

Dated: 12 February 2018



Company Share Option Plan

Version 1.1

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Rules of the Adriatic Metals Company Share Option Plan

Established by resolution of the Board of Directors of the Company on

12 February 2018.

1 INTERPRETATION

1.1 The following definitions and rules of interpretation apply in the Plan.

"Adoption Date" means the date of the adoption of the Plan by the Company;

"ASX" means ASX Limited (CAN 008 624 691) operating as the Australian Securities Exchange and its subsidiaries;

"Board" means the board of directors of the Company or a committee of directors appointed by that board to carry out any of its functions under the Plan;

"Business Day" means a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business;

"Closed Period" means has the meaning given in Article 19(11) of the Market Abuse Regulation;

"Company" means Adriatic Metals Limited incorporated and registered in England and Wales with number 10599833;

"Constituent Company" means any Group Company nominated by the Board to be Constituent Company at the relevant time;

"Control" means has the meaning given in section 719 of ITEPA 2003;

"Eligible Employee" means

- (a) any employee of a Constituent Company; and
- (b) any director of a Constituent Company ; and
- (c) any consultant to a Constituent Company;

"Employee" means an employee of a Group Company;

"Employer Company" means the Option Holder's employer or former employer as applicable;

"Exercise Price" means the price at which each Share subject to an Option may be acquired on the exercise of that Option, which (subject to clause 13) if Shares are to be newly issued to satisfy the exercise of the Option, may not be less than the nominal value of a Share;

"Grant Date" means the date on which an Option is granted under the Plan;

"Group Company" means any of the following:

- (a) the Company;
- (b) a company of which the Company has Control and which is also a Subsidiary of the Company.

"HMRC" means HM Revenue & Customs;

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

"Listing Rules" means the Listing Rules issued by the ASX, as amended from time to time;

"Market Abuse Regulation" means Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse;

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

"Option Certificate" means a certificate setting out the terms of an Option, issued under clause 2.3;

"Option Holder" means an individual who holds an Option or, where applicable, their personal representatives;

"Performance Condition" means any condition set under clause 3 that:

- (a) must be met before an Option can be exercised at all; and/or
- (b) provides that the extent to which an Option becomes capable of exercise shall be determined by reference to performance over a certain period measured against specified targets;

"Personal Data" means any personal information which could identify an Option Holder including Options held under the Plan or under any other Share Incentive Scheme operated by the Company;

"Plan" means the employee share option plan constituted and governed by these rules, as amended from time to time;

"Redundancy" means has the meaning given by the Employment Rights Act 1996;

"Rollover Period" means any period during which Options may be exchanged for options over shares in another company under clause 12.4);

"Schedule 4" means Schedule 4 to ITEPA 2003;

"Share Incentive Scheme" means any arrangement to provide employees and/or directors with shares;

"Shares" means ordinary shares in the Company (subject to clause 13);

"Subsidiary" means a subsidiary as defined in section 1159 of the Companies Act 2006;

"Tax Liability" means the total of:

- (a) any income tax and primary class 1 (employee) national insurance contributions (or their equivalents in any jurisdiction) for which any Employer Company is or may be liable to account (or reasonably believes it is or may be liable to account) as a result of any Taxable Event; and
- (b) unless the Employer Company, or the Company on behalf of the Employer Company, directs otherwise under clause 10.5, any employer national insurance contributions (or similar liability in another jurisdiction) that any Employer Company is, or may be, liable to pay (or reasonably believes it is or may be liable to pay) as a result of any Taxable Event and that can be recovered lawfully from the Option Holder.

