

**IWG PLC**

**THE IWG PLC SHARE OPTION PLAN**

**RULES**

Adoption date: 28 October 2016

Expiry date: 28 October 2026

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540051502

# THE RULES OF THE IWG PLC SHARE OPTION PLAN

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## **THE IWG PLC SHARE OPTION PLAN**

### **PLAN SUMMARY**

The IWG plc Share Option Plan has been set up to assist in the recruitment and retention of key employees and directors.

The Plan is an umbrella plan consisting of the following sub-plans; participation in each of the plans is discretionary.

Part 1 - The IWG plc Share Option Plan (International);

Part 2 - The IWG plc Share Option Plan (UK);

Part 3 - The IWG plc Share Option Plan (US);

Part 4 - The IWG plc Share Option Plan (Non-executive directors); and

Part 5 - The IWG plc Share Appreciation Rights Plan; and

Part 6 – The IWG plc Share Option Plan (France).

Part 7 – The IWG plc Share Option Plan (Switzerland)

Further sub-plans may be created.

Under the share option plans, participants are granted options to buy shares in the Company. Such options may be options to subscribe for new shares or, except in the case of the sub-plan set out in Part 4, options to purchase existing shares to be satisfied from an employee trust.

Options are granted to selected employees and directors at the discretion of a committee of the Board. Options may be granted subject to a performance target which must then, in normal circumstances, be met before the option may be exercised.

Subject to the performance target being met (where applicable), options are exercisable at such times, and in such tranches, as may be specified at the time of grant. Options are not normally be exercisable before the third anniversary of grant or after the day before the tenth anniversary of grant. Special rules apply on termination of employment or change of control of the Company.

Awards under the Share Appreciation Rights Plans are made in those cases where it is not practicable to grant the individual rights to acquire shares and entitle the recipient to a cash bonus equivalent to the increase in the value of a specified number of shares in the Company.

In certain circumstances, the benefit payable to an individual may be satisfied by the transfer of shares.

It is intended that stock options granted under Part 6 shall qualify for the favourable tax and social security taxes treatment applicable to stock options granted under Articles L. 225-177 to L. 225-186 of the French Commercial Code, as subsequently amended, and in accordance with the relevant provisions set forth by French tax law and the French tax administration. The terms of Part 6 shall be interpreted accordingly and in accordance with the relevant provisions set forth by French tax and social security laws, and relevant guidelines published by French tax and social security administrations and subject to the fulfilment of legal, tax and reporting obligations.

It is intended that stock options granted under Part 7 to participants whilst they are resident in Switzerland shall be taxable in Switzerland. The terms of Part 7 shall be interpreted accordingly and in accordance with the relevant provisions set forth by Swiss tax and social security laws, and relevant guidelines published by Swiss tax and social security administrations and subject to the fulfilment of legal, tax and reporting obligations.

This summary of the Plan does not form part of the rules of the Plan which apply in the event of any inconsistency.

**PART 1****THE IWG PLC SHARE OPTION PLAN (INTERNATIONAL)****1. INTERPRETATION AND CONSTRUCTION****1.1 Definitions**

In this Plan, the following expressions have the meanings shown next to them:

**Announcement Date** - any date on which the Company announces its results to the Stock Exchange;

**Applicable Companies Laws** - means both the Jersey Companies Laws and the Swiss Companies Laws;

**Board** - the board of directors of the Company or a committee appointed by it;

**Cause** - any circumstance, whether known at the time that an individual's employment ends or discovered subsequently, which entitles the individual's employer to terminate his contract of employment without notice or payment in lieu of notice;

**Clawback Period** - the period commencing on the date the Exercise Period of an Option commences or, if earlier, the date on which the Option becomes exercisable under Rule 7 (*Leaving employment*) or Rule 8 (*Change of Control and Liquidation*), and ending on the third anniversary of that date or such other period as the Committee may determine at the Grant Date;

**Committee:**

- for Options granted to persons who are or were directors of the Company, the committee of the Board which is known as the Remuneration Committee or any successor committee; and
- for Options granted to other persons, the Board or such committee of the Board as the Board may from time to time decide;

**Company** - IWG plc, a company incorporated in Jersey with registered number 122154;

**Control** - means, in relation to a company, the power of a person to secure by means of the holding of shares or the possession of voting power in or in relation to that company or by virtue of any powers conferred by the constitutional documents regulating that company, that the affairs of the company are conducted in accordance with the wishes of that person.

**Dealing Day** - a day on which the Stock Exchange is open for business;



**Eligible Employee** - any person who is eligible to take part in the Plan according to Rule 2 (*Eligibility*);

**Exercise Period** - such period as the Grantor may decide at the time of grant. The period may not begin earlier than the third anniversary, nor end later than the day before the tenth anniversary, of the Grant Date;

**Exercise Price** - the price payable to buy a Share on the exercise of an Option;

**Family Member or Family Trust** - in relation to an Eligible Employee one of the following:

- his spouse or children or step-children under the age of 18; or
- a trust in respect of which confirmation has been received by the Committee from the trustees of the trust in such form as the Committee may from time to time determine that the terms of the trust do not permit any of the settled property to be applied otherwise than for the benefit of the Eligible Employee and the Eligible Employee's spouse or children or step-children under the age of 18;

**Grant Date** - the date on which an Option is granted;

**Grantor** - the Company for Options granted or to be granted by the Company and the Trustee for Options granted or to be granted by the Trustee;

**Group** - the Company and its Subsidiaries and the expression **member of the Group** is to be construed accordingly;

**ITEPA 2003** - Income Tax (Earnings and Pensions) Act 2003;

**Jersey Companies Laws** - means the Companies (Jersey) Law 1991, as amended from time to time, the Uncertificated Securities Order and every statute (including any orders, regulations or other subordinate legislation made under it) from time to time in force concerning companies in so far as it applies to the company;

**NIC Liability** - a liability to pay national insurance contributions in the United Kingdom (or their equivalent, in the opinion of the Committee, outside the United Kingdom), taxes or duties;

**Option** - a right to buy (whether by purchase or subscription) Shares;

**Participant** - the Eligible Employee to, or in respect of whom, the Option was granted or, after his death, his personal representative;

**Participating Employer** - any member of the Group;

**Performance Target** - the target or targets for an Option set under Rule 3.4 (*Performance Targets and other conditions*) as from time to time changed under Rule 3.5 (*Changing the Performance Targets and other conditions*);

**Plan** - this plan;

**Rules** - the rules of this Plan;

**Share** - a fully-paid ordinary share in the capital of the Company;

**Stock Exchange** - London Stock Exchange plc or any recognised investment exchange for the purposes of the Financial Services and Markets Act 2000 which may take over the function of the London Stock Exchange plc;

**Subsidiary** - has the meaning given to that term in the Companies (Jersey) Law 1991, as amended from time to time, which at the date of adoption of these rules is that a body corporate is a subsidiary of another body corporate if the second body (a) holds a majority of the voting rights in the first body; (b) is a member of the first body and has the right to appoint or remove a majority of the board of directors of the first body; or (c) is a member of the first body and controls alone, pursuant to an agreement with other shareholders or members, a majority of the voting rights in the first body, or if the first body is a subsidiary of a body corporate which is itself a subsidiary of the second body;

**Swiss Companies Law** - means every Swiss statute (including any orders, regulations or other subordinate legislation made under it) from time to time in force concerning companies in so far as it applies to the company;

**Trustee** - the trustee of any employee benefit trust set up for the benefit of employees of the Group which has agreed to be the Trustee for the purposes of the Plan;

**Unvested Option** - any Option or, as the case may be, any part of an Option that is not a Vested Option;

**UK Listing Authority** - the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part IV of the Financial Services and Markets Act 2000 or such other person as is from time to time appointed to be the competent authority for the purposes of that Act;

**US** - United States of America; and

**Vested Option:**

- where the Option is not subject to a Performance Target, an Option (or the part of the Option) in respect of which the Exercise Period has started; and
- where the Option is subject to a Performance Target, an Option (or the part of the Option) in respect of which the Performance Target has been met or waived.

