



Leicester Football Club Plc

The Leicester Football Club

2016 ESOP

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1. Grant of Options

1.1. Options granted by Company or Trustees

Subject to Rules 1.5 and 14.3, the Company or the Trustees may from time to time grant Options to Eligible Employees.

1.2. Terms of Options

Subject to the Rules, the Grantor shall determine in its absolute discretion who shall be granted Options and the terms of such Options.

1.3. Procedure for grant of Options and Grant Date

The Grantor shall grant an Option by passing a resolution. The Grant Date shall be the date on which the Grantor passes the resolution. The grant of an Option shall be evidenced by a deed executed by or on behalf of the Grantor. An Option Certificate shall be issued to each Option Holder as soon as reasonably practicable following the grant of the Option.

1.4. Contents of Option Certificate

An Option Certificate shall be in such form of document as the Board may determine from time to time, and shall state all of the following:

- the Grant Date;
- the number of Plan Shares subject to the Option or how that number may be calculated;
- the Exercise Price;
- that the Option is granted in accordance with Schedule 4;
- the description of the Plan Shares which may be acquired by exercise of the Option;
- whether the Plan Shares are subject to a Restriction and, if so, details of the Restriction;
- when the Option will ordinarily Vest, and the number of Plan Shares over which the Option may then be exercised;
- how the Option may be exercised;
- the last date upon which the Option may be exercised, being not later than the tenth anniversary of the Grant Date;
- the circumstances in which the Option will lapse or be cancelled (in whole or in part); and
- any Performance Target or other conditions applicable to the Option.

1.5. When Options may be granted

The Grantor may grant Options at any time after the Adoption Date and before the tenth anniversary of the Adoption Date.

1.6. Who can be granted Options

The Grantor may not grant an Option to an individual who is not an Eligible Employee at the Grant Date. Unless the Board decides otherwise, the Grantor may not grant an Option to an Eligible Employee who on or before the Grant Date has given or received notice of termination of employment (whether or not lawful).

1.7. Right to refuse an Option

An Option Holder may, by notice in writing to the Company within thirty days after the Grant Date say he does not want it in whole or part. In such a case, the Option shall to that extent be treated as never having been made. No payment is required from the Option Holder or the Grantor.

1.8. Options non-transferable

An Option shall be personal to the Option Holder and shall not be capable of being transferred, charged or otherwise alienated and shall lapse immediately if the Option Holder purports to transfer, charge or otherwise alienate the Option.

2. Plan Limit

2.1. General

The aggregate number of Plan Shares over which Options may be granted shall be subject to such limits as may be agreed with the members of the Company from time to time.

2.2. Scaling down

If the grant of an Option would cause the limit in this Rule 2 to be exceeded, such Option shall take effect as an Option over the maximum number of Plan Shares which does not cause the limit to be exceeded. If more than one Option is granted on the same Grant Date, the number of Plan Shares which would otherwise be subject to each Option shall be reduced pro rata.

3. Individual Limits

3.1. General

The number of Plan Shares over which Options may be granted to any one Eligible Employee shall be limited as set out in this Rule 3.

3.2. HMRC limit (£30,000)

An Option may not be granted to an Eligible Employee if the result of granting the Option would be that the aggregate Market Value of the shares subject to all outstanding options granted to him in accordance with Schedule 4 under the Plan or any other Employees' Share Scheme adopted by the Company or an Associated Company would exceed £30,000 or such other limit as may from time to time be specified in paragraph 6 of Schedule 4.

For the purpose of this limit:

- shares subject to an option which has been exercised, lapsed or renounced shall be disregarded; and
- the Market Value of a share shall be as determined on the date on which the relevant option was granted.

If the grant of an Option would cause the limit in this Rule 3.2 to be exceeded, such Option shall take effect as an Option over the maximum number of Plan Shares which does not cause the limit to be exceeded.

3.3. Enterprise Management Incentives

An Option may not be granted to an Eligible Employee without his prior agreement in writing if the result of granting the Option would be that a disqualifying event under section 536(1)(e) of ITEPA 2003 would arise in relation to any Enterprise Management Incentives held by him.

4. Exercise Price

The Exercise Price shall be determined by the Board and may be any price provided that this is not less than the Market Value of a Plan Share on the Grant Date.

Where the Grantor has determined that an Option will be satisfied by the issue of new shares and the Exercise Price is less than the nominal value of a Plan Share the Company will ensure that at the time of issue of the Plan Shares arrangements are in place to pay up the nominal value of the relevant Plan Shares.

