares, par value L0.01, of Amdocs Limited (the "Registrant") issuable under the Cramer Systems Group Limited ("Cramer") Enterprise Management Incentives Scheme, and (ii) 89,775 Ordinary Shares of the Registrant issuable under the Cramer Y Share Scheme.

Pursuant and subject to the terms of the Share Sale and Purchase Agreement relating to Cramer, dated July 18, 2006, by and among the Registrant, Amdocs Astrum Limited and certain shareholders of Cramer, as amended (the "Agreement"), the Registrant assumed the Cramer Enterprise Management Incentives Scheme, and the Cramer Y Share Scheme, and intends to grant replacement awards or options under those plans to certain Cramer employees who continued to be employed by the Registrant following the acquisition, each with appropriate adjustments to the number of shares and exercise price of each option or award. Pursuant to Rule 416 of the Securities Act, this Registration Statement shall also cover any additional Ordinary Shares that become issuable under the plan being registered pursuant to this Registration Statement by reason of any stock dividend, stock split, recapitalization or any other similar transaction effected without the receipt of consideration that results in an increase in the number of the Registrant's outstanding Ordinary Shares.

- (2) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(h) of the Securities Act of 1933, as amended. The price per share and aggregate offering price are calculated on the basis of (a) \$6.50 the weighted-average exercise price of the 162,486 Ordinary Shares subject to replacement option grants under the Cramer Enterprise Management Incentives Scheme, at prices ranging from \$1.76 to \$11.64, and (b) \$39.01, the average of the high and low sale prices of the Ordinary Shares of the Registrant on the New York Stock Exchange on September 22, 2006, in accordance with Rule 457(c) of the Securities Act of 1933, as amended, for the aggregate 89,775 shares issuable under the Cramer Y Share Scheme.

EXPLANATORY NOTE

This Registration Statement on Form S-8 is being filed to register Ordinary Shares of Amdocs Limited (the "Registrant") issuable pursuant to the Cramer Systems Group Limited ("Cramer") Enterprise Management Incentives Scheme (the "EMI Scheme") and the Cramer Y Share Scheme (the "Y Scheme" and collectively with the EMI Scheme, the "Plans"). On August 14, 2006, a subsidiary of the Registrant completed its acquisition of all the shares of capital stock of Cramer on the terms and conditions set forth in the Share Sale and Purchase Agreement relating to Cramer, dated July 18, 2006, by and among the Registrant, Amdocs Astrum Limited and certain shareholders of Cramer, as amended (the "Agreement"). Pursuant to the Agreement, among other things Cramer became an indirect wholly owned subsidiary of the Registrant, and the Registrant assumed the Plans.

PART I

INFORMATION REQUIRED IN THE SECTION 10(A) PROSPECTUS

ITEM 1. PLAN INFORMATION

The information required by Item 1 is included in documents sent or provided to participants in the Plans covered by this Registration Statement pursuant to Rule 428(b)(1) of the Securities Act of 1933, as amended (the "Securities Act").

ITEM 2. REGISTRANT INFORMATION AND EMPLOYEE PLAN ANNUAL INFORMATION.

The written statement required by Item 2 is included in documents sent or provided to participants in the Plans covered by this Registration Statement pursuant to Rule 428(b)(1) of the Securities Act.

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

ITEM 3. INCORPORATION OF DOCUMENTS BY REFERENCE

The Registrant is subject to the informational and reporting requirements of Sections 13(a), 14, and 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports and other information with the Securities and Exchange Commission (the "Commission"). The following documents, which are on file with the Commission, are incorporated in this registration statement by reference:

(a) The Registrant's latest annual report filed pursuant to Section 13(a) or 15(d) of the Exchange Act or the latest prospectus filed pursuant to Rule 424(b) under the Securities Act that contains audited financial statements for the Registrant's latest fiscal year for which such statements have been filed.

(b) All other reports filed pursuant to Section 13(a) or 15(d) of the Exchange Act since the end of the fiscal year covered by the document referred to in (a) above.

(c) The description of the Registrant's Ordinary Shares contained in the Registrant's Registration Statement on Form 8-A as filed with the Commission on June 17, 1998, including any amendment or report filed for updating such description.

All documents subsequently filed by the Registrant pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act, prior to the filing of a post-effective amendment which indicates that all securities offered hereby have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference in this registration statement and to be part hereof from the date of the filing of such documents. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this registration statement to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this registration statement.

ITEM 4. DESCRIPTION OF SECURITIES.

Not applicable.

ITEM 5. INTERESTS OF NAMED EXPERTS AND COUNSEL.

Not applicable.

ITEM 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Guernsey law permits a company's articles of association to provide for the indemnification of officers and directors except to the extent that such a provision may be held by the courts of Guernsey to be contrary to public policy (for instance, for purporting to provide indemnification against the consequences of committing a crime) and except to the extent that Guernsey law prohibits the indemnification of any director against any specific provisions of Guernsey Company law under which personal liability may be imposed or incurred.

Under the Registrant's Articles of Association, the Registrant is obligated to indemnify any person who is made or threatened to be made a party to a legal or administrative proceeding by virtue of being a director, officer or agent of the Registrant, provided that it has no such obligation to indemnify any such persons for any claims they incur or sustain by or through their own willful act or default.

The Registrant has entered into an indemnity agreement with its directors and some of its officers, under which it has agreed to pay the indemnified party the amount of Loss (as defined therein) suffered by that party due to claims made against that party for a Wrongful Act (as defined therein).

ITEM 7. EXEMPTION FROM REGISTRATION CLAIMED.

Not applicable.

ITEM 8. EXHIBITS.

The Exhibit Index immediately preceding the exhibits is incorporated herein by reference.

ITEM 9. UNDERTAKINGS.

1. Item 512(a) of Regulation S-K. The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

- (i) To include any prospectus required by Section 10(a)(3) of the Securities Act;
- (ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement; and
- (iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

provided, however, that paragraphs (i) and (ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the Registrant pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

2. Item 512(b) of Regulation S-K. The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

3. Item 512(h) of Regulation S-K. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of New York, State of New York, on this 27th day of September, 2006.

AMDOCS LIMITED

By: /s/ Thomas G. O'Brien

Thomas G. O'Brien
Treasurer and Secretary
Authorized U.S. Representative

POWER OF ATTORNEY AND SIGNATURES

We, the undersigned officers and directors of Amdocs Limited, hereby severally constitute Bruce K. Anderson and Thomas G. O'Brien, and each of them singly, our true and lawful attorneys with full power to them, and each of them singly, to sign for us and in our names in the capacities indicated below, the Registration Statement on Form S-8 filed herewith and any and all subsequent amendments to said Registration Statement, and generally to do all such things in our names and behalf in our capacities as officers and directors to enable Amdocs Limited to comply with all requirements of the Securities and Exchange Commission, hereby ratifying and confirming our signatures as they may be signed by said attorneys, or any of them, to said Registration Statement and any and all amendments thereto.

Pursuant to the requirements of the Securities Act, this Registration Statement has been signed below by the following persons in the capacities and on the dates indicated.

Signature

Title

Date

/s/ Bruce K. Anderson Chairman of the Board September 27, 2006

Bruce K. Anderson

/s/ Dov Baharav Director and Principal Executive Officer September 27, 2006

Dov Baharav

/s/ Ron Moskovitz Principal Financial and Accounting Officer September 27, 2006

Ron Moskovitz

Robert A. Minicucci Director September 27, 2006

Robert A. Minicucci

/s/ Adrian Gardner Director September 27, 2006

Adrian Gardner

/s/ Julian A. Brodsky Director September 27, 2006

Julian A. Brodsky

/s/ Charles E. Foster Director September 27, 2006

Charles E. Foster

/s/ Eli Gelman Director September 27, 2006

Eli Gelman

/s/ James S. Kahan Director September 27, 2006

James S. Kahan

/s/ Nehmeia Lemelbaum Director September 27, 2006

Nehmeia Lemelbaum

/s/ John T. McLennan Director September 27, 2006

John T. McLennan

/s/ Simon Olswang Director

Simon Olswang

September 27, 2006

/s/ Mario Segal Director

Mario Segal

September 27, 2006

EXHIBIT INDEX

Exhibit Number	Description
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5.1	Opinion of Carey Olsen.
23.1	Consent of Carey Olsen (included in Exhibit 5.1).
23.2	Consent of Ernst & Young LLP.
24.1	Power of Attorney (included on the signature page of this Registration Statement).
99.1	Enterprise Management Incentives Scheme of Cramer Systems Group Limited
99.2	Y Share Scheme of Cramer Systems Group Limited

[Letterhead of Carey Olsen]

Amdocs Limited
Tower Hill House
The Bordage
St. Peter Port
Guernsey

26 September 2006

Dear Sirs:

RE: REGISTRATION STATEMENT ON FORM S-8

The following opinion is furnished to you in connection with the filing by Amdocs Limited (the "Company") of its registration statement on Form S-8 (the "Registration Statement"), under the Securities Act of 1933, as amended, relating to the registration of 162,486 of its ordinary shares, L0.01 par value ("Ordinary Shares"), issuable upon the exercise of certain stock options issued pursuant to the Cramer Systems Group Limited ("Cramer") Enterprise Management Incentives Scheme (the "EMI Scheme") and 89,775 Ordinary Shares subject to awards pursuant to the Cramer Y Share Scheme (the "Y Scheme" and together with the EMI Scheme, the "Plans"), which plans were assumed by the Company in connection with its August 14, 2006 acquisition of Cramer.

In that connection, we have examined originals, or copies certified or otherwise identified to our satisfaction, of all such documents, corporate records and other instruments as we have deemed necessary or appropriate for the purposes of this opinion, including the Plans, Articles of Association and Memorandum of Association of the Company.

Based upon such examination, we are of opinion that:

1. The Company has been duly organized and validly exists as a corporation under the laws of Guernsey, Channel Islands.
2. When issued and sold upon the exercise of options granted or pursuant to awards made in accordance with the terms of the Plans as contemplated by the Registration Statement, each of the Shares will be validly issued, fully paid and non-assessable.

We express no opinion on any law other than the law of Guernsey as of the date hereof.