## 1.2 Construction

Any reference in the Plan:

- to the singular includes the plural and vice versa;
- to the masculine includes the feminine; and
- to an enactment includes that enactment as for the time being amended or re-enacted.

## 1.3 Governing law

This Plan and any Option granted under it are governed by English law unless (and to the extent if any) specified in any of the sub-plans in Rule 1.4.

## 1.4 The sub-plans

The Plan is divided into the following sub-plans:

Part 1 - The IWG plc Share Option Plan (International);

Part 2- The IWG plc Share Option Plan (UK);

Part 3 - The IWG plc Share Option Plan (US);

Part 4 - The IWG plc Share Option Plan (Non-executive Directors);

Part 5 - The IWG plc Share Appreciation Rights Plan;

Part 6 – The IWG plc Share Option Plan (France); and

Part 7 – The IWG plc Share Option Plan (Switzerland).

In accordance with Rule 12 (*Changing and ending the Plan*), the Committee may set up additional sub-plans.

## 1.5 Administration

Unless the Rules say otherwise, the Committee will administer the Plan.

## 1.6 Disputes

The Committee's decision on the construction of the Rules and on any disputes arising under the Plan is final and binding on all persons.

## **2. ELIGIBILITY**

A person is an Eligible Employee if he is an employee (including a director who receives a salary) of a Participating Employer on the Grant Date.

## **3. GRANT OF OPTIONS**

### **3.1 Restrictions on grant**

The Committee must make sure:

- that the limit in Rule 4 (*Plan limit*) is not exceeded;
- that Options are not granted after the 10th anniversary of the date on which the Plan is adopted by the Board; and
- that the Plan is not operated at any time, or in any circumstances, when to do so would breach any requirements of the Applicable Companies Laws relating to dealing in shares, the Company's share dealing code, the Listing Rules of the UK Listing Authority or any other applicable laws or regulations.

### **3.2 Procedure on grant**

Subject to the rest of this Clause 3, Options may be granted to such Eligible Employees, or to the Family Members or Family Trusts of such Eligible Employees, as the Committee may decide.

Whenever it decides that Options should be granted, the Committee must decide who is to be the Grantor of an Option. If the Grantor is to be the Trustee, the Committee must obtain the Trustee's agreement beforehand. The Trustee may not grant an Option without the agreement of the Committee.

The Grantor may invite individuals to apply for Options or it may grant Options without issuing invitations.

### **3.3 Timing of grant**

Subject to Rule 3.1, Options may be granted from time to time as the Committee may decide. However, an Option may not be granted:

- in any case where the Option is granted in response to an invitation, more than 60 days after the Dealing Day used to work out the minimum Exercise Price according to Rule 3.7; or
- in any case where the Option is granted immediately following an Announcement Date, on a date which would result in that Dealing Day coming before the relevant Announcement Date.

### **3.4 Performance Targets and other conditions**

The Committee may make an Option subject to a Performance Target. The Committee may also impose other conditions. In particular, but without limitation, an Option may be granted on terms that the Participant must agree to bear the cost of some or all of any NIC Liability arising from the Option either by reimbursing the person otherwise liable or by entering into an election to transfer the NIC Liability to himself.

The Performance Target and the other conditions must be objective. They need not, however, be the same for each type of Option or for all Participants.

### **3.5 Changing the Performance Targets and other conditions**

The Committee may change the Performance Target or the other conditions in any of the following circumstances:

- if there is any change in the Company's capital;
- if the terms of the Performance Target or the other conditions allow it; or
- if an event happens or a series of events happen as a result of which the Committee considers it fair and reasonable to make the change.

The power to change includes both the power to adjust and also the power to impose a new objective Performance Target or different objective conditions. The change may not, however, have the effect (in the Committee's opinion) of making the Performance Target or the other conditions either materially easier or materially more difficult than it was or they were when the Option was granted.

The Committee must tell each Participant of any change in the Performance Target or other conditions which apply to his Option.

### **3.6 Notification to the Trustee**

In any case where the Grantor is the Trustee, the Committee must notify the Trustee before setting the Performance Target or the other conditions. If the Performance Target or the other conditions are subsequently changed, the Committee must notify the Trustee as soon as practicable afterwards.

### **3.7 Exercise Price**

The Committee must set the Exercise Price. It may not be less than the market value of a Share.

The **market value** of a Share is the lower of the following:

- the lower of the two prices shown in the quotations for Shares, as derived from the Daily Official List of the Stock Exchange, for the relevant day plus one-quarter of the difference between the two figures; and
- the middle market price of a Share, as derived from the Daily Official List of the Stock Exchange, for the relevant day.

The **relevant day** is the Dealing Day immediately before the Grant Date or, if the invitation (if any) specifies the Exercise Price, on the date of the invitation.

The **middle market price** of a Share on any day is half way between the highest and lowest prices at which bargains, other than bargains done at special prices, were recorded on that day.

In the case of an Option to subscribe for Shares, the Exercise Price may not be less than the nominal value of a Share on the Grant Date.

### 3.8 Deed of grant

On the Grant Date, the Grantor must execute a deed of grant in favour of each recipient of an Option. The deed of grant may be in favour of more than one recipient. If so, it will be retained by the Grantor but the Grantor must make it (or the relevant part of it) available for inspection by each recipient. As soon as practicable after the Grant Date, the Grantor must give each recipient written details of his Option. The deed of grant and the written details given to each recipient must state the Exercise Price, the full terms of any Performance Target and any additional conditions applicable to the Option.

## 4. PLAN LIMIT

### 4.1 General

The Committee must make sure that the nominal amount of Shares over which Options to subscribe are granted on any date does not exceed the limit set out in Rule 4.3.

### 4.2 Meaning of terms used in Rule 4

In Rule 4:

- an **award** means any right to acquire or receive Shares whether conditional or unconditional;
- an **employee share scheme** means any scheme for employees of the Group which has been approved by the Company in general meeting;
- means the issued share capital excluding any part of that capital that neither as respects dividends nor as respects capital, carries any right to participate beyond a specified amount in a distribution;

- no account will be taken of Shares acquired by the recipient or assignee of an award (or the personal representatives of such a person) where the Shares are acquired for a price equal to their market value at or about the date of acquisition;
- subject to the following point, no account will be taken of an award if and to the extent to which the Committee considers that it will be satisfied by the transfer of existing Shares; and
- any Shares issued or remaining issuable to the trustee of any trust which were used or which are to be used to satisfy awards granted under an employee share scheme must be treated as having been issued or as remaining issuable in respect of those awards unless the Shares were acquired by the trustee pursuant to a rights issue or other opportunity offered to the trustee in respect of Shares held by it and acquired otherwise than by subscription.

#### **4.3 10% in 10 years for all schemes**

The limit is 10% of the nominal amount of the Company's equity share capital on the day before the Grant Date less the total nominal amount of:

- Shares issued in respect of awards granted within the previous 10 years under any employee share scheme;
- Shares remaining issuable in respect of awards granted on the same date or within the previous 10 years under any employee share scheme; and
- Shares issued on the same date or within the previous 10 years under any employee share scheme otherwise than in respect of an award.

### **5. RESTRICTIONS UPON EXERCISE**

#### **5.1 General**

Rule 5 overrides the other Rules except where otherwise stated.

#### **5.2 End of Exercise Period**

An Option will lapse at the end of the Exercise Period.