5. Performance Target

5.1. Setting of Performance Target

The Vesting of an Option and the extent to which it Vests may be subject to the satisfaction of Performance Targets and any other conditions set by the Grantor.

5.2. Nature of Performance Target

A Performance Target and or any other condition imposed under Rule 5.1 shall be:

- objective;
- capable of being fulfilled within the period of ten years from the Grant Date or by such earlier date as may be set out in the Option Certificate;
- such that, once satisfied, the exercise of the Option is not subject to the discretion of any person; and
- set out in, or attached in the form of a schedule to, the Option Certificate.

5.3. Substitution, variation or waiver of Performance Target

If an event occurs which causes the Grantor to consider that any Performance Target or other condition imposed under Rule 5.1 subject to which an Option has been granted is no longer appropriate, the Grantor (with the consent of the Board) may substitute, vary or waive such Performance Target or condition in such manner as:

- is reasonable in the circumstances; and
- except in the case of waiver produces a fairer measure of performance and is not materially more or less difficult to satisfy.

The Option shall then take effect subject to such Performance Target or other condition as substituted, varied or waived.

5.4. Notification of Option Holders

The Grantor shall, as soon as practicable, notify each Option Holder concerned of any determination made by it under this Rule.

6. Exercise of Options

6.1. Earliest date for Exercise of Options

An Option may not be exercised before it Vests.

Subject to Rule 7, an Option will Vest on the latest of:

- three years after the Grant Date;
- the relevant date specified in the Option Certificate under Rule 1.4; and
- the date on which the Board determines that any applicable Performance Target and any further condition imposed under Rule 5.1, have been satisfied.

6.2. Latest date for exercise of Options

An Option may not be exercised after the tenth anniversary of the Grant Date and if not exercised by that date shall lapse.

6.3. Effect of Option Vesting

Subject to the Rules, the effect of an Option Vesting shall be that the Option Holder is entitled to exercise the Option to the extent that it has Vested.

6.4. Effect of cessation of Relevant Employment due to ill health, redundancy and retirement

Subject to Rule 7, where an Option Holder ceases to be in Relevant Employment by reason of:

- his injury, disability or ill health (evidenced to the satisfaction of the Board);
- his redundancy (within the meaning of the Employment Rights Act 1996); or
- his retirement in accordance with the terms of his contract of employment

he may, within six months of his Leaving Date, exercise, in whole or in part, any Option which has immediately before the Leaving Date Vested. Any Option which has not been exercised by the Option Holder following the end of this period shall lapse and cease to be exercisable.

6.5. Effect of cessation of Relevant Employment due to death

Subject to Rule 7, where an Option Holder ceases to be in Relevant Employment by reason of his death, his personal representatives may, subject to any requisite documentation being provided to the Board, within 12 months of his date of death exercise, in whole or in part, any Option which has immediately before the date of death Vested. Any Option which has not been exercised by the personal representatives of the Option Holder following the end of this period shall lapse and cease to be exercisable.

6.6. Cessation of Relevant Employment for Any Other Reason

Where an Option Holder's Relevant Employment ceases for any reason other than a circumstance set out in Rules 6.4 and 6.5 any Option granted to him shall lapse and cease to be exercisable on the day following the date on which his Relevant Employment ceases.

6.7. Meaning of ceasing to be in Relevant Employment

For the purposes of the Plan, an Option Holder shall not be treated as ceasing to be in Relevant Employment until he no longer holds any office or employment with any Group Member.

6.8. Options may not be exercised while Dealing Restrictions apply

An Option Holder may not exercise an Option while Dealing Restrictions apply.

6.9. Material Interest

An Option may not be exercised if the Option Holder then has, or has had within the preceding twelve months, a Material Interest in a Close Company which is the Company or which is a company which has Control of the Company or which is a member of a Consortium which owns the Company.

6.10. Options may be exercised in whole or in part

Subject to Rules 6.4, 6.5, 6.6, 6.7 and 6.9, a Vested Option may be exercised in whole or in part at any time. If exercised in part, the unexercised part of the Option shall not lapse as a result and shall remain exercisable.

6.11. Procedure for exercise of Options

An Option shall be exercised by the Option Holder or, following the death of an Option Holder, his personal representatives, delivering to the Grantor a duly completed notice of exercise in the form from time to time prescribed by the Company, specifying the number of Plan Shares in respect of which the Option is being exercised, and either accompanied by the Exercise Price in full or confirmation of arrangements satisfactory to the Grantor for the payment of the Exercise Price, together with any payment and/or documentation required under Rule 11 and, if required, the Option Certificate.