We hereby consent to the use of this opinion as an exhibit to the Registration Statement.

Yours faithfully,

/s/ Carey Olsen

Carey Olsen

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. _____) pertaining to the Enterprise Management Incentives Scheme and Y Share Scheme of Cramer Systems Group Limited, of our report dated November 3, 2005, with respect to the consolidated financial statements and schedule of Amdocs Limited, included in the Annual Report (Form 20-F) for the year ended September 30, 2005, filed with the Securities and Exchange Commission.

/s/ Ernst & Young LLP

New York, NY
September 27, 2006

CRAMER SYSTEMS GROUP LIMITED
ENTERPRISE MANAGEMENT INCENTIVES

("EMI")

SCHEME

SCHEME RULES

(ADOPTED BY THE DIRECTORS ON 6TH MARCH 2003)

ERNST & YOUNG LLP,
APEX PLAZA
READING
RG1 1YE

RULES OF THE CRAMER SYSTEMS GROUP LIMITED

ENTERPRISE MANAGEMENT INCENTIVES SCHEME

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RULES OF THE CRAMER SYSTEMS GROUP LIMITED
ENTERPRISE MANAGEMENT INCENTIVES SCHEME ("EMI")

1. DEFINITIONS AND INTERPRETATION

In this Scheme, the following words and expressions shall, where the context so permits, have the following meanings:

"ADMISSION"	The admission of the Shares to the Official List of the United Kingdom Listing Authority or the granting of permission for the Shares to be dealt in on the Alternative Investment Market or any other recognised investment exchange (as defined in Section 285 of the Financial Services and Markets Act 2000);
"AIM"	Means the Alternative Investment Market of the London Stock Exchange;
"THE AGREEMENT"	The agreement in writing granting an Option pursuant to this Scheme entered into by an Eligible Employee and the Grantor in such form as the Directors shall from time to time determine (and which in the case of an EMI Option complies with paragraph 40 of Schedule 14);
"ANY OTHER SCHEME"	Any scheme (other than this Scheme) adopted by the Company which provides for the acquisition of Shares by or on behalf of bona fide employees or former employees of the Company and/or any of its subsidiaries or any of such employees' or former employees' wives, husbands, widows, widowers, children or step children (under the age of 18);
"AUDITORS"	The auditors for the time being of the Company, or in the event of there being joint auditors such one of them as the Directors shall select;
"COMMITTED TIME"	The meaning given in paragraph 29 of Schedule 14;
"THE COMPANY"	Cramer Systems Group Limited registered in England under number 4075033;
"COMPANY LIMIT"	The limit specified in paragraph 11 of Schedule 14 from time to time;
"CONTRACTUAL NORMAL RETIREMENT DATE"	The date specified as such in the Optionholder's contract of employment.

"CONTROL" AND COGNATE EXPRESSIONS	The meaning given by section 840 of the Taxes Act;
"DATE OF GRANT"	The date on which an Option is granted as evidenced by the Agreement;
"DIRECTORS"	The Board of Directors for the time being of the Company or, if applicable, a duly authorised committee thereof;
"DISQUALIFYING EVENT"	An event specified in paragraphs 47 to 52 inclusive of Schedule 14 which causes an EMI Option to cease to satisfy the requirements of Schedule 14;
"ELIGIBLE EMPLOYEE"	An individual: <ul style="list-style-type: none"> (a) who is a bona fide employee of the Company or a Qualifying Subsidiary; (b) whose Committed Time is at least 25 hours per week, or, if less, 75% of his Working Time; and (c) who is not precluded from such participation by paragraphs 30 to 36 inclusive of Schedule 14 (no material interest);
"EMI OPTION"	An Option which is a qualifying option within the meaning given in paragraph 1 of Schedule 14;
"EMPLOYER COMPANY"	The Company or a Qualifying Subsidiary by reference to which the Committed Time requirement is met by the Eligible Employee;
"EMPLOYMENT"	Employment by the Company and/or any Qualifying Subsidiary of the Company and/or for the purposes of Rule 11 any Acquiring Company or a Company under the Control of an Acquiring Company;
"EXCLUDED PERSON"	Any member of the Company at the date of adoption of this Scheme and any persons connected with any of them or a company associated (within the meaning of respectively Sections 839 and 416 Taxes Act) with any of them;
"EXERCISE CONDITION"	A condition attaching to an Option in accordance with Rule 5;

"EXERCISE PRICE" The price determined by the Directors at which each Share subject to an Option may be acquired (subject to Rule 12 - Variation of Share Capital) and either:

- (a) specified at the Date of Grant; or
- (b) to be determined at a later date by reference to a formula specified at the Date of Grant,

provided that if Shares are to be subscribed, it may not be less than the nominal value of a Share;

"GRANTOR" The Company or such other person who grants an Option under this Scheme;

"GROUP COMPANY" The Company or any Qualifying Subsidiary of the Company;

"INDIVIDUAL LIMIT" The limit specified in paragraph 10 of Schedule 14;

"LISTING" The admission of any of the Company's ordinary share capital or the granting of permission for any of the Company's shares or any of the shares of any other Group Company to be dealt with on (a) the London Stock Exchange plc, or (b) any other market referred to in articles 68 and 69 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 (SI 2001/1335), or (c) on a national securities exchange in the United States of America, including for the avoidance of doubt, NASDAQ;

"THE LONDON STOCK EXCHANGE" London Stock Exchange plc or any of its successors;

"MARKET VALUE" On any day the market value of a Share determined in accordance with paragraphs 10 and 66 of Schedule 14;

"MODEL CODE" The Model Code for Securities Transactions by Directors of Listed Companies published by the United Kingdom Listing Authority;

"NASDAQ" The National Market System of the National Association of Securities Dealers Inc. Automated Quotation;

"NIC" Secondary Class 1 National Insurance Contributions chargeable under the Social Security Contributions and Benefits Act 1992;

"OPTION"	A right to acquire Shares pursuant to this Scheme;
"OPTIONHOLDER"	An Eligible Employee to whom an Option has been granted which has neither lapsed nor been surrendered or exercised;
"PERSONAL REPRESENTATIVES"	In relation to the Optionholder the legal personal representatives of the Optionholder (being either the executors of the Optionholder's will to whom a valid grant of probate has been made or if the Optionholder dies intestate the duly appointed administrator(s) of the Optionholder's estate) who have provided to the Directors satisfactory evidence of their appointment as such;
"QUALIFYING EXCHANGE OF SHARES"	The meaning given in paragraph 60 of Schedule 14;
"QUALIFYING SUBSIDIARY"	The meaning given in paragraph 15 of Schedule 14;
"RULES"	The rules of this Scheme as amended from time to time;
"SCHEDULE 14"	Schedule 14 to the Finance Act 2000 (as amended from time to time);
"THIS SCHEME"	The Cramer Systems Group Limited Enterprise Management Incentives Scheme, as amended from time to time;
"SHARES"	Fully paid "H" ordinary shares of 0.01P(one hundredth of one pence) each in the capital of the Company which are non-redeemable within the meaning of paragraph 38 of Schedule 14 and the expression "Share" shall be construed accordingly;
"TAXES ACT"	The Income and Corporation Taxes Act 1988;
"UNAPPROVED OPTION"	An Option which at the Date of Grant is not an EMI Option;
"UNITED KINGDOM LISTING AUTHORITY"	The Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000, including where the context so permits, any committee, employee, officer or servant to whom any function of the United Kingdom Listing Authority may for the time being be delegated;

- "VEST" Means in relation to an Option the crystallisation of an Optionholders right to exercise such Option (or part thereof), subject to the terms of their Agreement and Rules 5,6 and 7, (and "Vests" "Vesting" and "Vested" shall be construed accordingly);
- "WORKING TIME" The meaning given in paragraph 29 of Schedule 14.

The Interpretation Act 1978 shall apply hereto as it does to an Act of Parliament. Any reference to any statutory provision is to that provision as amended or re-enacted from time to time. Unless the context otherwise requires, words in the singular shall include the plural and vice versa, words importing the masculine gender shall include the feminine and vice versa and the headings set out below are for guidance only and shall not be used as an aid to the construction of these provisions.

2. GRANT OF OPTIONS

- 2.1 Subject to Rules 2.9, and 2.11 the Grantor may grant, in their absolute discretion, an Option to an Eligible Employee at any time. No Eligible Employee shall be entitled as of right to participate in the Scheme.
- 2.2 An EMI Option shall be granted in respect of Shares with a total value not exceeding the Individual Limit.
- 2.3 Where the Grantor grants an EMI Option exceeding the Individual Limit, then the amount that it exceeds the Individual Limit shall be treated as an Unapproved Option, and accordingly the terms of this Scheme relating to EMI Options only and the provisions of Schedule 14 shall not apply to such balance.
- 2.4 Where the Grantor grants an EMI Option, which results in the Company Limit being exceeded, then the excess as prescribed by paragraph 11 of Schedule 14 shall be treated as an Unapproved Option.
- 2.5 If an Optionholder has been granted EMI Options in respect of Shares whose Market Value is equal to the Individual Limit (whether or not they have been exercised or released) any Option granted to him within 3 years of the date on which he was granted his last EMI Option shall be treated as an Unapproved Option.
- 2.6 As soon as practicable after the Grantor decides to grant an Option to an Eligible Employee the Grantor and the Eligible Employee shall enter into an enforceable Agreement, which shall state:
- 2.6.1 the Date of Grant of the Option;
- 2.6.2 that the Option is an EMI Option or an Unapproved Option (as the case may be);

2.6.3 (in respect of an EMI Option) that the Option is granted under the provisions of Schedule 14;

2.6.4 the number, or maximum number, of Shares that may be acquired;

2.6.5 the Exercise Price payable for each Share subject to the Option or the method by which that price is to be determined;

2.6.6 the Vesting criteria, as determined by the Directors; and

2.6.7 when and how the Option may be exercised.

and in the case of an EMI Option such Agreement shall include any other details required pursuant to paragraph 40 of Schedule 14.

2.7 Should the terms of the Agreement conflict with these Scheme Rules then the provisions of the Agreement shall take precedence.