#### **5.3 Lapsing of Options**

If an Option (or a part of an Option) lapses under any Rule, it (or the relevant part of it) may not be exercised subsequently under any other Rule.

#### 5.4 Meeting the Performance Targets and other conditions

Unless the Committee decides otherwise or where Rule 8 (*Change in Control and liquidation*) applies, a Participant's Option may not be exercised:

- if it is subject to a Performance Target unless and to the extent that it may be exercised according to that Performance Target; or
- except in accordance with any other conditions imposed under Rule 3.4 (*Performance Targets and other conditions*) as changed under Rule 3.5 (*Changing the Performance Targets and other conditions*).

#### 5.5 Share dealing code

A Participant's Option may not be exercised during a restricted period. A **restricted period** is any time when the buying or selling of securities by a director or employee of the Company would break that code. This restriction applies even if the Participant is not at that time forbidden by the code from buying or selling securities.

This restriction does not, however, apply if permission to exercise this Option is given:

- in the case of a Participant who is bound by that code, in accordance with the procedures laid down in the code; and
- in the case of any other Participant, by such person as the Committee may nominate for this purpose.

### 6. EXERCISE OF AN OPTION

#### 6.1 Timing

A Vested Option may be exercised during the Exercise Period. It may not be exercised either:

- before the start of the Exercise Period except where either Rule 7 (*Leaving employment*) or Rule 8 (*Change of Control and liquidation*) applies; or
- after the end of the Exercise Period.

Where an Option is exercisable, it may be exercised in whole or in part. If and to the extent that an Option has not previously been exercised, it may be exercised again.

#### 6.2 Method of exercise

To exercise an Option, the Participant (or the Family Member or Family Trust to whom the Option was granted or has been transferred) must give written notice to the Company. As soon as reasonably practicable after receipt of the notice, the Company must notify the Trustee if the Trustee is the Grantor. The notice of exercise must be in such form, and be



accompanied by such other documents, as the Committee may decide. The Participant must also comply with Rules 6.10 and 6.11.

### **6.3 Payment of the Exercise Price**

The Exercise Price must be paid at the same time as the notice of exercise is given. Alternatively, the Participant may enter into any arrangements the Company may approve for the payment of the Exercise Price.

### **6.4 Time of exercise**

Unless the Company agrees otherwise, the time and date of exercise of an Option will be the time and date on which the notice of exercise, complete in all material respects, is received by the Company.

### **6.5 Allotment or transfer of Shares**

Subject to Rules 6.6 and 6.7, within 30 days of the date of exercise, the Company must either:

- allot and issue the number of Shares stated in the notice of exercise; or
- arrange for the transfer of those Shares,

to, or at the direction of, the Participant or the Family Member or Family Trust to whom the Option was granted or has been transferred.

The Company's obligation under this Rule, and Rules 6.6 and 6.7 is, however, subject to:

- any necessary consents or approvals as may be required by any competent authority having first been obtained;
- the Participant having complied with the terms of the Option and
- Rules 6.10 and 6.11.

### **6.6 Delivery of net number of Shares**

Following the exercise of an Option, and in respect of any Option granted before 2 July 2014, only if so requested by the Participant or the Family Member or the Family Trust to whom the Option was granted or has been transferred, the Company may reduce the number of Shares to be transferred in accordance with Rule 6.5 by a number of Shares that has a value at least (in its estimation) equal to: (i) the liability of the Participant to any tax, duties and social security contributions or other amounts that arise on such exercise (including any NIC Liability which the Participant has agreed to pay); and (ii) the Exercise Price.

The Company must procure that an amount equal to liability of the Participant to any tax, duties and social security contributions or other amounts that arise on the exercise of the

Option (including any NIC Liability which the Participant has agreed to pay) is paid to the appropriate authorities (with any surplus cash being returned to the Participant).

The obligation to pay the Exercise Price under Rule 6.3 will be discharged by the delivery of a net number of Shares in accordance with this Rule.

This Rule will not apply to Options granted in any jurisdiction where the presence of this Rule would cause:

- the grant of the Option to be unlawful or for it to fall outside any applicable securities law exemption; or
- adverse tax consequences for the Participant and/or any member of the Group.

#### **6.7 Satisfaction of Options in cash**

The Company may, and in respect of any Option granted before 2 July 2014, only if so requested by the Participant or the Family Member or the Family Trust to whom the Option was granted or has been transferred, following the exercise of an Option, in lieu of the Participant's right to receive Shares pursuant to Rule 6.5, make a cash payment equal to the market value of the Shares in respect of which the Option has been exercised less an amount equal to the aggregate of: (i) the aggregate Exercise Price; and (ii) any liability of the Participant to any tax, duties and social security contributions or other amounts that arise on such exercise (including any NIC Liability which the Participant has agreed to pay).

This Rule will not apply to Options granted in any jurisdiction where the presence of this Rule would cause:

- the grant of the Option to be unlawful or for it to fall outside any applicable securities law exemption; or
- adverse tax consequences for the Participant and/or any member of the Group.

The **market value** of a Share is the lower of the following:

- the lower of the two prices shown in the quotations for Shares, as derived from the Daily Official List of the Stock Exchange, for the relevant day plus one-quarter of the difference between the two figures; and
- the middle market price of a Share, as derived from the Daily Official List of the Stock Exchange, for the relevant day.

The **relevant day** is the Dealing Day immediately before the date of exercise of the Option.

The **middle market price** of a Share on any day is half way between the highest and lowest prices at which bargains, other than bargains done at special prices, were recorded on that day.

### **6.8 Rights of new Shares issued**

Any new Shares issued under the Plan must rank equally in all respects with other Shares then in issue except for rights which attach to Shares by reference to a record time or date prior to the time or date of issue.

### **6.9 Listing**

The Company must apply to the UK Listing Authority for any new Shares issued under the Plan to be listed on the Stock Exchange and to the Stock Exchange to have the Shares admitted to trading. The Company need not do so, however, if the Shares are not traded on the Stock Exchange.

### **6.10 Withholding obligations**

This Rule applies if the Committee considers that:

- a Participant may be liable to tax, duties, social security contributions or other amounts on the exercise of his Option and/or on his Option becoming exercisable; and
- any other person may have to make a payment to the appropriate authorities on account of that liability.

The Participant may either pay that person the amount which it needs to pay (or has paid) the appropriate authorities or agree to other arrangements approved by the Company. If he does not do so within such period as is specified by the Company, then to the extent necessary to make sure that the person is reimbursed for the amount due to the appropriate authorities, the Participant (or the Family Member or Family Trust whom the Option was granted or has been transferred) will be deemed to have exercised the Option, authorised the disposal of the Shares issuable or transferable upon the exercise and the payment of the net proceeds of sale to that person.

This Rule does not apply where Rule 6.6 or Rule 6.7 applies.

### **6.11 NIC Liability**

This Rule applies if the Option has been granted subject to a condition that the Participant must reimburse any person for some or all of the NIC Liability arising on the exercise of his Option or on his Option becoming exercisable or if the Participant has subsequently agreed to do so or if he has entered into an election to transfer some or all of that NIC Liability to himself.

The Participant must either pay the person the amount which it needs to pay (or has paid) the appropriate authorities or agree to other arrangements approved by the Company. If he does not do so within such period as is specified by the Company, then, to the extent necessary to make sure that the Participant complies with his obligations, the Participant (or the Family Member or Family Trust to whom the Option was granted or has been transferred) will be

deemed to have exercised the Option, authorised the disposal of the Shares issuable or transferable upon the exercise and the payment of the net proceeds of sale to that person.

This Rule does not apply where Rule 6.6 or Rule 6.7 applies.