For the avoidance of doubt, the date of exercise of an Option shall be the date of the receipt of the notice of exercise and compliance with the first paragraph of this Rule 6.11.

6.12. Issue or transfer of Plan Shares

Subject to Rule 11, and to any necessary consents and to compliance by the Option Holder or, following the death of an Option Holder, his personal representatives, with the Rules, the Grantor shall, as soon as reasonably practicable and in any event not later than thirty days after the exercise date of the Option, arrange for the issue or transfer to the Option Holder or, following the death of an Option Holder, his personal representatives, of the number of Plan Shares specified in the notice of exercise, together with, in the case of the partial exercise of an Option, an Option Certificate in respect of, or the original Option Certificate endorsed to show, the unexercised part of the Option.

7. Takeover, Reconstruction, Amalgamation or Winding-up of Company

7.1. Takeover

Subject to Rule 8, where a person obtains Control of the Company as a result of making:

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 met, the person making the offer will have Control of the Company; or
2. a general offer to acquire all the shares in the Company which are of the same class as the Plan Shares

(in either case, other than any shares already held by him or a person Connected with him) Options shall Vest (to the extent that they have not already done so) on the date the person obtains Control as set out below.

The proportion of an Option which shall Vest shall be calculated based on the Grantor's determination of the extent to which any Performance Target or other condition imposed under Rule 5.1 has been or could have been satisfied at that date. If no such Performance Target or other condition applies to the Option then the Option shall Vest in full.

Subject to Rule 7.8, Vested Options may be exercised at any time during the period of six months beginning with the time when the person making the offer has obtained Control. If not so exercised, the Options shall lapse at the end of such period unless the Board (acting fairly and reasonably) determines otherwise, in which case the Options shall continue in force until such time as they lapse in accordance with the Rules.

With reference to sub-paragraphs 1 and 2 above, it does not matter if the general offer is made to different shareholders by different means.

7.2. Compulsory acquisition of Company

Subject to Rule 8, if a person becomes entitled or bound to acquire shares in the Company under sections 979 to 982 or 983 to 985 of the Companies Act 2006, Options shall Vest (to the extent that they have not already done so) as set out below.

The proportion of an Option which shall Vest shall be calculated based on the Grantor's determination of the extent to which any Performance Target or other condition imposed under Rule 5.1 has been or could have been satisfied at that date. If no such Performance Target or other condition applies to the Option then the Option shall Vest in full.

Subject to Rule 7.8, Vested Options may be exercised at any time during the period when such person is so bound or entitled. If not so exercised, the Options shall lapse at the end of that period.

7.3. Reconstruction or amalgamation of Company

Subject to Rule 8, a proportion of the Options will Vest if a person obtains Control of the Company as a result of the court sanctioning under section 899 of the Companies Act 2006 a compromise or arrangement applicable to or affecting:

- all the ordinary share capital of the Company or all the shares of the same class as the Plan Shares; or
- all the shares, or all the shares of that same class, which are held by a class of shareholders identified otherwise than by reference to their employment or directorships or their participation in a tax advantaged scheme under Schedule 4.

The proportion of an Option which shall Vest shall be calculated based on the Grantor's determination of the extent to which any Performance Target or other condition imposed under Rule 5.1 has been or could have been satisfied at that date. If no such Performance Target or other condition applies to the Option then the Option shall Vest in full.

Subject to Rule 7.8, Vested Options may be exercised at any time during the period of six months from the compromise or arrangement being sanctioned by the court and if not exercised within that period the Options shall lapse.

7.4. Winding-up of Company

Subject to Rule 8, if notice is given of a resolution for the voluntary winding-up of the Company a proportion of the Options will Vest on the date notice is given.

The proportion of an Option which shall Vest shall be calculated based on the Grantor's determination of the extent to which any Performance Target or other condition imposed under Rule 5.1 has been or could have been satisfied at that date. If no such Performance Target or other condition applies to the Option then the Option shall Vest in full.

Vested Options may be exercised at any time during the period of six months from the date of the notice or on completion of winding up of the company if earlier. Any Options not exercised within such period shall lapse.