2.8 Subject to the right of a deceased Optionholder's Personal Representatives to exercise an Option in accordance with Rule 7.4 every Option shall be personal to the Eligible Employee to whom it is granted and shall not be capable of being transferred, assigned or charged or otherwise alienated.

2.9 The Grantor may grant an EMI Option to an Eligible Employee only if all of the following conditions are satisfied at the Date of Grant of the proposed EMI Option:

2.9.1 the Directors have satisfied themselves that it is being granted for commercial reasons in order to recruit or retain an employee and not as part of a scheme or arrangement the main purpose, or one of the main purposes, of which is the avoidance of tax;

2.9.2 in the case of an EMI Option to be granted, the total Market Value of Shares in the Company in respect of which unexercised EMI Options subsists shall not exceed L3 million (or such other value as shall be specified at that time in paragraph 11 of Schedule 14);

2.9.3 the Company or a Group Company as the case may be meets the trading activities requirement of paragraph 17 of Schedule 14;

2.9.4 the gross assets of the Company do not exceed L30 million (or such other amount as may at that time be specified in paragraph 16 of Schedule 14). For these purposes "gross assets" means:

- (i) the sum of all the fixed and current assets of the Company;
or
- (ii) if the Company is a member of a group of companies, the sum of the fixed and current assets of all the Group Companies excluding

any member's rights against, or shares in or securities of another Group Company).

determined in accordance with Inland Revenue Statement of Practice 2/00 or its successors; and

2.9.5 the qualifying subsidiaries requirement of paragraph 14 of Schedule 14 is satisfied.

2.10 For the purposes of Rule 2.9 above, the Market Value of a Share shall be determined in accordance with paragraph 10 of Schedule 14 in respect of the day on which each of the relevant unexercised EMI Options were granted.

2.11 An Option shall not be granted unless the Grantor is satisfied at the relevant time (if then applicable) that such grant would not be in breach of the Model Code or any other applicable laws, codes or regulations relating to the acquisition of securities including the internal code of the Company.

3. INDIVIDUAL LIMITS

3.1 Any EMI Option granted to an Eligible Employee by the Grantor shall be limited and take effect so that, immediately following such grant, the aggregate Market Value of:

3.1.1 all shares in respect of which EMI Options or other options which are qualifying options within the meaning given in paragraph 1 of Schedule 14 are then held by him and granted by reason of his Employment with any one or more Group Companies;

3.1.2 all other shares in respect of which EMI Options or other options which are qualifying options within the meaning given in paragraph 1 of Schedule 14 were granted to him within the preceding three years by reason of his Employment with any one or more Group Companies, whether or not such EMI Options have been exercised or released; and

3.1.3 all shares in respect of which options were granted to him under a company share option scheme approved by the Inland Revenue under Schedule 9 to the Taxes Act by reason of his Employment with the Employer Company or any other Group Company, which options have neither lapsed nor been exercised or released,

shall not exceed L100,000 or such other amount as may from time to time be specified in paragraph 10 of Schedule 14.

3.2 For the purposes of Rule 3.1, the Market Value of the Shares or shares shall be their Market Value at the date or dates on which the relevant EMI Options or other options were granted or such earlier time or times as may be agreed with the Inland Revenue.

4. SCHEME LIMITS

4.1 The aggregate number of Shares which may be issued on the exercise of Options under this Scheme when aggregated with the Shares which may be issued under Any Other Scheme shall not exceed 5,000,000.

5. CONDITIONS OF EXERCISE

5.1 On the Date of Grant the Grantor may in their discretion impose one or more objective Exercise Conditions on any Option, which they grant preventing its exercise unless such conditions have been complied with. The Exercise Conditions will be outlined in the Optionholder's Agreement and shall include reference to a date on which the Option will become exercisable regardless as to whether the Exercise Conditions have been satisfied.

5.2 If, after the Grantor has imposed any Exercise Condition to be satisfied pursuant to this Rule 5, events occur which cause the Grantor to consider that any of the Exercise Conditions have become unreasonable, unfair or impractical, the Grantor may, in its discretion (provided such discretion is exercised fairly and reasonably) amend, relax or waive such Exercise Condition.

5.3 The Grantor shall notify all relevant Optionholders in writing of any amendment, relaxation or waiver of any Exercise Condition made pursuant to Rule 5.2.

5.4 The Directors will determine in their complete discretion whether and when an Exercise Condition has been met by the Optionholder. This discretion will be exercised in a fair and reasonable manner.

6. VESTING OF OPTIONS

6.1 Subject to Rules 6.2, 7.10.2 and 9.4 an Option granted under this Scheme shall Vest as follows:-

6.1.1 on the expiry of six months from the Date of Grant, the Option will Vest over two sixteenths of the Shares over which it subsists; and

6.1.2 the Option will Vest over further instalments each amounting to one sixteenth of the Shares over which the Option subsists on the expiry of each period of three months thereafter, until it has Vested in respect of all of the Shares over which it subsists after four years;

6.2 The Directors have discretion to alter the Vesting provisions as set out in this Rule 6, and should the Vesting schedule in the Agreement differ from the Vesting as outlined in this Rule 6, the terms of the Agreement shall prevail.

7. RIGHTS OF EXERCISE AND LAPSE OF OPTIONS

RIGHTS OF EXERCISE

7.1 An Option may not be exercised before whichever is the later of:

7.1.1 the Vesting dates stated in these Rules and/or the Agreement;

7.1.2 the date or dates upon which any Exercise Condition specified in the Agreement pursuant to Rule 5.1 (as amended, relaxed or waived pursuant to Rule 5.2) has/have been satisfied. To the extent that Exercise Conditions have been specified, the Agreement shall include reference to a date on which the Option will become exercisable regardless as to whether the Exercise Conditions have been satisfied.

but in any event may not be exercised later than the day before the tenth anniversary of the Date of Grant.

7.2 The Directors reserve the right to restrict the number of Options to be exercised and Shares to be sold on the open market at Listing and each employee granted Options under this Scheme shall undertake to sign an agreement where they agree to be bound by the broker's decision on sale of the Shares on the open market at the date of Listing.

7.3 Save as provided in Rules, 7.4 (Death of Optionholder), 7.5 (Disqualifying Events), 7.6 (Cessation of employment "good leavers"), 7.8 (Cessation of employment -Leaving for other reasons) 9 (Takeovers) and 10 (Winding Up) an Option, to the extent that it has Vested and become exercisable, may be exercised by an Optionholder only while he is an Eligible Employee.

DEATH OF OPTIONHOLDER

7.4 Subject to Rules 6 and 7.1, if an Optionholder ceases to hold Employment by reason of his death then the Option, to the extent that it has Vested and become exercisable, in accordance with these Rules and/or the Agreement, at the date of death, may be retained and exercised by his Personal Representatives for a period of one year from, and including, the date of death of the Optionholder and if not then exercised shall lapse.

DISQUALIFYING EVENTS

7.5 Subject to Rules 6, 7.1, 7.4, 7.6 to 7.8, unless and to the extent the Directors decide otherwise, an Option, to the extent that it has Vested and become exercisable in accordance with these Rules and/or the Agreement, may be exercised within the period of 40 days following a Disqualifying Event. If not then exercised during this period the Option shall lapse and cease to be exercisable.

CESSATION OF EMPLOYMENT - "GOOD LEAVERS"

- 7.6 Subject to Rules 6 and 7.1, if an Optionholder ceases to hold Employment with a Group Company on account of:
- (a) injury, ill-health or disability (evidenced to the satisfaction of the Directors);
 - (b) redundancy (within the meaning of Part XI of the Employment Rights Act 1996);
 - (c) actual retirement before Contractual Normal Retirement Date with the consent of the Group Company which employs the Optionholder;
 - (d) reaching the Contractual Normal Retirement Date;
 - (e) pregnancy;
 - (f) the transfer of the undertaking or part-undertaking in which the Optionholder is employed to a person other than a Group Company;
 - (g) the Group Company by which the Optionholder is employed ceasing to be a Group Company; or
 - (h) any other reason that the Directors consider reasonably justifies the exercise of the Option,

the Option, to the extent that it has Vested and any relevant Exercise Conditions have been satisfied, in accordance with these Rules and/or the Agreement on the date that the Optionholder leaves Employment or is given notice, may be retained and exercised. The Option will be capable of exercise for a period of 40 days from the date of cessation. If not then exercised the Option shall lapse.

- 7.7 If the Option has not Vested and become exercisable in accordance with Rules 6 and 7.1 or the Agreement, at the date that the Optionholder leaves Employment or is given notice, then the Option will lapse.

CESSATION OF EMPLOYMENT - LEAVING FOR OTHER REASONS

- 7.8.1 If the Optionholder ceases Employment with a Group Company for any reason other than those set out in Rules 7.4, 7.6, and 7.8.2, the Optionholder may not exercise the Option unless the Directors, within 40 days from and including the date on which the Optionholder ceases Employment with a Group Company, permits (if at all) the Optionholder to exercise all or part of an Option, to the extent that it has Vested and become exercisable, within such period as the Directors shall determine and the Option shall thereafter lapse and cease to be exercisable SAVE THAT if no such permission is granted within 40 days beginning with the date on which the Optionholder ceases Employment with a

Group Company then the Option shall lapse and cease to be exercisable at the end of that period.

7.8.2 If the Optionholder ceases Employment with a Group Company because he is dismissed for "cause" (as defined below), the right to exercise an Option shall terminate immediately and the Optionholder shall have no entitlement under the Scheme and hold the Group Company harmless in respect thereof. "Cause" shall mean wilful misconduct in connection with the Optionholder's office or Employment or wilful failure to perform his office or Employment responsibilities in the best interests of his Employer Company including without limitation, breach by the Optionholder of any provision of any Employment contract entered into with a Group Company.