## **7. LEAVING EMPLOYMENT**

### **7.1 Meaning of ceasing to be employed within the Group**

Subject to the rest of this Rule, a Participant is to be treated as ceasing to be employed within the Group when he is no longer employed by any member of the Group.

If a Participant is away from work because of pregnancy or confinement or another absence approved by the Committee for this purpose, he will be treated for the purposes of the Rules as continuing to be employed within the Group unless and until the Committee is satisfied that there is no longer any reasonable expectation that he or she will return to work.

### **7.2 Leaving employment**

This Rule applies if the employment within the Group of a Participant ends.

If the Participant's employment ends for Cause, his Vested Option (if any) and his Unvested Option (if any) will lapse immediately unless and to the extent that the Committee so determines at the time of termination.

If the Participant's employment ends for any reason other than Cause, the Participant (or the Family Member or Family Trust to whom the Option was granted or has been transferred) may exercise his Vested Option (if any) in the period of six months starting with the date on which his employment ends or during such longer period, not exceeding 42 months, as the Committee may decide. The Vested Option will lapse at the end of the period for exercise allowed under this Rule or, if the Participant dies during that period, on the first anniversary of the Participant's death.

If the Participant's employment ends for any reason other than Cause, his Unvested Option (if any) will lapse immediately:

- unless and to the extent specified otherwise in the terms on which the Option was granted; or
- unless and to the extent that the Committee so determines at the time of termination but, if so, the period of exercise may not exceed 42 months after the date on which the Participant's employment ended.

## **8. CHANGE OF CONTROL AND LIQUIDATION**

### **8.1 Change of Control**

This Rule applies if any person (either alone or together with any person acting in concert with him):

- gets Control of the Company; or
- already having Control of the Company makes a general offer to acquire all of the Shares other than those which are already owned by him and/or any person acting in concert with him.

On the change of Control, or as the case may be, the making of the offer, any Unvested Option on that date shall Vest as set out below. The proportion of the Option which shall Vest shall be dependent on the proportionate satisfaction of the Performance Target (if any) on such date. In addition, the Committee (in determining the proportion of the Unvested Option that shall Vest) may in its discretion take into account when the change of Control occurs in terms of the length of time that has elapsed between the Date of Grant and the start of the Exercise Period. Any part of the Unvested Option which does not Vest on the change of Control shall lapse immediately.

Each Participant (or the Family Member or Family Trust to whom the Option was granted or has been transferred) may exercise any Option which has already Vested or any part of an Unvested Option which is deemed by the Committee to Vest on the date of the change of Control, or as the case may be, the making of the offer in the six months after the change of Control or, as the case may be, the making of the offer.

However, if, as a result of getting Control or making the offer, the person becomes entitled to give a notice to the Company's Shareholders in accordance with the Applicable Companies Laws to buy out minority shareholders each Option will lapse 30 days after the date on which that notice is given unless it is exchanged (whether before or after the end of that period) for a new option under Rule 9 (*Substitute options following change of Control*).

### **8.2 Scheme of arrangement**

This Rule applies where under of the Applicable Companies Laws the court approves a compromise or arrangement between the Company and its Shareholders.

On the date upon which the compromise or arrangement is approved by the court, any Unvested Option on that date shall Vest as set out below. The proportion of the Option which shall Vest shall be dependent on the proportionate satisfaction of the Performance Target (if any) on such date. In addition the Committee (in determining the proportion of the Unvested Option that shall Vest) may in its discretion take into account when the compromise or arrangement is approved by the court in terms of the length of time that has elapsed between the Date of Grant and the start of the Exercise Period. Any part of the Unvested Option which

does not Vest on the date the compromise or arrangement is approved by the court shall lapse immediately.

Each Participant (or the Family Member or Family Trust to whom the Option was granted or has been transferred) may exercise any Option which has already Vested or any part of an Unvested Option which is deemed by the Committee to Vest on the date upon which the compromise or arrangement is approved by the court during such period as the Committee may decide. The period may not start earlier than the date upon which the compromise or arrangement is approved by the court nor end later than six months after the date upon which it becomes effective. At the end of that period, each Option will lapse unless exchanged (whether before or after the end of that period) for a new option under Rule 9 (*Substitute options following change of Control*).

### **8.3 Liquidation**

Subject to the rest of this Rule, each Option will lapse if an effective resolution is passed, or an order is made, for the Company to be wound up or its assets to be declared en désastre unless it is exchanged (whether before or after the passing of that resolution) for a new option under Rule 9 (*Substitute options following change of Control*).

On the date upon which an effective resolution is passed for the Company to be wound up voluntarily, any Unvested Option on that date shall Vest as set out below. The proportion of the Option which shall Vest shall be dependent on the proportionate satisfaction of the Performance Target (if any) on such date. In addition the Committee (in determining the proportion of the Unvested Option that shall Vest) may in its discretion take into account when an effective resolution is passed in terms of the length of time that has elapsed between the Date of Grant and the start of the Exercise Period. Any part of the Unvested Option which does not Vest on the date an effective resolution is passed shall lapse immediately.

Each Participant (or the Family Member or Family Trust to whom the Option was granted or has been transferred) may exercise any Option which has already Vested or any part of an Unvested Option which is deemed by the Committee to Vest on the date an effective resolution is passed in the period of 60 days after the resolution is passed. At the end of that period, the Option will lapse unless it is exchanged (whether before or after the passing of that resolution) for a new option under Rule 9 (*Substitute options following change of Control*).

Where a Participant (or the Family Member or Family Trust to whom the Option was granted or has been transferred) exercises an Option according to this Rule, he will be entitled to share in the Company's assets in the same way as he would have been entitled to had the Shares been registered in his name before the resolution was passed.

### **8.4 Overriding provision**

This Rule applies if:

- the events referred to in Rule 8 are part of an arrangement which will mean that the Company will be under the Control of another company; and

- the persons who owned Shares immediately before the change of Control will immediately afterwards own at least 50% of the shares in that other company; and
- substitute options are to be offered (with or without performance targets) under Rule 9 (*Substitute options following change of Control*).

Notwithstanding the earlier provisions of Rule 8, the Committee may decide that Unvested Options may not be exercised.

## 9. SUBSTITUTE OPTIONS FOLLOWING CHANGE OF CONTROL

### 9.1 Application

Rule 9 applies if a company (the **acquiring company**):

- gets Control of the Company as a result of making a general offer to buy the whole of the issued ordinary share capital of the Company which is made on a condition which, if met, will give the acquiring company Control of the Company; or
- gets Control of the Company as a result of making a general offer to buy all the Shares; or
- gets Control of the Company as a result of a compromise or arrangement approved by the court under the Applicable Companies Laws; or
- becomes bound or entitled to acquire shares of the minority shareholders in the Company under the Applicable Companies Laws.

The acquiring company's offer need not extend to shares which are already owned by it, its Holding Company or by its Subsidiaries or those of its Holding Company.

### 9.2 Release of Options

A Participant (or the Family Member or Family Trust to whom the Option was granted or has been transferred) may release his Option (the **old option**) in return for the grant to him of another option (the **new option**) if all of the following conditions are met:

- the acquiring company agrees to the release and grant;
- the release and grant happen within the appropriate period (see Rule 9.4).

### 9.3 Deemed release

If:

- an old option is not exercised within the period allowed by Rule 8 (*Change of Control and liquidation*); or

- an old option may not be exercised because of Rule 8.4 (*Overriding provision*),

and the old option will otherwise lapse under Rule 8, the Committee may determine that the Participant (or the Family Member or Family Trust to whom the Option was granted or has been transferred) will be deemed to have agreed to the release of his old option in return for the grant of a new Option under this Rule 9.