7.5. Shares subject to Options ceasing to be Plan Shares

If the shares subject to an Option cease to satisfy the conditions in paragraphs 16 to 18 inclusive and paragraph 20 of Schedule 4:

- the definition of "Plan Shares" shall be amended in relation to that Option by the deletion of the words "which satisfy the conditions in paragraphs 16 to 18 inclusive and paragraph 20 of Schedule 4";
- if required by law, the Grantor shall notify HMRC;
- subject to Rule 7.8, the Option shall continue to exist but no longer as an Option granted in accordance with Schedule 4; and
- the Plan shall continue to exist but no Options may be granted under the Plan in accordance with Schedule 4.

7.6. Meaning of "obtains Control of the Company"

For the purpose of Rule 7 a person shall be deemed to have obtained Control of the Company if he and others Acting In Concert with him have together obtained Control of it.

7.7. Notification of Option Holders

The Board shall, as soon as reasonably practicable, notify each Option Holder of the occurrence of any of the events referred to in this Rule and explain how this affects their position under the Plan.

7.8. Other Vesting of Options and period for exercise

Where the Board is aware that an event is likely to occur under Rule 7.1, 7.2 or 7.3 in respect of which an Option will Vest, the Board may determine that the Option may be exercised during the period of 20 days ending with the relevant date on which the Option would otherwise have become exercisable pursuant to the applicable Rule, on the condition that if an Option is so exercised and the relevant event does not occur by the end of the 20 day period from the date of exercise of that Option the exercise of the Option is to be treated as having had no effect.

If, in consequence of the occurrence of an event under Rule 7.1, 7.2 or 7.3, the Plan Shares subject to an Option no longer meet the requirements of paragraphs 16 to 18 inclusive and paragraph 20 of Schedule 4, the Option may be exercised no later than 20 days after the day on which the relevant event has occurred. If not so exercised, the Option shall lapse at the end of that 20 day period.

Where the Board is aware that an event is likely to occur under Rule 7:

- in respect of which Options will Vest in circumstances where the conditions for relief under Part 12 of the Corporation Tax Act 2009 may not be satisfied, or
- if the Board in its absolute discretion considers it appropriate

the Board may determine that the Options Vest, in accordance with Rule 7, immediately prior to the event taking place.

7.9. Reorganisation or merger

Where an event occurs under Rules 7.1, 7.2 or 7.3 and the shareholders of the Acquiring Company, immediately after it has obtained Control, are substantially the same as the shareholders of the Company immediately before the event and the Acquiring Company agrees, Options will not be exercised. Instead all Options may be exchanged in accordance with Rule 8.

8. Exchange of Options

8.1. Circumstances in which Exchange can occur

If the person referred to in Rules 7.1, 7.2 or 7.3 is a company, and that company obtains Control of the Company in circumstances which constitute a company reorganisation for the purposes of paragraph 26(2) of Schedule 4, an Option Holder may, at any time during the period set out in paragraph 26(3) of Schedule 4, by agreement with the Acquiring Company, release his Option in consideration of the grant to him of a new option ("New Option") which is equivalent to the Option but which relates to shares in:

- the Acquiring Company; or
- a company which has Control of the Acquiring Company; or
- a company which either is, or has Control of, a company which is a member of a Consortium which owns either the Acquiring Company or a company having Control of the Acquiring Company.

If the Option Holder does not release the Option within the relevant period, the Option shall lapse at the end of such relevant period.

8.2. Meaning of "equivalent"

The New Option shall not be regarded for the purpose of this Rule 8 as equivalent to the Option unless:

- the new Plan Shares subject to the New Option satisfy the conditions in paragraphs 16 to 18 inclusive and paragraph 20 of Schedule 4;
- the New Option is exercisable in the same manner as the Option and subject to the Rules as they had effect immediately before the release of the Option;
- the total Market Value, immediately before the release of the Option, of the Plan Shares which were subject to the Option is substantially the same as the total Market Value, immediately after the grant of the New Option, using a methodology agreed by HMRC; and
- the total amount payable by the Option Holder for the acquisition of the new Plan Shares under the New Option is substantially the same as the total amount that would have been payable by the Option Holder for the acquisition of the Plan Shares under the Option.

8.3. Grant Date of New Option

The Grant Date of the New Option shall be deemed to be the same as the Grant Date of the Option.

8.4. Application of Plan to New Option

In the application of the Plan to the New Option, where appropriate, references to “Company” and “Plan Shares” shall be read as if they were references to the company and the shares to which the New Option relates, save that in the definition of “Board” the reference to “Company” shall be read as if it were a reference to Leicester Football Club Plc.