LAPSE OF THE OPTION

7.9 An Option shall lapse on the occurrence of the earliest of the following:

7.9.1 the day before the tenth anniversary of the Date of Grant;

7.9.2 to the extent that the Option has not Vested in accordance with Rule 6 the date that the Optionholder is given notice or leaves Employment for any reason;

7.9.3 to the extent that the Option has Vested in accordance with Rule 6 and any Exercise Conditions outlined in the Agreement have been satisfied, the expiry of the applicable period specified in Rule 7.6 (Cessation of Employment) or such longer period as the Directors may resolve to permit but not so as to exceed the tenth anniversary of the Date of Grant;

7.9.4 the expiry of the applicable period specified in Rule 7.4 (Death of Optionholder);

7.9.5 If the Directors so decide, the expiry of the period specified in Rule 7.5 (Disqualifying Events), and in any event no later than 40 days after such Disqualifying Event;

7.9.6 subject to Rule 11 (Exchange of Options on a Takeover) the expiry of the applicable periods specified in Rule 9 (Takeovers);

7.9.7 the expiry of the applicable periods specified in Rule 10 (Winding Up);

7.9.8 the date on which a resolution is passed, or an order is made by the Court, for the compulsory winding up of the Company; and

7.9.9 the date on which the Optionholder is declared bankrupt or otherwise is unable to pay their debts by any competent jurisdiction or does or omits to do anything as a result of which he is deprived of the legal or beneficial ownership of the Option.

7.10 MISCELLANEOUS PROVISIONS

7.10.1 For the purpose of this Rule 7 the Optionholder leaves Employment with a Group Company on the date that the Optionholder no longer holds any office or Employment with the Company or any Qualifying Subsidiary.

7.10.2 In their absolute discretion the Directors may, in relation to this Rule 7, accelerate the Vesting of Options and/or extend any period of 40 days referred to in Rules above (but not so as to exceed the day before the tenth anniversary of Date of Grant).

8. EXERCISE OF OPTIONS

- 8.1 The Option shall be exercised by notice in writing (in the form prescribed by the Company from time to time) given by the Optionholder (or his Personal Representatives as the case may be) to the Company. Unless and to the extent the Directors decide otherwise, the notice of exercise of the Option shall be accompanied by a remittance in cleared funds for the aggregate of the Exercise Prices payable.
- 8.2 Where the exercise of an Option is conditional on the happening of an Exercise Condition, any such notice in writing given by the Optionholder prior to the happening of the Exercise Condition shall be deemed to be conditional, upon the happening of the Exercise Condition and shall, if accompanied by payment in full for the Shares, be deemed to take effect upon such Exercise Condition being satisfied, the date that the Exercise Condition is satisfied shall constitute the date of exercise, or if given after the Exercise Condition is satisfied, shall take effect on the day it, together with appropriate payment, is delivered and such day shall constitute the date of exercise.
- 8.3 Subject to Rules 8.4 and 8.5, within 30 days of the Option exercise the Directors shall allot the Shares in respect of which the Option has been validly exercised and shall issue a definitive certificate or such other acknowledgement of shareholding as is from time to time permitted in respect of the Shares allotted, unless the Directors consider that such allotment would not be lawful in the relevant jurisdiction.
- 8.4 Unapproved Options and EMI Options where the Exercise Price is less than Market Value will be granted subject to the condition that the Optionholder shall meet the Company's, or the Employer Company (if not the Company)'s or Grantor's NIC due on the exercise, cancellation or release of the Option. For this purpose, the Optionholder will be required, if requested by the Company, or the Employer Company (if not the Company) or Grantor at any time before the exercise, cancellation or release of the Option, to enter into an election to transfer liability for such NIC in a form approved by the Inland Revenue and acceptable to the Company, Employer Company (if not the Company) or Grantor and to enter

into such arrangements as may be approved by the Inland Revenue in order to secure that the payment of such liability is made on a timely basis.

- 8.5 If any Group Company or Grantor is liable to account for tax or social security contributions (in any jurisdiction) for which an Optionholder is liable by virtue of the exercise of the Option that Group Company or any other Group Company or the Grantor or the trustee of any trust which is intended to be an employee share scheme pursuant to Section 743 of the Companies Act 1985 may:

8.5.1 withhold the appropriate amount of tax or social security from the Optionholder's remuneration; or

8.5.2 make such other arrangements as it considers necessary, (including the sale of Shares on behalf of the Optionholder) to finance the amounts above, unless the Optionholder discharges the liability himself at the date of exercise of the Option.

- 8.6 Shares allotted under this Scheme shall rank pari passu in all respects with the Shares of the same class for the time being in issue save as regards any rights attaching to such Shares by reference to a record date prior to the date of allotment and in the case of a transfer of existing Shares the transferee shall not acquire any rights attaching to such Shares by reference to a record date prior to the date of such transfer.

- 8.7 If and so long as the Shares are listed on the official list of the United Kingdom Listing Authority or any similar exchange, the Company shall apply for any Shares allotted under this Scheme to be admitted to the Official List or any similar list as the case may be.

- 8.8 The exercise of any Option (in whole or in part) shall not be permitted at a time when (if then applicable) such exercise would be in breach of the Model Code or any applicable laws, codes or regulations relating to the acquisition of securities including the internal code of the Company.

9. TAKEOVERS

- 9.1 If any person (other than an Excluded Person) obtains Control of the Company as a result of making:

9.1.1 a general offer to acquire the whole of the issued ordinary share capital of the Company which is made on a condition such that if it is satisfied the person making the offer will have Control of the Company; or

9.1.2 a general offer to acquire all the shares in the Company which are of the same class as the Shares,

then if the Directors so resolve, notice thereof may be given by the Company to any Optionholder selected by the Directors, and any such Optionholder shall at

any time after the offer or obtains Control of the Company be entitled to exercise that part of his Option which has Vested and become exercisable in accordance with these Rules and/or the Agreement, provided that such exercise is before the expiry of the date upon which the Option lapses in accordance with the provisions of Rule 7.9 and within 40 days of the date of change of Control, whichever is the shorter period.

9.2 If, under section 425 of the Companies Act 1985, the Court sanctions a compromise or arrangement proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, notice shall be given to all Optionholders. The Optionholder may exercise that part of his Option, which has Vested and become exercisable in accordance with these Rules and/or the Agreement, immediately prior to and conditionally upon the Court sanctioning such compromise or arrangement or within 40 days thereafter. Provided always that such exercise is before the expiry of the date upon which the Option lapses in accordance with the provisions of Rule 7.9

9.3 If, after a sale pursuant to which the acquirer has obtained Control of the Company, the acquirer becomes entitled to exercise the rights of compulsory acquisition pursuant to Sections 428 to 430 of the Companies Act 1985 and gives notice in writing of its intention to exercise such rights, as regards all shares issued pursuant to Options that have not lapsed and that are exercised prior to a specified date, the Directors may resolve that Options, which have Vested and become exercisable in accordance with these Rules and/or the Agreement, shall be and remain exercisable until the specified date, but subject always to the provisions regarding lapse of Options in Rule 7.9 and subject to such compulsory rights of acquisition in fact being exercised in accordance with such notice. Options shall lapse on the earliest of the specified date, or within 40 days of the change of Control, to the extent that they have not been exercised or such statutory rights of acquisition are not then exercised. Provided that where Rule 11.1 applies, notwithstanding that an Option shall have ceased to be exercisable under this Rule 9.3 it shall not lapse (other than on release of an Option pursuant to Rule 11.1) until the expiry of the appropriate period referred to in Rule 11.1.

9.4 In their absolute discretion the Directors may, in relation to this Rule 9, accelerate the Vesting of Options.

10. WINDING UP

10.1 The Company shall notify the Optionholders as soon as practicable of any general meeting of the Company at which it is proposed to pass a resolution for the voluntary winding up of the Company.

10.2 The Optionholder may after receipt of any notice pursuant to Rule 10.1 above (but in any event, within 40 days of the resolution being duly passed), exercise any Vested Option that has become exercisable in accordance with the provisions of

Rules 6 and 7.1 (the exercise will be conditional on such resolution being passed and will take effect immediately thereafter) and Options not otherwise exercised before the expiry of 40 days from the date of such resolution being passed shall thereupon lapse.

10.3 Where the Optionholder has exercised a Vested Option which has become exercisable pursuant to this Rule 10 and the resolution referred to in Rule 10.1 above has been passed then (subject to the consent of the Company's liquidator where such is required by section 88 of the Insolvency Act 1986) the said exercise shall take effect immediately and the Optionholder shall be entitled to share in the assets of the Company with existing shareholders in the same manner as he would have been entitled to if he had been the registered owner of the relevant Shares before the resolution was passed.

10.4 An Option shall lapse immediately in the event of the Company being wound up otherwise than on a voluntary winding up.

11. EXCHANGE OF OPTIONS ON A TAKEOVER

11.1 Notwithstanding the provisions of Rule 9, if any company ("the Acquiring Company") obtains Control of the Company or becomes bound or entitled to acquire shares in the Company within any of the sets of circumstances specified in Rules 9.1, 9.2 and 9.3, or where there is a Qualifying Exchange of Shares, any Optionholder with the agreement of the Acquiring Company at any time within 6 months (or such shorter period being not less than 21 days as the Directors may notify in writing to the Optionholders) of any of the relevant circumstances specified in Rules 9.1 and 9.2 and within the time period during which any person remains bound or entitled under Rule 9.3, may release his Option ("the Old Option") in consideration of the grant to him of a new option ("the Replacement Option") which is equivalent to the Old Option.

11.2 A new option shall only qualify as a Replacement Option if the requirements of Rule 11.1 above are met, and:

11.2.1 the Option is granted to the holder of the Old Option by reason of his Employment:

- (i) with the Acquiring Company; or
- (ii) if the Acquiring Company is a parent company, with the Company or another Group Company;

11.2.2 at the time of the release of rights under the Old Option, the requirements of:

- (i) paragraph 9 of Schedule 14 (purpose of granting the option); and

(ii) paragraph 11 of Schedule 14 (Company Limit); are so far as relevant met in relation to the Replacement Option;

11.2.3 at that time, the independence requirement and the trading activities requirement as set out in paragraphs 13 and 17 respectively of Schedule 14 are met in relation to the Acquiring Company;

11.2.4 at that time, the individual to whom the Replacement Option is granted is an Eligible Employee in relation to the Acquiring Company;

11.2.5 at that time, the requirements of Part V of Schedule 14 are met in relation to the Replacement Option;

11.2.6 the total Market Value, immediately before the release, of the Shares which were subject to the Old Option is equal to the total Market Value, immediately after the grant, of the Shares in respect of which the Replacement Option is granted; and

11.2.7 the total amount payable by the Eligible Employee for the acquisition of Shares in pursuance of the Replacement Option is equal to the total amount that would have been payable for the acquisition of Shares in pursuance of the Old Option.