#### **9.4 Period for release**

The appropriate period is:

- where the acquiring company gets Control as a result of an offer, six months after the date when it gets Control of the Company and any condition subject to which the offer is made is met or waived;
- where the acquiring company gets Control as a result of a compromise or arrangement, six months after the date on which the court approves the compromise or arrangement; and
- where the acquiring company becomes bound or entitled to buy shares of the minority shareholders in the Company under the Applicable Companies Laws, the period during which the acquiring company remains so bound or entitled.

#### **9.5 Consequences of release**

If a new option is granted under Rule 9:

- the new option will be exercisable in the same way as the old option;
- the new option shall for all purposes of the Plan be treated as having been acquired on the same date of grant as the old option and shall be on equivalent terms to the old option, save that it may be granted by the acquiring company or a company which has Control of the acquiring company, and any references in the old option to the Company shall be a reference in the new option to the acquiring company or a company which has Control of the acquiring company.

However, Rule 5.4 (*Meeting the Performance Targets and other conditions*) will not apply to the new option unless it has been granted subject to a performance target and/or other conditions.

## **10. VARIATION OF CAPITAL**

### **10.1 General**

Rule 10 applies if there is a variation in the share capital of the Company or in such other circumstances as the Board considers appropriate.



## **10.2 Adjustment of Options**

Subject to Rule 10.3, the Board may adjust each Option in any way it thinks appropriate. The Board's decision will be final. In the case of Options granted by the Trustee, the Board must, however, get the Trustee's agreement beforehand.

The adjustment may be to any or all of the nominal amount and the number of Shares under the Option and the Exercise Price. The adjustment must, however, be on the basis that, so far as possible, there is no material change to the total Exercise Price of the Option.

For the avoidance of doubt, the Board may adjust an Option which has been exercised but in respect of which Shares have not yet been either allotted and issued or transferred.

## **10.3 Restrictions on adjustment**

The Board may not reduce the Exercise Price of an unissued Share to below its nominal value.

## **10.4 Notification of adjustment**

The Company must tell each Participant of any adjustment to his Option as soon as possible after the Board's decision.

## **11. GENERAL**

### **11.1 Availability of authorised capital**

The Company must keep available sufficient unissued share capital to meet all Options which are to be satisfied by the issue of new Shares.

### **11.2 Non-transferability of Options**

With the prior agreement of the Committee, an Option may be transferred to a Participant's Family Member or Family Trust. Subject to this exception, an Option will lapse immediately if:

- the Participant (or the Family Member or Family Trust to whom the Option was granted or has been transferred) transfers it or creates in favour of any third party any interest in it; or
- if a bankruptcy order is made in respect of him (or any similar event occurs under the laws of any other country).

### **11.3 Relationship to contract of employment**

Participation in the Plan is a matter entirely separate from, and does not affect, a Participant's pension rights or terms of employment.

If a Participant (or the Family Member or Family Trust the Option was granted or has been transferred) ceases to be entitled to exercise the Option, because the Participant's employment ends (whether fairly, unfairly, lawfully or wrongfully) or for any other reason, neither the Participant nor the Family Member or Family Trust to whom the Option was granted or has been transferred will be entitled to any compensation by reference to the rights granted to, or the benefits capable of being received by, him (or the Family Member or Family Trust to whom the Option was granted or has been transferred) under the Plan or for the loss of such or benefits.

#### **11.4 Notices and circulars to shareholders**

The Company does not have to give Participants copies of any documents sent by the Company to its shareholders. However, the Company must give Participants written notice of events which entitle them to exercise their Options under Rule 8 (*Change of Control and liquidation*).

#### **11.5 Costs**

The Company must pay the costs of preparing and running the Plan. It may, however, require Participating Employers to share the costs on such a basis as the Board considers fair.

#### **11.6 Notices to Eligible Employees and Participants**

Any notice under the Plan to an Eligible Employee or Participant may be given personally or through the internal post or by sending it by post, e-mail or facsimile or by other electronic means (including the internet and the intranet) to the address or number given by that person.

Where a notice or document is sent to an Eligible Employee or Participant by post it will be treated as being received 72 hours after it was put into the post properly addressed and stamped. In all other cases, the notice or document will be treated as received when it is given.

All notices and documents given or sent to Eligible Employee or Participants will be given or sent at the risk of the addressee. Neither the Company nor any of its Subsidiaries nor the Grantor has any liability in respect of any notice or document given or sent, nor any obligation to check that the addressee actually receives it.

For the avoidance of doubt, neither the Company nor any of the Subsidiaries nor the Grantor has any liability to give any notice or document to the Family Member or Family Trust of a Participant to whom an Option was granted or has been transferred. It is the obligation of the Participant to pass on any such notice or document received by him to the Family Member or Family Trust.

#### **11.7 Notices to the Company and the Trustee**

Any notice or document to be given to the Company or Grantor must be given by such means as the Board may from time to time decide. Such means may include, but not be limited to,

delivering it personally or through the internal post to the recipient's registered office or principal place of business or by sending it by facsimile or e-mail or other electronic means (including the internet and the intranet).

Unless otherwise agreed by the Company, a notice or document will only be effective once it is received by the recipient.

All notices and documents given or sent to the Company or the Grantor will be given or sent at the risk of the sender. Neither the Company nor any of its Subsidiaries nor the recipient has any liability in respect of any notice or document given or sent.

## **12. CHANGING AND ENDING THE PLAN, MALUS AND CLAWBACK**

### **12.1 Power of change - general**

Subject to the limitations in Rule 12.3, the Committee may change the Plan in any way. In Rule 12, the Committee means the Remuneration Committee.

### **12.2 Power of change – additional sub-plans**

In exercise of the power of change, the Committee may create additional sub-plans.

### **12.3 Power of change - limitations**

Subject to the exceptions in Rule 12.4, the approval of the Company by its shareholders in general meeting must be obtained before making any change to the advantage of employees or Participants to the following provisions:

- Rule 2 (*Eligibility*);
- Rule 3.7 (*Exercise Price*);
- Rule 4 (*Plan limit*);
- Rule 5 (*Restrictions upon exercise*);
- Rule 6.8 (*Rights of new Shares issued*);
- Rule 7 (*Leaving employment*);
- Rule 8 (*Change of Control and liquidation*);
- Rule 9 (*Substitute options following change of Control*);
- Rule 10 (*Variation of capital*);
- Rule 11.2 (*Non-transferability of Options*); and

- Rule 12.

Subject to the exceptions in Rule 12.4, no change may be made which would affect adversely any of the subsisting rights of a Participant except either with his written consent or with the consent of most of the Participants affected by the change.

#### **12.4 Power of change - exceptions**

The Committee may change the Plan to take account of any amendments to any relevant law.

The Committee may change the Plan and/or the terms of Options to get or keep favourable tax, exchange control or regulatory treatment for Participants or any member of the Group.

The Committee may make minor changes to the Plan to ease its administration or to correct clerical errors.

#### **12.5 Notification of changes**

The Company must tell a Participant about any change which affects his rights.

#### **12.6 Ending the Plan**

The Board may end the Plan at any time in which case no further Options will be granted. In all other respects, the Plan will remain in force.

#### **12.7 Operation of Malus and Clawback**

If the Committee determines, in respect of Options granted after 1 February 2015, that:

- (a) there is reasonable evidence of misbehaviour or material error by a Participant (including where the Participant participated in or was responsible for conduct which resulted in significant losses to the Company, or where the Participant failed to meet appropriate standards of fitness and propriety);
- (b) there is a material misstatement in the Company's audited financial results or a material downturn in the financial performance of the Company, or the business unit in which the Participant is employed; or
- (c) there was an error in:
  - (i) the information or assumptions on which the Option was granted; or
  - (ii) the assessment of the extent to which the Performance Target to which the Option was subject were satisfied,

then the Committee may, in its absolute discretion, and as appropriate,

- (d) subsequent to the grant of the Option but before the expiry of the Clawback Period of the Option, determine that a reduction in the number of Shares subject to the Option is justified and may reduce the number of Shares subject to the Option (including to zero, in which event the Option will be cancelled) to take account of the relevant circumstances; and/or
- (e) at any time within the Clawback Period, require a Participant to repay, in the manner the Committee determines, the number of Shares in respect of which the Option was exercised (or such cash amount representing the value of the Shares in respect of which the Option was exercised) as the Committee considers appropriate in the relevant circumstances.