9. Lapse of Options

Notwithstanding any other provision of the Rules, an Option shall lapse on the earliest of:

- the tenth anniversary of the Grant Date;
- the Board determining that any Performance Target or other condition imposed under Rule 5.1 has not been satisfied either in whole nor in part in respect of the Option and can no longer be satisfied in whole or in part in which case the Option shall lapse either in whole or as to such part in relation to which any Performance Target or other condition under Rule 5.1 can no longer be satisfied;
- the Option Holder ceasing to be in Relevant Employment in any circumstances (including, in particular, but not by way of limitation, where the Option Holder is dismissed unfairly, wrongfully, in breach of contract or otherwise) except in the case of ill health, redundancy, retirement or death when Vested Options will lapse if the Option Holder fails to exercise such Vested Options in accordance with Rules 6.4 and 6.5;
- any other date provided for under these Rules; and
- the date on which the Option Holder becomes bankrupt or enters into a compromise with his creditors generally.

10. Adjustment of Options on Reorganisation

10.1. Power to adjust Options

Subject to Rule 10.2, in the event of a Reorganisation, the number of Plan Shares subject to an Option, the description of the Plan Shares, the Exercise Price, or any one or more of these, shall be adjusted in such manner as the Grantor, together with the Board where relevant, shall determine.

10.2. Terms of adjustment

Any adjustment within Rule 10.1 shall ensure that:

- a) no adjustment shall be made to the Exercise Price which would result in the Plan Shares subject to an Option being issued at a price per Plan Share lower than the nominal value of a Plan Share except where the Board puts in place arrangements to pay up the nominal value at the date of issue of the Plan Shares (or the difference between the adjusted Exercise Price and the nominal value as the case may be);
- b) the total Market Value of the Plan Shares which may be acquired by the exercise of the Option is immediately after the variation or variations substantially the same as what it was immediately before the variation or variations, and
- c) the total price at which the Plan Shares which may be acquired by the exercise of the Option is immediately after the variation or variations substantially the same as what it was immediately before the variation or variations.

For the avoidance of doubt, neither Rule 10.1 nor this Rule 10.2 shall authorise any variation which would result in the requirements of Schedule 4 not being met in relation to an Option, and any variation must be applied in a way that is fair and reasonable.

10.3. Notification of Option Holders

The Grantor shall, as soon as reasonably practicable, notify each Option Holder of any adjustment made under this Rule 10 and explain how this affects his position under the Plan.

11. Accounting for PAYE and National Insurance Contributions

11.1. Deductions

If the Grantor, the Company or any Group Member (as the case may be) is obliged in any jurisdiction to account for tax and National Insurance contributions for which the Option Holder is liable by virtue of the exercise of the Option and such company has not received from the Option Holder the necessary amount, then such company shall be entitled to discharge such liability by selling sufficient Plan Shares in respect of which the Option has been validly exercised and allotting or procuring the transfer of the balance of the Plan Shares to the Option Holder.

11.2. Transfer of Employer's NIC

The Grantor may, at its discretion, require the Option Holder to pay all or any part of the Employer's NIC in relation to the exercise of an Option under the Plan. Such requirements shall be specified on the Grant Date and shall be a condition of exercise of the Option, but the Board (acting fairly and reasonably) may waive these requirements.

Employer's NIC means employer's National Insurance contributions liability or any local equivalent.

11.3. Execution of Document by Option Holder

The Grantor may require an Option Holder to execute a document in order to bind himself contractually to any such arrangement as is referred to in Rules 11.1 and 11.2 and return the executed document to the Grantor by a specified date. It shall be a condition of Vesting of the Option that the executed document be returned by the specified date unless the Grantor determines otherwise.

12. Issue and Listing of Plan Shares

12.1. Rights attaching to Plan Shares

All Plan Shares issued and/or transferred under the Plan shall, as to voting, dividend, transfer and other rights, including those arising on a liquidation of the Company, rank equally in all respects and as one class with the Plan Shares of the same class in issue at the date of issue or transfer save as regards any rights attaching to such Plan Shares by reference to a record date prior to the date of such issue or transfer.

12.2. Availability of Plan Shares

To the extent that the articles of association of the Company provide for authorised share capital, the Company shall at all times use its reasonable endeavours to keep available sufficient authorised but unissued Plan Shares to satisfy the exercise of all Options which the Board has determined will be satisfied by the issue of Plan Shares (whether directly to the Option Holder or indirectly via the Trustees).

12.3. Listing of Plan Shares

If and so long as Plan Shares are listed and traded on a stock exchange the Company shall apply for the listing of Plan Shares issued under the Plan as soon as practicable.