11.3 Where any Replacement Options are granted pursuant to Rule 11.1 they shall be regarded for the purposes of the subsequent application of the provisions of this Scheme as having been granted at the time when the corresponding Old Options, were granted and, with effect from the date on which the Replacement Option is granted:

11.3.1 references to "the Company" (including the definition in Rule 1) shall be construed as being references to the Acquiring Company to whose shares the Replacement Option relates; and

11.3.2 references to "Shares" (including the definition in Rule 1) shall be construed as being references to shares in the Acquiring Company to which the Replacement Option relate.

11.3.3 Notwithstanding Rule 11.3.1, references to "Admission" or change of Control in the Company shall be construed as referring to an Admission or change of Control in the Company and not the Acquiring Company (if applicable).

12. VARIATION OF SHARE CAPITAL

12.1 In the event of any capitalisation, rights issue, consolidation, subdivision, reduction or other variation of the share capital of the Company:

12.1.1 the number of Shares comprised in an Option; and

12.1.2 Exercise Price in respect of such Shares; and

12.1.3 where an Option has been exercised pursuant to the provisions of these Rules but no Shares have been allotted or transferred in satisfaction of such exercise, the number of Shares to be so allotted or transferred and the Exercise Price in respect of such Shares,

may, in the case of EMI Options only, be varied in such manner as the Directors shall determine and (save in the event of a capitalisation) the Auditors shall confirm in writing to be in their opinion fair and reasonable, provided that, except as provided in Rules 12.2 and 12.3, no variation shall be made which would result in the Exercise Price for an allotted Share being less than its nominal value.

12.2 Any adjustment made to the Exercise Price of unissued Shares which would have the effect of reducing the Exercise Price to less than the nominal value of the Shares shall only be made if and to the extent that the Directors are authorised 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 exercisable exceeds the adjusted Exercise Price. The Directors may apply such sum in paying up such amount on such Shares so that on the 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 as aforesaid.

12.3 Where an Option subsists over both issued and unissued Shares, an adjustment may only be made under Rule 12.2 if the reduction of the Exercise Price in relation to Options over both issued and unissued Shares can be made to the same extent.

12.4 The Directors may take such steps as they consider necessary to notify Optionholders of any adjustment made under this Rule 12 and to call in, cancel, endorse, issue or re-issue any Agreement consequent upon such adjustment.

13. ADMINISTRATION

13.1 The Directors shall have power from time to time to make and vary such regulations (not being inconsistent with this Scheme) for the implementation and administration of this Scheme and/or the Agreement as they think fit.

13.2 The decision of the Directors shall be final and binding in all matters relating to this Scheme (other than in the case of matters to be determined or confirmed by the Auditors in accordance with this Scheme).

13.3 The costs of establishing and administering this Scheme shall be borne by the Company.

13.4 The Company may, but shall not be obliged to, provide Eligible Employees or Optionholders with copies of any notices circulars or other documents sent to shareholders of the Company.

13.5 Within 92 days (or such longer period as may from time to time be permitted by Schedule 14) of granting an EMI Option under this Scheme notice shall be given to the Inland Revenue by the Employer Company, which shall contain:

13.5.1 information required by the Inland Revenue pursuant to paragraph 2 of Schedule 14;

13.5.2 a declaration from a director or the Company Secretary of the Employer Company, that in his opinion the requirements of Schedule 14 have been met in relation to an Option under this Scheme and that to the best of his knowledge, the information provided is correct and complete; and

13.5.3 a declaration from the Optionholder to whom the Option is granted that he meets the Committed Time requirement.

14. AMENDMENTS

14.1 Notwithstanding Rule 14.2, if the Inland Revenue raise a notice of enquiry pursuant to paragraph 4 of Schedule 14 and conclude that the requirements of Schedule 14 have not been met in relation to this Scheme and/or the Agreement (as the case may be) the Directors may alter the Rules of this Scheme and/or the Agreement as may be necessary to ensure that the requirements of Schedule 14 have been met.

14.2 The Directors may alter or add to all or any of the Rules of this Scheme in any respect with effect from a current, future or past date by a resolution of the Directors provided that where any alteration would abrogate or adversely affect the subsisting rights of an Optionholder it will not be effective unless such alteration is made with the consent in writing of the Optionholder.

14.3 Notwithstanding Rule 14.2, the Directors may amend the provisions of this Scheme and/or Agreement and the terms of any Options as they consider necessary or desirable in order to:

14.3.1 make the administration of this Scheme more effective or easier;

14.3.2 comply with or take account of the provisions of any proposed or existing legislation;

14.3.3 take account of any of the events mentioned in Rules 9 (Takeovers) and 10 (Winding Up); or

14.3.4 obtain or maintain favourable tax or regulatory treatment for the Company or any Group Company or any Optionholder,

without the need for the prior approval of the Company in General Meeting or the consent of Optionholders provided that such amendments or additions do not affect the basic principles of this Scheme and/or Agreements.

14.4 Written notice of any amendment to this Scheme shall be given to all Optionholders affected thereby.

15. GENERAL

15.1 This Scheme shall commence upon the date the Directors adopt this Scheme and shall terminate on the expiry of the period of ten years from such date. On termination no further Options may be granted but such termination shall be without prejudice to any accrued rights in existence at the date thereof.

15.2 The Company will at all times keep available sufficient authorised and unissued Shares, or shall ensure that sufficient Shares will be available, to satisfy the exercise to the full extent still possible of all Options not lapsed pursuant to the provisions of these Rules, taking account of any other obligations of the Company to issue Shares.

15.3 In the event of exercise of any Options upon or after a Listing the Company shall at its expense make applications for all Shares allotted pursuant to the exercise of any Option to be admitted for trading on AIM or for admission of such Shares to the Official List or for the grant or permission to deal with such Shares on any other recognised investment exchange or regulated market (as appropriate), provided that Shares are at that time Listed or the subject of an application for Listing on such exchange or market.

15.4 The grant of an Option or issue of Shares pursuant to exercise of an Option, on or after Listing, shall be subject to obtaining any approval or consent required under the provisions of "The Listing Rules" published by the UK Listing Authority, or the City Code on Takeovers and Mergers, and/or of any regulations and enactments there under or any other regulations and enactments of any other market on which the Shares are or are to be Listed.

15.5 Notwithstanding any other provision of this Scheme:

15.5.1 this Scheme shall not form part of any contract of Employment between any Group Company and any employee of any such company and the rights and obligations of any individual under the terms of his office or Employment with any Group Company shall not be affected by his participation in this Scheme or any right which he may have to participate in it and this Scheme shall afford such an individual no additional rights to compensation or damages in consequence of the termination of such office or Employment for any reason whatsoever, including if such termination of Employment was lawful or unlawful;

15.5.2 no Optionholder shall be entitled to any compensation or damages for any loss or potential loss which he may suffer by reason of being unable to exercise an Option in consequence of the loss or termination of his office or Employment with any Group Company for any reason whatsoever including if such termination of Employment was lawful or unlawful; and

- 15.5.3 this Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against any Group Company directly or indirectly, or give rise to any cause of action at law or in equity against any Group Company.
- 15.6 Save as otherwise provided in this Scheme any notice or communication to be given by the Company to any Eligible Employee or Optionholder may be personally delivered or sent by fax or by ordinary post to his last known address. Where a notice or communication is sent by post it shall be deemed to have been received 48 hours after the same was put into the post properly addressed and stamped and where a notice or communication is sent by fax it shall be deemed to have been received at the time when it was sent. Share certificates and other communications sent by post will be sent at the risk of the Eligible Employee or Optionholder concerned and the Company shall have no liability whatsoever to any such person in respect of any notification, document, share certificate or other communication so given, sent or made.
- 15.7 Any notice to be given to the Company shall be delivered or sent by either post or fax to the Company at its registered office and shall be effective upon receipt.
- 15.8 This Scheme and all Options granted under it shall be governed by and construed in accordance with English law.

RULES OF THE
CRAMER SYSTEMS GROUP LIMITED
ENTERPRISE MANAGEMENT SCHEME

UNITED STATES SECTION

1. This Scheme shall operate in the United States of America with the following modifications (as modified, the United States application of the Scheme shall hereinafter be referred to as the "U.S. Plan").
2. The U.S. Plan incorporates all the Rules of the Scheme ("Rules") (so far as such Rules are not contrary to the laws, such as the securities laws and tax laws of the United States), but modified as set out below. This U.S. Plan is subject to the Memorandum and Articles of Association of the Company.
3. This U.S. Plan shall commence upon the date the Company adopts this U.S. Plan and shall terminate on the expiration of the period of ten years from such date. On termination no further Options may be granted, but such termination shall be without prejudice to any accrued rights in existence at the date thereof. The Grantor shall have the sole authority and discretion as to whether and to whom to grant a Non-Qualified Stock Option ("NQSO") or an Incentive Stock Option ("ISO") under Internal Revenue Code ("Code") Section 422; provided, however, that the terms of each Option shall specify clearly whether the type of Option being granted is intended to be an ISO. Notwithstanding any other provision hereof, Eligible Employees for the purposes of the grant of ISOs are employees of any United States Subsidiary in the Group, within the meaning of Code Section 424(f), or any entity which would be a Parent, within the meaning of Code Section 424(e) (a "Parent").
4. Notwithstanding the limit contained in Section 6 of this U.S. Plan, the maximum aggregate number of Shares under this U.S. Plan with respect to which there may be a grant of Options is _____ Shares. In addition, the maximum number of Shares under this U.S. Plan with respect to which there may be a grant of ISOs is _____ Shares. To the extent that any ISO is disqualified and no longer an ISO, the number of Shares underlying the Option shall continue to count against the aggregate limit of _____ Shares. If any Option expires, terminates or is cancelled for any reason without having been exercised in full, the number of Shares underlying such unexercised Option shall again be available for purposes of awards to be measured against the foregoing limitations. The aggregate share limit may be adjusted to take into account any Listing, Change in Control or event described in Rule 12 of the Scheme.
5. If any Group Company or Grantor is liable to account for income tax or employment taxes (either currently or upon the subsequent occurrence of a "disqualifying disposition" within the meaning of Code Section 422) for which an Optionholder is liable by virtue of the exercise of the Option, the Optionholder will indemnify any Group Company or

Grantor for the amount of income tax or employment taxes due. In its discretion a Group Company or the Grantor may:

- (a) withhold the appropriate amount of income tax or employment tax from the Optionholder's remuneration;
- (b) withhold the appropriate number of Shares from the Shares due the Optionholder as a result of the Optionholder's exercise of the Option, but only in an amount equal to the minimum prescribed statutory withholding amounts for federal, state and local withholding tax obligations; or
- (c) make such other arrangements as it considers necessary (including the sale of Shares on behalf of the Optionholder) to finance the amounts described above.