### **12.8 Notification to Participant**

If the Committee exercises its discretion under Rule 12.7(d), it will confirm this in writing to the affected Participant and the Participant's option will, as appropriate, be cancelled or be deemed to have been granted over the lower number of Shares and the Vesting of the Option in accordance with the Rules will be by reference to this reduced number of Shares.

### **12.9 Committee discretion**

The discretion granted to the Committee under Rule 12.7 will only be capable of exercise by the Committee if there has been no change of Control of the Company. However, if, as a result of any change of Control, the Company has a new holding company which immediately after the change of Control has substantially the same shareholders and proportionate shareholdings as the Company did before, the discretion under Rule 12.7 will continue to be capable of exercise by the committee of the board of directors of the new holding company appointed to administer the Plan.

**PART 2****THE IWG PLC SHARE OPTION PLAN (UK)****13. GENERAL**

This Part sets out the terms of the IWG plc Share Option Plan (UK).

The terms of this Part are the terms set out in Part 1 modified as follows. In the event of any conflict between this Part and Part 1, the provisions of this Part will apply.

The following Rules do not apply to this Part:

- Rule 1.4 (*the sub-plans*);
- Rule 9.4 (*Deemed release*); and
- Rule 12.2 (*Power of change - sub-plans*).

**14. DEFINITIONS**

A Participating Employer is the Company and any Subsidiary of the Company of which the Company has Control and which has been nominated by the Committee as a Participating Employer for the purposes of this Part.

A Share must meet the conditions of Part 4 (*Shares to which schemes can apply*) of Schedule 4 to the ITEPA.

**15. ELIGIBILITY**

An Option may not be granted:

- to a person if it would break the rule in paragraph 9 (*The “no material interest” requirement*) of Schedule 4 to the ITEPA;
- to a director of any member of the Group unless he is required to devote at least 25 hours a week (excluding meal breaks) to his duties to the Group; or
- to the Family Member or Family Trust of an Eligible Employee.

**16. INDIVIDUAL LIMIT**

Each Option must be limited, and must therefore take effect, so that it does not exceed or further exceed the limit required by the Act. The limit required by the Act is that the total market value of the shares which a Participant may buy on the exercise of all of his subsisting

options must not exceed or further exceed the amount specified in paragraph 6 (*Limit on value of shares subject to options*) of Schedule 4 to the ITEPA (currently £30,000).

For these purposes:

- market value has the same meaning as in Part VIII of the Taxation of Chargeable Gains Act 1992;
- the market value of any shares will be calculated at the date on which the option in respect of them was granted or at such earlier time as may have been agreed with HMRC; and
- a Participant's options are those granted to him under any tax-advantaged share option scheme under Schedule 4 to the ITEPA and set up by the Company or any associated company (within the meaning of paragraph 35 (*Meaning of "associated company"*) of Schedule 4 to the ITEPA).

## **17. GRANT OF OPTIONS**

An Option may not be granted under this Part unless the Company has notified and declared that the legislation has been met in relation to this Part under the Act to Her Majesty's Revenue and Customs ("HMRC") in the annual return or the Company will notify and declare that the legislation has been met in relation to this Part under the Act to HMRC on or before 6 July following the tax year in which the option is granted.

If the Grantor invites an Eligible Employee to apply for an Option, it must give him at least seven days in which to apply.

Where an Option under this Part is granted in response to an invitation, it must be granted within 30 days after the Dealing Day used to work out this minimum Exercise Price according to Rule 3.7 (*Exercise Price*).

## **18. EXERCISE OF AN OPTION**

An Option may only be exercised by the Participant or, after his death, by his personal representative.

A person (whether a Participant or his personal representative) may not exercise an Option if this would break the rule in paragraph 9 (*The "no material interest" requirement*) of Schedule 4 to the ITEPA.

Upon exercise of an Option, the Shares may be issued and allotted, or transferred, to another person at the Participant's request but only if that other person is the Participant's nominee.

## **19. SUBSTITUTE OPTIONS FOLLOWING CHANGE OF CONTROL**

So far as Rule 9 (*Substitute Options following change of Control*) is concerned:

- only a Participant (or, after his death, his personal representative) may release an Option in return for the grant of another option;
- any new option must be over shares which meet the conditions of Part 4 (*Shares to which schemes can apply*) of Schedule 4 to the ITEPA;
- the total exercise price of the new option must be equal to the total Exercise Price of the old option; and
- the total market value of the Shares under the old option immediately before the release must be equal to the total market of the shares under the new option immediately after the release. Alternatively, the terms of the release and grant must have been approved in advance by HMRC. For this purpose, **market value** has the same meaning as in the Taxation of Chargeable Gains Act 1992.

## 20. VARIATION OF CAPITAL

The Board may only make an adjustment under Rule 10 (*Variation of capital*) if there is a variation of the share capital of the Company.

The Board must provide details of the variation of share capital in the annual return for the tax year in which the variation is made. The company secretary must also certify in the return that the variation does not result in the Plan no longer meeting the requirements of Schedule 4 to the ITEPA.

## 21. NON-TRANSFERABILITY OF OPTIONS

An Option granted under this Part is personal to the Participant and his personal representatives. It may not be transferred to the Family Member or Family Trustee of a Participant.

## 22. CHANGES

The Committee may not change this Part without the approval of the Company in general meeting if a change to a corresponding provision in Part I would require such approval.

Where the Board makes an alteration to a “key feature” of the Plan (being a feature which is necessary in order to meet the requirements of Schedule 4 to the ITEPA), it must provide details of any change to the key feature in the annual return for the tax year in which the change is made. The company secretary must also certify in the return that the change does not result in the Plan no longer meeting the requirements of Schedule 4 to the ITEPA.



**PART 3****THE IWG PLC SHARE OPTION PLAN (US)****23. GENERAL**

This Part sets out the terms of the IWG plc Share Option Plan (US).

The terms of this Part are the terms set out in Part 1 modified as follows.

The following Rules do not apply to this Part:

- Rule 1.4 (*The sub-plans*); and
- Rule 12.2 (*Power of change - sub-plans*).

**24. APPLICATION**

If the Grantor so decides, this Part will apply to any Eligible Employee who is, or may become, subject to taxation on his pay in the US.

**25. DEFINITIONS**

In this Part, the following expressions have the meanings shown next to them:

**Code** - the United States of America Internal Revenue Code of 1986 (as amended);

**ISO** - an incentive stock option within the meaning of section 422 of the Code except that an Option will not be an incentive stock option if the Option states that it is not meant to be an incentive stock option; and

**NQSO** - an Option which is a non-Qualified Stock Option and therefore is not an ISO.

**26. ISOs AND NQSOs**

The Grantor may grant Options which qualify as ISOs or as NQSOs. The Grantor must state whether an Option is to be an ISO or an NQSO.

Where the Grantor grants an Option which is to be an ISO, then:

- it may only be granted within 10 years after the date on which the Plan is approved by the Company in general meeting or established by the Board, whichever is the earlier;
- the Exercise Price may not be less than an amount equal to the fair market value of a Share on the Grant Date; and

- the Option may not in any circumstances be exercised more than 10 years after its Grant Date.