13. Relationship of Plan to Contract of Employment

13.1. Contractual Provisions

Notwithstanding any other provision of the Plan:

- the Plan shall not form part of any contract of employment between any Group Member and an Eligible Employee;
- unless expressly so provided in his contract of employment, an Eligible Employee has no right to be granted an Option and the receipt of an Option in one year (and the calculation of the Exercise Price in a particular way) is no indication that the Option Holder will be granted any subsequent Options (or that the Exercise Price will be calculated in the same way);
- the benefit to an Eligible Employee of participation in the Plan (including, in particular but not by way of limitation, any Options held by him) shall not form any part of his remuneration or count as his remuneration for any purpose and shall not be pensionable; and
- an Eligible Employee who ceases to be in Relevant Employment for any reason shall not be entitled to compensation for the loss or diminution in value of any right or benefit or prospective right or benefit under the Plan (including, in particular but not by way of limitation, any Options held by him which lapse by reason of his ceasing to be in Relevant Employment) whether by way of damages for unfair dismissal, wrongful dismissal, breach of contract or otherwise or anything analogous thereto in any jurisdiction.

13.2. Deemed Agreement

By accepting the grant of an Option, an Option Holder is deemed to have agreed to the provisions of this Rule 13.

14. Administration of Plan

14.1. Responsibility for administration

The Company and the Grantor, where appropriate, shall be responsible for, and shall have the conduct of, the administration of the Plan. The Board may from time to time make, amend or rescind regulations for the administration of the Plan provided that such regulations shall not be inconsistent with the Rules and not cause any of the provisions of Schedule 4 which are relevant to the Plan to cease to be satisfied.

14.2. Board's decision final and binding

The decision of the Board shall be final and binding in all matters relating to the Plan, including but not limited to the resolution of any dispute concerning, or any inconsistency or ambiguity in the Rules or any document used in connection with the Plan.

14.3. Grantor to consult with Board

Where the Grantor is not the Company and has granted, or proposes to grant, an Option, the Grantor shall consult with, and take account of the wishes of, the Board before making any determination or exercising any power or discretion under the Plan.

14.4. Discretionary nature of Options

All Options shall be granted entirely at the discretion of the Grantor.

14.5. Provision of information

Where the Grantor is not the Company, the Grantor and an Option Holder shall provide to the Company as soon as reasonably practicable such information as the Company reasonably requests for the purpose of complying with its reporting obligations to HMRC in respect of the Plan.

14.6. Cost of Plan

The cost of introducing and administering the Plan shall be met by the Company. The Company shall be entitled, if it wishes, to charge an appropriate part of such cost to a Subsidiary or the Grantor.

14.7. Data protection

By accepting the grant of an Option, an Option Holder is deemed to consent to the holding, processing and transfer of personal data in relation to the Option Holder by or to the Company, any Group Member, the Trustees, any third party broker, registrar or administrator or any future purchaser of the Company or relevant Group Member employing the Option Holder for all purposes relating to the operation of the Plan.

14.8. Third party rights

Nothing in these Rules confers any benefit, right or expectation on a person who is not an Option Holder. No such third party has any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any terms of these Rules.

14.9. Option reporting requirements

The Company shall notify the Plan to HMRC as required by Schedule 4 and make any declaration in relation to alterations to the Plan or adjustment of Options under Rule 10 as may be required by Schedule 4.

15. Amendment of Plan

15.1. Power to amend Plan

Subject to Rule 15.2, the Board may from time to time amend the Rules.

15.2. Rights of existing Option Holders

An amendment may not adversely affect the rights of an existing Option Holder except where the amendment has been approved by those existing Option Holders who would be adversely affected by the amendment in such manner as would be required by the Company's articles of association (with appropriate changes) if the Plan Shares subject to those Options which would be so adversely affected had been issued or transferred to them (so that they had become shareholders in the Company) and constituted a separate class of shares.

15.3. Notification of Option Holders

The Board shall, as soon as reasonably practicable, notify each Option Holder of any amendment to the Rules under this Rule 15 and explain how it affects his position under the Plan.

16. Notices

16.1. Notice by Grantor

Save as provided for by law, any notice, document or other communication given by, or on behalf of, the Grantor or to any person in connection with the Plan shall be deemed to have been duly given if delivered to him at his place of work, if he is in Relevant Employment if sent by e-mail to such e-mail address as may be specified by him from time to time, or sent through the post in a pre-paid envelope to the postal address last known to the Company to be his address. Any notice, document or communication sent by email shall be deemed to have been duly received on the same day it was sent and if sent through the post shall be deemed to have been delivered on the day following the date of posting.