If approved by the Directors, the Optionholder may discharge the liability himself at the date of exercise of the Option.

6. The number and identity of Eligible Employees shall be limited by the Directors so that this U.S. Plan and any Options granted and Shares issuable or transferable thereunder shall comply with applicable law (including, but not limited to, the securities laws and the income tax laws of the United States or any State thereof).
7. All Options granted under this U.S. Plan shall be evidenced by instrument(s) in such form or forms as may from time to time be approved by the Directors which, among other things, shall set forth the terms and conditions upon which an Optionholder may exercise such Option and the form of payment to exercise the Options, including, but not limited to, whether such payment may be made in cash or previously acquired Shares.
8. If transactions in Shares of the Company become subject to Section 16(b) of the United States Securities Exchange Act of 1934 ("Exchange Act"), the Company may take such reasonable action as may be necessary to ensure that transactions under this U.S. Plan are exempt from Section 16(b) of the Exchange Act pursuant to Rule 16b-3 thereunder, as then in effect, or such other applicable Rule or Rules of the United States Securities and Exchange Commission as may be then in effect.
9. If the Company becomes subject to Code Section 162(m), the Company may take such reasonable action as may be necessary to ensure that transactions under this U.S. Plan satisfy the exemption for performance-based compensation under such Code Section.
10. The following provisions shall apply if any Option is granted on terms that it shall qualify as an ISO:
 - (a) To the extent the aggregate fair market value (determined as of the Date of Grant) of the Shares underlying one or more Options that are first exercisable in any calendar year that are ISOs under this and all other ISO plans of the Company and its Subsidiaries and any Parent exceed US \$100,000, such excess Options shall no longer be treated as ISOs. To satisfy the foregoing limits, Options may be granted on a time vesting basis.

- (b) The Exercise Price of the Shares covered by each such Option shall not be less than the higher of the Exercise Price determined in accordance with the provisions of the Scheme or 100% of the fair market value (within the meaning of Code Section 422) of such Shares on the Date of Grant, provided that if such Optionholder owns at the Date of Grant Shares possessing more than 10 percent of the total combined voting power of all classes of stock of the Company or any Parent or Subsidiary (a "10 Percent Stockholder") the Exercise Price shall be at least 110% of the fair market value of such Shares on the Date of Grant.
- (c) The Exercise Price of such Option shall be stated in UK Sterling ("L") and shall be payable in UK Sterling.
- (d) Such Option may not be exercisable more than 10 years (5 years in the case of a 10 Percent Stockholder) after the Date of Grant and no Option may be granted under this U.S. Plan more than 10 years after this U.S. Plan's date of adoption or, if earlier, the date this U.S. Plan is approved by the stockholders of the Company.
- (e) An Incentive Stock Option ceases to qualify for favorable tax treatment as an ISO to the extent it is exercised more than three months after the date the Optionholder ceases to be a common-law employee for any reason other than death or permanent and total disability (as defined in Section 22(e)(3) of the Code), more than 12 months after the date the Optionholder ceases to be a common-law employee by reason of such permanent and total disability (as defined in Section 22(e)(3) of the Code) or after the Optionholder has been on a leave of absence for more than 3 months, unless the Optionholder's reemployment rights are guaranteed by statute or by contract.
- (f) The Option by its terms shall not be transferable otherwise than by will or the laws of descent and distribution and is exercisable, during his lifetime, only by the Optionholder.
- (g) This U.S. Plan may be further modified to ensure that any Option that is intended to be an ISO under this U.S. Plan will comply with the requirements of Code Section 422 or any successor thereto.
- (h) To the extent that any Option that is intended to qualify as an ISO does not qualify, then the portion thereof which does not so qualify shall constitute a separate NQSO.
- (i) Upon the disposition (within the meaning of Code Section 424(c)) of Shares acquired pursuant to the exercise of an ISO prior to the expiration of the holding period requirements of Code Section 422(a)(1), the Optionholder agrees to give notice to the Company of such disposition and the Company shall have the right to require the Optionholder to pay the Company the amount of any taxes that are required by law to be withheld with respect to such disposition.

11. The Directors shall determine at the Date of Grant, the term during which an Option may be exercised and whether any such Option shall be exercisable in one or more

installments. Such an Option may also be subject to any other provision imposed by the Directors that is consistent with the purpose and intent of this U.S. Plan.

12. Subject to Rule 5.1 of the Scheme and any provisions in the Agreement, an Option granted under the Scheme shall Vest in respect of the Shares comprised in that Option as follows:

- (a) upon the expiration of six months from the Date of Grant, the Option will Vest over two sixteenths of the Shares over which it subsists; and
- (b) the Option will Vest over further installments each amounting to one sixteenth of the Shares over which the Option subsists upon the expiration of each period of three months thereafter, until it has Vested in respect of all of the Shares over which it subsists after four years.

The Directors have discretion to alter the Vesting provisions as set out in this Section 12, and should the Vesting schedule in the Agreement differ from the Vesting as outlined in this Section 12, the terms of the Agreement shall prevail.

13. An Option may not be exercised before whichever is the later of:

- (a) the Vesting dates stated in Section 12 of this U.S. Plan:
- (b) the date or dates upon which any Exercise Condition specified in the Agreement pursuant to Rule 5.1 of the Scheme (as amended, relaxed or waived pursuant to Rule 5.2 of the Scheme) has/have been satisfied. To the extent that Exercise Conditions have been satisfied, the Agreement shall include reference to a date on which the Option will become exercisable regardless as to whether the Exercise Conditions have been satisfied.

but in any event may not be exercised later than the day before the tenth anniversary of the Date of Grant.

14. Subject to the exercise requirements of Section 13 of this U.S. Plan, a Vested Option shall be exercisable in whole or in part and by notice in writing (in the form prescribed by the Company from time to time) given by the Optionholder (or his Personal Representatives as the case may be) to the Company. Unless, and to the extent the Grantor decides otherwise, the notice of exercise of the Option shall be accompanied by cash or a cash equivalent for the aggregate of the Exercise Prices payable.

15. Each Option granted under this U.S. Plan is subject to the condition that if at any time the Grantor, in its discretion, shall determine that the listing, registration or qualification of the Shares covered by such Option upon any securities exchange or under any State or Federal law is necessary or desirable as a condition of, or in connection with, the granting of such Option or the purchase or delivery of Shares thereunder, the right to exercise any Option or the delivery of any or all Shares pursuant to the exercise of the Option may be withheld unless and until such listing, registration or qualification shall have been effected. Unless and until a registration statement is in effect under the United States

Securities Act of 1933 ("Securities Act") with respect to the Shares to be issued or transferred to an Optionholder upon exercise of an Option, such Optionholder shall be required, as a condition of such exercise, to represent and agree that:

- (a) he understands that such Shares are deemed to be restricted securities within the meaning of Rule 144 under the Securities Act, which may not be resold in the United States or to a United States person except pursuant to an effective registration statement under the Securities Act or an exemption from the registration requirements of the Securities Act;
- (b) he is acquiring such Shares for investment and not with a view to distribution; and
- (c) he will not resell such Shares at any time when Rule 144 under the Securities Act is not available, except to non-United States persons in transactions effected in accordance with Rule 904 of Regulation S under the Securities Act (or any successor section thereto) and only after the expiration of any holding period the Directors may require.

The Company may endorse on certificates representing Shares issued or transferred upon the exercise of an Option such legend referring to the foregoing representations or restrictions or any other applicable restrictions on resale as the Company, in its discretion, shall deem appropriate.

16. Subject to the exercise requirements of Section 13 of this U.S. Plan and Rule 7.9.1. of the Scheme, if an Optionholder ceases to hold any office or employment with a Group Company by reason of his death, a Vested Option may be exercised by the Personal Representatives of a deceased Optionholder during the period of one year from the date of death of the Optionholder and if not then exercised, the Option shall lapse and cease to be exercisable at the end of that period of one year.
17. Subject to the exercise requirements of Section 13 of this U.S. Plan and Rule 7.9.1 of the Scheme, if an Optionholder ceases to hold any office or employment with a Group Company on account of injury, illness, disability (as evidenced to the satisfaction of the Board), pregnancy, the transfer of the undertaking or part-undertaking in which the Optionholder is employed to a person other than a Group Company, reaching the Contractual Normal Retirement Date, early retirement with the consent of the Group Company before the Contractual Normal Retirement Date, the Group Company ceasing to be a Group Company or any other reason at the discretion of the Board, the Option, to the extent it has Vested, in accordance with the Agreement on the date of cessation, may be retained and exercised upon the occurrence of an event in accordance with Section 13 of this U.S. Plan. The Option will be capable of exercise for a period of 40 days from the date of cessation. If not then exercised the Option shall lapse.
18. If the Optionholder ceases to hold any office or be employed by a Group Company for any reason other than those set out in Section 16, 17 or 19 of this U.S. Plan, all Options held by that Optionholder shall expire, unless specified otherwise in the Agreement.