## **27. LIMITS**

### **27.1 Limit for this Part**

The maximum number of Shares over which Options may be granted under this Part is 10,000,000.

### **27.2 ISO limit**

To the extent that the aggregate fair market value of Shares with respect to which ISOs first become exercisable by a Participant in any calendar year exceeds \$100,000, taking into account Shares subject to ISOs under this Plan and Shares subject to ISOs under all other plans of the Company or any other parent or subsidiary corporations (as these terms are used under section 422(d) and defined in section 424(e) and (f) of the Code) such options will be treated as NQSOs.

For this purpose, the fair market value of the Shares subject to options will be determined as on the date the options were granted.

In reducing the number of options treated as ISOs to meet the \$100,000 limit, the most recently granted options will be reduced first. To the extent a reduction of simultaneously granted options is necessary to meet the \$100,000 limit, the Grantor may, in the manner and to the extent permitted by law, designate which Shares are to be treated as Shares acquired pursuant to the exercise of an ISO.

### **27.3 Restriction on eligibility for ISOs**

No ISO may be granted to any person who, at the time the Option is granted, owns (or is deemed to own under section 424(d) of the Code) Shares possessing more than 10% of the total combined voting power of all classes of stock of the Company, unless the exercise price of such Option is at least 110% of the fair market value of the Shares subject to the Option and such Option by its terms is not exercisable after the expiration of five years from the date such Option is granted.

## **28. CHANGES**

The Committee may not change this Part without the approval of the Company in general meeting if a change to the corresponding provision in Part I would require such approval.

**PART 4****THE IWG PLC SHARE OPTION PLAN (NON-EXECUTIVE DIRECTORS)****29. GENERAL**

This Part sets out the terms of the IWG plc Share Option Plan (Non-executive Directors).

The terms of this Part are the terms set out in Part 1 modified as follows. In the event of any conflict between this Part and Part 1, the provisions of this Part will apply.

The following Rules do not apply to this Part:

- Rule 1.4 (*the sub-plans*); and
- Rule 12.2 (*Power of change - sub-plans*).

**30. DEFINITIONS**

For the definition of Cause In Rule 1.1 (*Definitions*), the following is substituted:

**Cause** - any circumstance, whether known at the time that the Participant ceases to be a director or discovered subsequently, which entitles the Company to terminate his appointment as a director without notice.

**31. ELIGIBILITY**

For Rule 2 (*Eligibility*), the following is substituted:

A person is eligible to be granted an Option under this Part if he is a non-executive director of the Company on the Grant Date.

**32. LEAVING EMPLOYMENT**

Rule 7 (*Leaving employment*) applies as if all references to the Participant ceasing to be employed within the Group were references to the Participant ceasing to be a director of the Company.

**33. CHANGES**

The Committee may not change this Part without the approval of the Company in general meeting if a change to a corresponding provision in Part I would require such approval.

## PART 5

## THE IWG PLC SHARE APPRECIATION RIGHTS PLAN

## 34. GENERAL

This Part sets out the terms of the IWG plc Share Appreciation Rights Plan.

The terms of this Part are the terms set out in Part 1 modified as follows.

The following Rules do not apply to this Part:

- Rule 1.4 (*The sub-plans*);
- Rule 12.2 (*Power of change - sub-plans*); and
- Rule 11.1 (*Availability of authorised capital*).

No Options may be granted under this Part.

## 35. DEFINITIONS

In Rule 1, the definitions of Exercise Price and Grantor are deleted and the following new or substitute definitions added:

**Award:**

- in the case of a right granted under this Part to, or in respect of, an Eligible Employee who is subject to taxation on his pay in any one of the Designated Countries or who is a resident of a Designated Country, means a right granted in accordance with this Part by virtue of which the Participant (or the Family Member or Family Trust to whom the right was granted or has been transferred) may become entitled to receipt of a Bonus; and
- in any other case, a right granted in accordance with this Part by virtue of which the Participant (or the Family Member or Family Trust to whom the right was granted or has been transferred) may require the Company to pay, or procure that there is paid, a Bonus;

**Base Price** - the amount determined in accordance with Rule 3.7 (*Exercise Price*) as applied to this Part;

**Bonus** - a cash bonus payable in accordance with the provisions set out in this Part;

**Designated Country** - such country as may from time to time be specified by the Committee;

**Exercise Date:**

- in the case of an Award where the holder of the Award does not have the right to exercise it, the date under the Rules on which the Award is deemed to be exercised; and
- in any other case, the date on which the notice of exercise, complete in all respects, is received by the Company;

**Grantor** - the Company;

**Unit** - a notional unit, equivalent to a Share, which determines the value of the Bonus.

**36. CONSTRUCTION**

For the purposes of this Part, the provisions set out in Part I shall be construed:

- as if every reference to an Option were a reference to an Award except in the definition of Option in Rule 1 (*Interpretation and construction*) and in Rule 4 (*Plan limit*); and
- as if every reference to the Exercise Price were to the Base Price.

**37. GRANT OF AWARDS**

The Grantor of an Award will be the Company.

**38. EXERCISE OF AN AWARD**

Within 30 days of the Exercise Date the Company will pay, or arrange that there is paid to, the Participant (or the Family Member or Family Trust to whom the Award was granted or has been transferred), or as he may direct, a Bonus of an amount found by the following formula:

$$(MV - BP) \times U$$

where MV = the market value (see below) of a Share on such date as the Committee may select falling within the period of 30 days following the date of exercise;

BP = the Base Price;

U = the number of Units in respect of which the Award is exercised or deemed to be exercised.

In any case where the holder of an Award has the right to exercise it, the Committee may decide that the whole or part of the Bonus will instead be satisfied by the transfer to that person, or to someone else chosen by that person, of Shares. If so, the holder's right to a

Bonus shall be reduced or extinguished by an amount which is equal to the market value (see below) of those Shares.

The **market value** of a Share on any day is the lowest price at which transactions in Shares take place on the Stock Exchange on that day.

There must be worth withheld from the Bonus such deductions (on account of tax or other similar liabilities) as may be required by law or as the Committee may reasonably consider to be necessary or desirable.

**39. NO RIGHT TO EXERCISE**

If the Participant was subject to taxation on his pay in a Designated Country on the Grant Date, or was resident on a Designated Country on the Grant Date, then he will not have the right to exercise his Award. Rule 6 (*Exercise of an Option*), except 6.10 (*Withholding Obligations*) and Rule 6.11 (*NIC Liability*), will not apply to his Award. In such a case, the Award will be deemed to be exercised on the date or dates on which an Award (which is exercisable) could first be exercised under Rules 6 (*Exercise of an Option*), 7 (*Leaving Employment*), and 8 (*Change of Control and liquidation*).

**40. CHANGE OF CONTROL**

Rule 8.4 (*Overriding provisions*) applies with the necessary changes as if the references in that Rule to substitute options were to substitute awards offered in accordance with Rule 9 (*Substitute options following change of Control*), also modified as necessary.

Rule 9 (*Substitute options following change of Control*) applies with the necessary changes as if the references in that Rule to Options were to Awards and to new options and old options were to new awards and old awards respectively.

**41. ADJUSTMENTS**

Rule 10.2 (*Adjustment of Options*) applies as if references to Shares were references to Units.

Rule 10.3 (*Restrictions on adjustment*) is modified as follows. The Board may decide that the Base Price of an Award shall not be reduced to less than the nominal value of a Share.

**42. CHANGES**

The Committee may not change this Part without the approval of the Company in general meeting if a change to a corresponding provision in Part 1 would require such approval.

**PART 6****THE IWG PLC SHARE OPTION PLAN (FRANCE)****43. GENERAL**

This Part sets out the terms of the IWG plc Share Option Plan (FRANCE).