16.2. Notice to Grantor

Save as provided for by law, any notice, document or other communication given to the Grantor in connection with the Plan shall be delivered or sent by hand or sent by email, fax or post to the Company Secretary at the Company's registered office or such other e-mail or postal address as may from time to time be notified to Option Holders but shall not in any event be duly given unless and until it is actually received at the registered office or such e-mail or postal address.

16.3. Option Certificate

For the avoidance of doubt, the Option Certificate may not be executed or delivered by e-mail or other such similar electronic communication.

17. Governing Law and Jurisdiction

17.1. Plan governed by English law

The formation, existence, construction, performance, validity and all aspects whatsoever of the Plan, any term of the Plan and any Option granted under it shall be governed by English law.

17.2. English courts to have jurisdiction

The English courts shall have jurisdiction to settle any dispute which may arise out of, or in connection with, the Plan.

17.3. Jurisdiction agreement for benefit of Company

The jurisdiction agreement contained in this Rule 17 is made for the benefit of the Company only, which accordingly retains the right to bring proceedings in any other court of competent jurisdiction.

17.4. Option Holder deemed to submit to such jurisdiction

By accepting the Option, an Option Holder is deemed to have agreed to submit to such jurisdiction.

18. Definitions and Interpretation

18.1. Definitions

In this Plan, unless the context otherwise requires, the following words and expressions have the following meanings:

Acquiring Company means a company which obtains Control of the Company in the circumstances referred to in Rules 7.1, 7.2 or 7.3;

Acting In Concert has the meaning given to that expression in The City Code on Takeovers and Mergers in its present form or as amended from time to time;

Adoption Date means the date on which the Plan is adopted by the Board;

Associated Company has the meaning given to that expression by paragraph 35(1) of Schedule 4;

Board means the board of directors of the Company or a duly authorised committee of it;

Close Company has the meaning given to that expression by section 989 of ITA 2007, and paragraph 9(4) of Schedule 4;

Company means Leicester Football Club Plc incorporated in England and Wales under company number 03459344, being the scheme organiser for the purposes of paragraph 2(2) of Schedule 4;

Connected has the meaning given to that word by section 993 of ITA 2007;

Consortium has the meaning given to that word by paragraph 36(2) of Schedule 4;

Control has the meaning given to that word by section 719 of ITEPA 2003;

Dealing Restrictions means restrictions on dealings applicable to holders of shares in the Company which are imposed by statute, order or regulation or Government directive, or any code adopted by the Company;

Eligible Employee means an individual who is:

- an employee (other than a director) of a Participating Company; or
- a director of a Participating Company who is contracted to work at least 25 hours per week for the Group (exclusive of meal breaks);

and who, in either case

- is not eligible solely by reason that he is a non-executive director of a Participating Company;
- has earnings in respect of his office or employment which are (or would be if there were any) general earnings to which section 15, 22 or 26 of ITEPA 2003 applies; and
- does not have at the Grant Date, and has not had during the preceding twelve months, a Material Interest in a Close Company which is the Company or a company which has Control of the Company or a member of a Consortium which owns the Company;

Employees' Share Scheme has the meaning set out in section 1166 of the Companies Act 2006;

Exercise Price means the amount per Plan Share payable in pounds sterling on the exercise of an Option determined in accordance with Rule 4;

Grant Date means the date on which an Option is granted in accordance with Rule 1.3;

Grantor means

- in relation to an Option granted by the Company, the Board; and
- in relation to an Option granted by the Trustees, the Trustees.

Group means the Company and all Subsidiaries and Associated Companies of the Company and **Group Member** shall be interpreted accordingly;

HMRC means Her Majesty's Revenue and Customs;

ITA 2007 means the Income Tax Act 2007;

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

Leaving Date means the date on which the Relevant Employment of an Option Holder ceases;

Market Value on any day means the market value of a Plan Share calculated as described in Part VIII of the Taxation of Chargeable Gains Act 1992 which, if the Plan Share is subject to a Restriction, shall be determined as if the Plan Share was not subject to a Restriction and which, for the purposes of Rule 4 only, shall be agreed in advance by the Grantor with HMRC Shares and Assets Valuation;

Material Interest has the meaning given to that expression by paragraphs 9 to 14 of Schedule 4;

Option means a right to acquire Plan Shares granted under the Plan;