19. If the Optionholder ceases Employment with a Group Company because he is dismissed for "cause" (as defined below), the right to exercise an Option shall terminate immediately and the Optionholder shall have no entitlement under the Scheme or this U.S. Plan and hold the Group Company harmless in respect thereof. "Cause" shall mean willful misconduct in connection with the Optionholder's office or Employment or willful failure to perform his office or Employment responsibilities in the best interests of his Employer Company including without limitation, breach by the Optionholder of any provision of any Employment contract entered into with a Group Company.
20. The Company may, in the Directors' discretion, designate one or more brokerage houses to sell Shares on behalf of Optionholders on any recognized stock exchange (e.g., London Stock Exchange, New York Stock Exchange, National Association of Securities Dealers Automated Quotation system, etc.); provided that any such broker shall have agreed in writing with the Company that Shares will be sold by such broker only in accordance with Rule 904 of Regulation S under the Securities Act (or any successor section thereto) and only after the expiration of any holding period the Directors may require.
21. If the Optionholder releases his Option in consideration of the grant to him of a new Option pursuant to Rule 11.1 of the Scheme,
 - (a) the excess of the aggregate fair market value of the Shares subject to the Option immediately after the substitution or assumption over the aggregate Exercise Price of such Shares may not be more than the excess of the aggregate fair market value of all Shares subject to the Option immediately before such substitution or assumption over the aggregate Exercise Price of such Shares, and
 - (b) the new Option or the assumption of the old Option may not give the Optionholder additional benefits which he did not have under the old Option.

In the event a transaction described in this Section of this U.S. Plan is a merger, reorganization or other corporate transaction to which Code Section 424 would apply, any required adjustments to ISOs, including adjustments to the Exercise Price and the number of Shares subject to ISOs, shall satisfy the requirements of Code Section 424 and regulations thereunder.

22. Notwithstanding any other provision of this U.S. Plan or the Scheme, no Option may be granted or exercised if the grant thereof or the issuance or transfer of Shares thereunder would violate any applicable United States Federal or State securities laws or regulations or any exchange control restrictions.

CRAMER SYSTEMS GROUP LIMITED

RULES

of the Y Share Scheme

(Adopted by the Board of Directors
of the Company on 13th October 2005)

ERNST & YOUNG LLP
One Bridewell Street
_____ Bristol
_____ BS1 2AA

Y SHARE SCHEME

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RULES
OF THE
Y SHARE SCHEME

1. INTERPRETATION

1.1 In these Rules and the Appendix the following expressions have the following meanings unless inconsistent with the context:

Expression - - - - -	Meaning -----
"Articles"	means the articles of association of the Company as amended from time to time;
"Award"	means a Restricted Share Award or a Performance Share Award by the Company to an Eligible Employee in pursuance of the Scheme and for the time being subsisting (and "Awards" shall be construed accordingly);
"Award Agreement"	means a Restricted Share Award Agreement or a performance Share Award Agreement relating to an Award issued to an Executive pursuant to Rule 3;
"Bad Y Leaver"	bears the meaning attributed to it in the Articles;
"the Board"	means the board of directors for the time being of the Company or the directors present at a duly convened meeting of the directors or a duly appointed committee of the directors for the time being of the Company at which a quorum is present;
"the Company"	means Cramer Systems Group Limited (registered number 04075033);
"Date of Award"	in respect of any Award the date upon which that Award is granted;
"Eligible Employee"	means any executive director or employee of any company which is at the relevant date a member of the Group;

"Executive" means an Eligible Employee who has been granted an Award and where the context so requires the legal Personal Representative(s) of such person (and "Executives" shall be construed accordingly);

"the Group" means the Company and all of the Subsidiaries for the time being or where the context so requires any one or more of them (and "Group Company" shall be construed accordingly);

"Listing" bears the meaning attributed to it in the Articles;

"Merger" bears the meaning; attributed to it in the Articles;

"Non-Vested Shares" means Shares held by the Executive that are not Vested Shares;

"Performance Share Award" means a contingent right to receive Shares pursuant to the Rules and the applicable Performance Share Award Agreement;

"Performance Share Award Agreement" mean an agreement relating to a Performance Share Award to which the Executive becomes party pursuant to Rule 3;

"Personal Representatives" means in relation to the Executive the legal personal representatives of the Executive (being either the executors of the Executive's will to whom a valid grant of probate has been made or if the Executive dies intestate the duly appointed administrator(s) of the Executive's estate) who have provided to the Board satisfactory evidence of their appointment as such;

"Restricted Share Award" means the acquisition, by the Executive, of the legal and beneficial interest in Shares at the Date of Award pursuant to the Scheme, the applicable Restricted Share Award Agreement and the Articles;

"Restricted Share Award Agreement" means an agreement relating to a Restricted Share Award to which the Executive becomes party pursuant to Rule 3;

"Rules" means these Rules as from time to time amended;

"Sale"	bears the meaning attributed to it in the Articles;
"the Scheme"	means the Y Share Scheme established by the adoption of these Rules as an employees* share scheme (within the meaning of Section 743 of the Companies Act 1985) and as from time to time amended in accordance with the provisions hereof;
"Shares"	means fully paid Y Shares of 0.002p each in the capital of the Company;
"Specified Value"	bears the meaning attributed to it in the Articles;
"Subsidiary"	means any company which is for the time being a subsidiary of the Company within the meaning of Section 736 of the Company Act 1985;
"Vesting Schedule"	means the vesting schedule attached to the Award Agreement
"Vested Shares"	means Shares that have become vested in accordance with the Vesting Schedule.

1.2 References to statutory provisions shall, where the context so admits or requires, be construed as including references to the corresponding provisions of any earlier statute (whether repealed or not) directly or indirectly amended, consolidated, extended or replaced by such provisions, or re-enacted in such provisions, and of any subsequent statute in force at any relevant time directly or indirectly amending, consolidating, extending, replacing or e-enacting the same, and shall include any orders, regulations, instruments or other subordinate legislation made under the relevant statute.

1.3 Any reference to a Rule is a reference to one of these Rules:

1.4 Where the context so admits the singular includes the plural and each gender includes the other gender.

2. BOARD MAY GRANT AWARDS

SELECTION

2.1 Subject to Rule 3, the Board may at any time in their discretion determine that any Eligible Employee will be made an Award in respect of such number of Shares as they may decide. Unless the Board decide otherwise in any particular case, Awards must not be made to an Eligible Employee who has given or received notice of termination of employment whether or not such termination was lawful. In exercising such discretion, the Board shall have regard to such individual

performance as it shall determine to be appropriate. At the same time as determining the grant, the Committee shall also determine the form of the Award.

CONDITIONS ON VESTING

2.2 When making an Award the Board may, if in its discretion it thinks fit, determine:

2.2.1 subject to, Rule 2.2.2, any date or dates prior to; the day before the fifth anniversary of the Date of Award on which the Shares subject to an Award vests in whole or in part, and where on any date only part vests, the number of Shares in respect of which it so vests. Such date or dates being set out in a Vesting Schedule attached to the relevant Award Agreement; and/or

2.2.2 any performance conditions that would have to be met for the Shares subject to an Award to vest in whole or in part. Any performance condition and the determination of the start and end of any performance period determined by the Board may relate to the performance of the Company or any member of the Group or the relevant Executive (as the case may be) judged to such criteria as the Board shall from time to time determine. The performance condition being set out in a Vesting Schedule attached to the relevant Award Agreement.

2.3 Subject to Rule 4, Rule 5 and Rule 7, no shares subject to an Award shall vest or vest further (as the case may be) following the date on which the Executive ceases to hold any office or employment with a Group Company.

2.4 The Board may, if in its discretion it thinks fit, accelerate the vesting of an Award under the Scheme.

2.5 Where no Vesting Schedule has been imposed pursuant to Rule 2.2 that Award shall vest in full at the Date of Award.

DISPOSAL RESTRICTIONS

2.6 Except for the transmission of an Award on the death of an Executive to his Personal Representatives, neither an Award nor any rights in respect of it may be transferred, assigned or otherwise disposed of by an Executive to any other person until the Shares subject to the Award become Vested Shares in accordance with the Vesting Schedule.

3. AWARD AGREEMENT

AGREEMENT

3.1 An Award shall be evidenced by issuing an Award Agreement to the Executive in such manner as shall take effect as a legally binding agreement. The Award

Agreement will form part of the Rules and shall be in such form as the Board shall determine from time to time and shall state:

- 3.1.1 the Date of Award;
 - 3.1.2 whether the Award is a Restricted Share Award or a Performance Share Award;
 - 3.1.3 the number of Shares in the case of a Restricted Share Award or Performance Share Award;
 - 3.1.4 the Specified Value of the Shares subject to the Award;
 - 3.1.5 the Vesting Schedule (including a brief description of any performance conditions (if applicable)) attaching to the Award; and
 - 3.1.6 the period specified by the Company by which the Executive must sign and return the Award Agreement to the Company.
- 3.2 By entering into an Award Agreement with the Company, the Executive agrees that in the case of a Restricted Share Award:
- 3.2.1 he will not transfer, assign or dispose of any Non-Vested Shares subject to a Restricted Share Award or any rights in respect of them except in the case of the transmission of an Award on the death of a Executive to his Personal Representatives;
 - 3.2.2 he will waive any voting rights or dividend rights attaching to any Non-Vested Shares; and
 - 3.2.3 to the extent that the Restricted Share Award lapses the Scheme, any Non Vested Shares subject to the Restricted Share Award are forfeited and he will immediately transfer his interest in the Non-Vested Shares, for no consideration or nominal consideration, to any person (which may include the Company, where permitted) specified by the Company.
- If the Executive does not sign the Award Agreement and return it to the Company within the period specified by the Company, his Award will lapse and, in respect of a Restricted Share Award, he will transfer his interest in the Non-Vested Shares held or transferred for the purposes of the Restricted Share Award in the manner described in Rule 3.2.3.
- 3.3 In the case of a Performance Share Award only, any Executive to whom a Performance Share Award is made may, by notice to the Company (in such form as the Board may request) given within 30 days after the Date of Award, renounce in whole his Performance Share Award. In such a case, the Performance Share Award shall be treated for all purposes of the Scheme, as never having been

granted. No consideration shall be payable by or to the Company for any such renunciation.