The terms of this Part are the terms set out in Part 1 of the Plan modified as follows. In the event of any conflict between this Part and Part 1 of the Plan, the provisions of this Part will apply.

The following Rules do not apply to this Part:

- Rule 1.4 (*The sub-plans*); and
- Rule 12.2 (*Power of change - sub-plans*).

**44. APPLICATION**

If the Grantor so decides, this Part will apply to any Participant who is or may become subject to French tax (i.e. income tax and/or social security tax) on Options granted under the Plan.

**45. ELIGIBILITY**

The Committee may not grant an Option under this Part to an individual:

- unless he is employed by the Company or by a company with sufficiently close capital links to the Company as defined in Article L225-180 of the French "Code de Commerce" in France; OR
- unless he is a director with a management function as defined in Article L225-185 of the French "Code de Commerce" in France of the Company or of a company with sufficiently close capital links to the Company as defined in Article L225-180 of the French "Code de Commerce" ; OR
- who owns more than 10% of the share capital of the Company and who may not therefore be granted an option to satisfy the requirements of sub-paragraph 2 of Article L225-182 of the French "Code de Commerce".

**46. GRANTOR**

The Grantor shall only be the Company. No Options shall be granted by the Trustee.

**47. EXERCISE PRICE**

In addition to Rule 3.7 of the Plan, the Exercise Price in the case of Options to subscribe for unissued shares may not be:

- lower than 95% of the average stock exchange price during the 20 dealing days preceding the grant

In the case of Options to purchase existing shares, the Exercise Price may not be:

- lower than 95% of the average stock exchange price during the 20 dealing days preceding the grant
- in addition, lower than 95% of the average actual repurchase price of the shares by the Company of its own shares to be allocated to the Participant, provided the shares are repurchased prior to the date of grant of the Options.

**48. TIMING OF GRANT**

In addition to Rule 3.1 of the Plan, an Option may not be granted in the period of 20 dealing days immediately following a distribution of dividends or a capital increase.

Furthermore, Options cannot be granted within a period beginning with the date at which the Company's executive board become aware of any information which, were it to be public knowledge, could have a significant impact on the Company's share price and ending 10 dealing days after the information becomes public knowledge.

If the Option is an Option to buy existing shares of common stock, the repurchase of the shares by the Company can take place either within a twelve month period preceding the date of grant of the Option, or prior to the date on which the Options become exercisable if exercisability conditions exist.

**49. VESTING AND EXERCISE**

Options granted under this Addendum shall vest and become exercisable according to the terms of the Plan, subject to Rule 51 below.

**50. SALES RESTRICTIONS**

The shares acquired upon exercise of the Options issued under this Part will be freely negotiable, subject to the following conditions:

- 49.1 The above mentioned shares may not be sold or otherwise disposed of before the day following the fourth anniversary of the Grant Date;



- 49.2 The sales restrictions provided by Rule 49.1 above shall not apply in the case of death or of 2nd or 3rd category disability of the Participant as defined under Article L341-4 of the French Social Security Code;
- 49.3 The sales restrictions provided by Rule 49.1 above shall not apply in the case of:
- dismissal of the Participant by the Company or any subsidiary of the Company provided that the Participant exercised his options at least 3 months prior to receipt of notice of dismissal;
  - the Participant 's retirement (as defined in the 3rd paragraph of Article L. 122-14-13 of the French Labour Code) provided that the Participant exercised his Options at least 3 months prior to the date of termination of his/her employment contract;
- 49.4 If the Committee so decides in its absolute discretion, after due regard to the Participant's personal circumstances, the sales restrictions provided by Rule 49.1 may be lifted;
- 49.5 The sales restrictions provided by Rule 49.1 will only apply to the extent that they would not impose a restriction on resale of the shares for a period of more than three years from the date of exercise of the option, in accordance with Article L225-177 of the French "Code de Commerce".

## **51. NON-TRANSFERABILITY OF OPTIONS**

No Option granted under this Part may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, except in the case of death of the Participant. All Options granted under this Part shall be exercisable during the Participant's lifetime, only by the Participant

## **52. DEATH OF A PARTICIPANT**

If the Participant dies, his Options must be exercised by his heirs (if at all) within six months after his death after which the Option will expire.

## **53. ALTERATION OF PLAN**

Any alteration or addition, which would affect the subsisting rights of a Participant, will, in all cases, require the consent of the Participant.

## **54. PLAN LIMIT**

Options may not be granted under the Plan:

- over more than one third of the Company's share capital in the case of options to subscribe for unissued shares; or
- over more than 10% of the total number of such shares in issue in the case of options to purchase existing shares.

**55. ADJUSTMENTS OF OPTIONS**

The Exercise Price of an Option may not be changed during the term of the Option.

However, the Company is required to ensure the protection of the Participant's rights under the conditions provided in Article L 228-99 of the French Code de Commerce in the event of the following specific operations:

- Capital amortization or capital reduction;
- Change in the allocation of earnings;
- Grant of free shares;
- Capitalization of reserves, issue premiums or earnings;
- Distribution of reserves;
- Any issuance of equity securities or any rights giving access to equity securities including a preferential subscription right to the benefit of the shareholders.

No adjustment may be made to the Option which is inconsistent with French law and, in particular, with Sections 174.8 to 174.16 of the Decree no. 67-236 of 23 March 1967.

**56. CHANGING THE PLAN**

The Committee may not change the Plan in a way which affects this Part, or Options granted under this Part, if the change is inconsistent with French law and in particular with French legislation on stock options as defined in Articles L225-177 to L225-185 of French "Code de Commerce".

**PART 7****THE IWG PLC SHARE OPTION PLAN (SWITZERLAND)****57. GENERAL**

This Part sets out the terms of the IWG plc Share Option Plan (SWITZERLAND).

The terms of this Part are the terms set out in Part 1 of the Plan modified as follows.

The following Rules do not apply to this Part:

- Rule 1.4 (*The sub-plans*); and
- Rule 12.2 (*Power of change - sub-plans*).

**58. APPLICATION**

This Part is relevant, if the Grantor so decides, to Options granted after 1<sup>st</sup> April 2010.

If the Grantor so decides, this Part will apply to any employee of Regus Global Management Centre S.A.

If the Grantor so decides, this Part will apply to any Participant who is or may become subject to Swiss tax (i.e. income tax and/or social security tax) on Options granted under the Plan.

**59. DEFINITIONS**

In Rule 1, the definition of Exercise Period is deleted and the following new or substitute definition added:

**Exercise Period** – such period as the Grantor may decide at the time of grant. The period may not begin earlier than the third anniversary, nor end later than the day before the eleventh anniversary, of the Grant Date;

**60. GRANT OF OPTIONS**

An Option may not be granted under this Part unless the Committee has obtained any necessary consents under any relevant securities laws which are applicable in Switzerland.

**61. WITHHOLDING OBLIGATIONS**

The Participant will be liable to pay all Swiss tax and social security charges arising on the exercise of the Option regardless of whether the participant is still resident in Switzerland at the date on which the Option is exercised.

The Allotment or transfer of shares as detailed in Rule 6.5 shall not take place until any person making a payment to the appropriate authorities on account of the Participant's liability has been compensated by the Participant. If he does not do so within such period as is specified by the Company, then to the extent necessary to make sure that the person is reimbursed for the amount due (or paid) to the appropriate authorities, the Participant (or the Family Member or Family Trust whom the Option was granted or has been transferred) will be deemed to have exercised the Option, authorised the disposal of the Shares issuable or transferable upon the exercise and the payment of the net proceeds of sale to that person.

62. **GOVERNING LAW**

Where it is deemed necessary by the Committee the laws of Switzerland shall take precedence for the purposes of Rule 1.3.