Option Certificate means a statement in a form determined by the Company setting out details of an Option as set out in Rule 1.4;

Option Holder means an individual who holds an Option;

Participating Company means the Company and any Subsidiary which has been nominated by the Board to participate in the Plan from time to time;

Performance Target means any performance target imposed as a condition of the Vesting of an Option under Rule 5.1 and as substituted or varied in accordance with Rule 5.3;

Plan means The Leicester Football Club 2016 ESOP as amended from time to time;

Plan Shares means ordinary shares in the capital of the Company which satisfy the conditions in paragraphs 16 to 18 inclusive and paragraph 20 of Schedule 4;

Relevant Employment means employment with any Group Member;

Reorganisation means any variation in the share capital of the Company, including but without limitation a capitalisation issue, rights issue, vendor rights offer, vendor placing with clawback, cash open offer or bonus issue, sub-division, consolidation or reduction in the capital of the Company but excluding a demerger or a capitalisation issue in substitution for or as an alternative to a cash dividend;

Restriction has the meaning given in paragraph 36(3) of Schedule 4;

Rules mean the rules of the Plan;

Schedule 4 means Schedule 4 to ITEPA 2003;

Subsidiary means a company which is a subsidiary of the Company within the meaning of section 1159 of the Companies Act 2006 over which the Company has Control;

Trustees means the trustees of any trust created by a Group Member which, when taken together with the Plan, constitutes an Employees' Share Scheme;

Vest means an Option Holder becoming entitled to exercise an Option; and

Vesting Period means the period from the Grant Date to the normal date of Vesting.

18.2. Interpretation

In the Plan, unless otherwise specified:

- save as provided for by law a reference to writing includes any mode of reproducing words in a legible form and reduced to paper or electronic format or communication including, for the avoidance of doubt, correspondence via e-mail; and
- the Interpretation Act 1978 applies to the Plan in the same way as it applies to an enactment.
- Words importing the singular shall (where appropriate) include the plural and words importing one gender shall (where appropriate) include any other gender.

Schedule

Unapproved Plan

General

This schedule to The Leicester Football Club 2016 ESOP ("the Plan") sets out the rules of The Leicester Football Club 2016 ESOP Unapproved Plan (the "Unapproved Plan").

The Unapproved Plan shall not be a tax advantaged scheme under Schedule 4.

Rules of Unapproved Plan

The rules of the Plan, in their present form and as from time to time amended, shall, with the following modifications, form the rules of the Unapproved Plan:

1. the Option Certificate shall not state that the Option is granted in accordance with Schedule 4;
2. rules 3.2, 6.9 7.5, 8.2 and 14.9 shall not apply;
3. in rule 5.3, the words "and is not materially more or less difficult to satisfy" shall be replaced by the words "and is not materially less difficult to satisfy";
4. the following rule be inserted as rule 6.12:

Net Settling

Subject to Rule 11, the Grantor may on exercise of an Option arrange for the transfer or issue to the Option Holder of Plan Shares with a market value equal to the Gain calculated using the Market Value on the day before the date of exercise of the Option (rounded down to the nearest whole Plan Share). The Option Holder shall not be required to make payment for these Plan Shares.

5. in rule 8.1, the words "which is equivalent to the Option but" shall be deleted and replaced by the words "which, save for any Performance Target or other condition imposed under rule 5.1, is subject to the provisions of the Plan as it had effect immediately before the release of the Option and";
6. in rule 14.1, the words "and not cause any of the provisions of Schedule 4 which are relevant to the Plan to cease to be satisfied" shall be deleted;
7. references in the Plan to "the Plan" shall be read as references to "the Unapproved Plan";
8. the definitions of "Associated Company", "Close Company", and "Material Interest" shall be deleted;
9. the definition of "Eligible Employee" shall be replaced by the following definition:

"a director (other than a non-executive director) or a bona-fide employee of any company within the Group";

10. in the definition of "Plan Shares" the words "which satisfy the conditions in paragraphs 16 to 18 inclusive and paragraph 20 of Schedule 4" shall be deleted; and
11. a definition of "Gain" be inserted in Rule 18.1 as follows "**Gain** means the difference between (i) the Market Value of a Plan Share on the date of exercise of an Option and (ii) the Exercise Price, multiplied by the number of Plan Shares in respect of which the Option is being exercised.

Limits

For the avoidance of doubt, Plan Shares placed under Option under the Unapproved Plan shall be taken into account for the purpose of rule 2 of the Plan (and vice versa).