DOCUMENTS

- 3.4 In the case of a Restricted Share Award only, each Executive must sign any documentation, including a power of attorney or blank stock transfer form, requested by the Company. If he does not do so within a period specified by the Company, the Award will lapse at the end of that period. The Company may retain the share certificates relating to any Non-Vested Shares subject to a Restricted Share Award.

TAX AND OTHER ELECTIONS

- 3.5 In the case of a Restricted Share Award only, the Executive must enter into any elections required by the Company, including elections under Part 7 of the Income Tax (Earnings and Pensions) Act 2003. If he does not do so within a period specified by the Company, the Restricted Share Award will lapse at the end of that period.

AWARDS

- 3.6 When Restricted Share Awards are made, the Board will allocate or procure the allocation of Shares comprised in Restricted Share Awards to Executives, such Shares may be either registered in the name of the Executive or held on his behalf in each case subject to the Award Agreement referred to in Rule 3.1 and Rule 3.2.
- 3.7 In the case of Performance Share Awards, the Company shall ensure that it has made arrangements (with the Trustee or otherwise) to procure the transfer of sufficient issued Shares or allotment of sufficient new Shares to satisfy in full all its obligations in respect of such Performance Share Awards at vesting in accordance with the relevant Vesting Schedule.

RIGHTS

- 3.8 In the case of Restricted Share Awards, except to the extent specified in the Award Agreement with the Executive referred to in Rules 3.1 and 3.2, an Executive will have the rights of a shareholder in respect of the Shares subject to an Award until the Award lapses.
- 3.9 In the case of a Performance Share Award, before vesting the Executive has no rights to dividends, voting or otherwise in respect of any Shares comprised in an Award.

4. VESTING

4.1 To the extent that an Award does not vest in accordance with the Vesting Schedule it will lapse save to the extent (if any) the Board in their absolute discretion determine otherwise. In the case of a Restricted Share Award, the Executive must transfer his interest in the Non-Vested Shares as though he was a Bad Y Leaver.

5. CESSATION OF EMPLOYMENT BEFORE VESTING

5.1 If an Executive ceases to be an Eligible Employee at any time for any reason prior to an Award vesting in accordance with the Vesting Schedule it will lapse save to the extent (if any) the Board in their absolute discretion determine otherwise. In the case of a Restricted Share Award, the Executive must transfer his interest in the Non-Vested Shares as though he was a Bad Y Leaver.

6. VARIATION IN CAPITAL AND RIGHTS ISSUES

6.1 This Rule applies if there is a variation in the equity share capital of the Company, including a capitalisation or rights issue, sub division, consolidation or reduction of share capital, or if there is a demerger or special dividend or any other transaction which the Board in their absolute discretion, determine may affect Shares.

6.2 Subject to the Award Agreement referred to in Rule 3.1 where there is a variation or other event of the sort described in Rule 6.1, any shares, securities or rights allocated to a Executive as a result of such an event shall be treated as if they were awarded to the Executive under the Scheme in the same way and at the same time as the Shares subject to the Award in respect of which the rights were conferred.

7. SALE, MERGER, LISTING AND OTHER CORPORATE EVENTS

7.1 In the event of a Sale or Merger in which the holders of Shares participate, there shall be no acceleration of vesting of an Award unless the Board in their absolute discretion determine otherwise.

7.2 If someone becomes bound or entitled to acquire Shares under Sections 428 to 430F of the Companies Act 1985, there shall be no acceleration of vesting of an Award unless the Board in their absolute discretion determine otherwise.

7.3 If a court sanctions a compromise or arrangement under Section 425 of the Companies Act 1985, there shall be no acceleration of vesting of an Award unless the Board in their absolute discretion determine otherwise.

7.4 In the event of a Listing, there shall be no acceleration of vesting of an Award unless the Board in their absolute discretion determine otherwise.

- 7.5 If notice is given to shareholders of a resolution for the voluntary winding-up of the Company, there shall be no acceleration of vesting of an Award unless the Board in their absolute discretion determine otherwise.
- 7.6 If the Company is wound-up by the court, there shall be no acceleration of vesting of an Award unless the Board in their absolute discretion determine otherwise.
- 7.7 If an administration order is made in relation to the Company, there shall be no acceleration of vesting unless the Board in their absolute discretion determine otherwise.
- 7.8 If a voluntary arrangement is proposed in relation to the Company under Part I of the Insolvency Act 1986, there shall be no acceleration of vesting of an Award unless the Board in their absolute discretion determine otherwise.

8. ADMINISTRATION

- 8.1 These Rules may be amended by resolution of the Board from time to time in any manner.
- 8.2 Notwithstanding any other provision of the Scheme, the Board may amend or add to the provision of the Scheme and the terms of Awards as they consider necessary or desirable to take account of, or to mitigate, or to comply with relevant overseas taxation, securities or exchange control laws, provided that the terms of Awards granted to such Eligible Employees are not more favourable overall than the terms of Awards granted to other Eligible Employees.
- 8.3 The Company and any Subsidiary may provide money to the trustee of any trust or any other person to enable them or him to acquire Shares to be held for the purposes of the Scheme, or enter into any guarantee or indemnity for those purposes, to the extent permitted by Section 153 of the Companies Act 1985.
- 8.4 The Company, any employing company or the trustees of any employee benefit trust or their agents may withhold any amount and make any such arrangements as it considers necessary to meet any liability to taxation or social security contributions in respect of Awards made to an Executive. These arrangements may include the sale of any Shares on behalf of the Executive, unless the Executive discharges the liability himself.
- 8.5 By participating in the Scheme the Executive consents to the holding and processing of personal data provided by the Executive to the Company for all purposes relating to the operation of the Scheme. These include, but are not limited to:
 - 8.5.1 administering and maintaining Executive records;

- 8.5.2 providing information to trustees of any employee benefit trust, registrars, brokers or third party administrators of the Scheme;
- 8.5.3 providing information to future purchasers of the Company or the business in which the Executive works; and
- 8.5.4 transferring information about the Executive to a country or territory outside the European Economic Area.

9. GENERAL

- 9.1 All transfers, allotments or issues of Shares will be subject to any necessary consents under any relevant enactments or regulations for the time being in force in the United Kingdom or elsewhere. The Executive will be responsible for complying with any requirements to be fulfilled in order to obtain or avoid the necessity for any such consent.
- 9.2 Any Shares acquired under an Award will be subject to the Articles from time to time in force.
- 9.3 Any notice given by an Eligible Employee or a Executive to the Company in pursuance of the Scheme must be given in writing and signed by the Eligible Employee or Executive as the case may be and shall be acted upon the Company as soon as reasonably practicable after receipt provided that the Company may in its absolute discretion act on instructions given or purporting to be given by facsimile and/or any other electronic communication and shall not be responsible for any loss whatsoever occasioned by so acting. Any such notice shall be properly given if sent by post (airmail if overseas) or delivered to the Company at its registered office.
- 9.4 Any notification or other notice which the Company or the Trustee is required to give or may desire to give to any Executive in pursuance of the Scheme shall be sufficiently given:
 - 9.4.1 if he is a director or employee of any Group Company by delivering it to him at his place of work; or
 - 9.4.2 if sent through the post in a prepaid envelope addressed to such Executive at his address last known to the Company; or
 - 9.4.3 if he is a director or employee of any Group Company by sending a facsimile transmission or any other electronic communication to a current facsimile or electric communication number or address.
- 9.5 Any notice sent by post (or airmail if overseas) shall be deemed to be properly served 24 hours after an envelope containing such notice and properly addressed has been posted by first class post (or if sent airmail from or to overseas on the

fifth day following the day of posting). Any notice sent by facsimile or any other electronic communication shall be deemed to be properly served at the time of transmission.

- 9.6 The decision of the Board in any dispute or question concerning the construction or effect of the Scheme or any other questions arising in connection with the Scheme shall be final and conclusive.
- 9.7 The Board may at any time resolve to terminate the Scheme in which event no further Awards shall be granted but the provisions of the Scheme shall continue in full force and effect in relation to Awards then subsisting.
- 9.8 The Company may send to Executives copies of any documents or notices normally sent to the holders of its shares (including such notices or documents required to be sent to Executive resident in the United States in accordance with the rules and regulations under the US Securities Exchange Act of 1934 as amended).
- 9.9 Notwithstanding any other provision of these Rules:
 - 9.9.1 the Scheme shall not form any part of any contract or employment between the Company or any member of the Group and any employee of any such company. The rights and obligations of any individual under the terms of his office or employment with the Company or any member of the Group shall not be affected by his participation in this Scheme or any right which he may have to participate in it, and this Scheme shall afford such an individual no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason whatsoever;
 - 9.9.2 no Executive shall be entitled to any compensation or damages for any loss or potential loss which he may suffer by reason of the Award not Vesting in consequence of the loss or termination of his office or employment with the Company or any member of the Group for any reason whatsoever;
 - 9.9.3 this Scheme shall not give any legal or equitable rights against the Company or any member of the Group directly or indirectly, or give rise to any cause of action in law or in equity against the Company or any member of the Group (other than those constituting the Awards themselves);
 - 9.9.4 the benefits to Eligible Employees or Executives under the Scheme shall not form any part of their wages or remuneration or count as pay or remuneration for pension fund or other purposes;

9.9.5 all Executives and Eligible Employees agree as a condition of their participation in the Scheme that any personal data in relation to them may be held by any company in the Group or passed to any third party in connection with the administration of the Scheme;

9.9.6 in no circumstances shall any Eligible Employee or Executive on ceasing to hold the office or employment by virtue of which he is or may be eligible to participate in the Scheme (whether or not upon breach of the Eligible Employee's or Executive's contract of employment by his employer) be entitled to any compensation for any loss or any right or benefit or prospective right or benefit under the Scheme which he might otherwise have enjoyed whether such compensation is claimed by way of damages for wrongful dismissal or other breach of contract or by way of compensation for loss of office or otherwise.

9.10 These Rules shall be governed by and construed in all respects in accordance with English law.