"Taxable Event" means any event or circumstance that gives rise to a liability for the Option Holder to pay income tax, NICs or both (or their equivalents in any jurisdiction) in respect of:

- (a) the Option, including its exercise, assignment or surrender for consideration, or the receipt of any benefit in connection with it;
- (b) any Shares (or other securities or assets):
 - (i) earmarked or held to satisfy the Option;
 - (ii) acquired on exercise of the Option;
 - (iii) acquired as a result of holding the Option;
 - (iv) acquired in consideration of the assignment or surrender of the Option;
- (c) any securities (or other assets) acquired or earmarked as a result of holding Shares (or other securities or assets) mentioned in (b);
- (d) entering into an election under section 430 or 431 of ITEPA 2003; or
- (e) any amount due under PAYE in respect of securities or assets within (a) to (d) above, including any failure by the Option Holder to make good such an amount within the time limit specified in section 222 of ITEPA 2003;

"Vesting Date" means the earliest date on which the Option may be exercised, unless an earlier event occurs to cause the Option to lapse or become exercisable. This date may not be earlier than the first anniversary of the Grant Date or later than the 5th anniversary of the Grant Date.

- 1.2 Rule headings shall not affect the interpretation of the Plan.
- 1.3 Unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular.
- 1.4 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.5 A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time.
- 1.6 A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 1.7 A reference to **writing** or **written** includes fax and email.

- 1.8 Any obligation on a party not to do something includes an obligation not to allow that thing to be done.
- 1.9 A reference to the Plan or to any other agreement or document referred to in the Plan is a reference to the Plan or such other agreement or document as varied or novated (in each case, other than in breach of the provisions of the Plan) from time to time.
- 1.10 References to rules are to the rules of the Plan.
- 1.11 Any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.

2 GRANT OF OPTIONS

- 2.1 Subject to the rules of the Plan, the Company may grant Options to any Eligible Employee it chooses at any time.

- 2.2 Options may not be granted:

2.2.1 at any time when that grant would be prohibited by, or in breach of any:

- law; or
- the Market Abuse Regulation or any other regulation with the force of law; or
- rule of an investment exchange on which Shares are listed or traded, or any other non-statutory rule that binds the Company or with which the Board has resolved to comply; or

2.2.2 before the Adoption Date.

- 2.3 An Option shall be granted by the Company executing an Option Certificate as a deed in a form approved by the Board. Each Option Certificate shall be sent to the relevant Option Holder and shall specify (without limitation):

2.3.1 the Grant Date;

2.3.2 the number and class of the Shares over which the Option is granted;

2.3.3 the Exercise Price;

2.3.4 the Vesting Date;

2.3.5 the date when the Option will lapse, assuming that the Option is not exercised earlier and no event occurs to cause the Option to lapse earlier. This date may not be later than the fifth anniversary of the Grant Date;

2.3.6 any Performance Conditions, and the method by which the Performance Conditions may be varied or waived;

2.3.7 a statement that the Option is subject to these rules which are incorporated in the option Certificate by reference;

2.3.8 a summary of the Option Holder's obligations under clause 10; and

2.3.9 the circumstances in which the Option will lapse.

2.4 No amount shall be paid for the grant of an Option.

3 PERFORMANCE CONDITIONS

3.1 On the Grant Date of any Option, the Company:

3.1.1 may specify one or more Performance Conditions for the Option; and

3.1.2 may specify, for any Performance Condition:

- any restrictions that will apply to variation or waiver of that Performance Condition under clause 3.4; or
- that there may be no such variation or waiver.

3.2 A Performance Condition may be specified to apply only to part of an Option.

3.3 Any Performance Condition shall be an objective measure of the performance of:

3.3.1 the Company; or

3.3.2 the Option Holder; or

3.3.3 a business unit of which the Option Holder is a part.

3.4 Subject to clause **Error! Reference source not found.** and any restrictions on variation or waiver specified by the Company under clause 3.1.2, the Board may vary or waive any Performance Condition if events occur that cause:

3.4.1 an Option to become exercisable before the end of the period over which the original Performance Condition was to be assessed, if the original Performance Condition cannot reasonably be applied to the shortened time period; or

3.4.2 the Board to decide the Performance Condition is no longer an appropriate measure of performance; or

3.4.3 the Board to decide that the Performance Condition is no longer required.

3.5 The Board shall determine whether, and to what extent, Performance Conditions have been satisfied.

3.6 If an Option is subject to any Performance Condition, the Board shall notify the Option Holder within a reasonable time after the Board becomes aware of the relevant information:

3.6.1 when that Performance Condition has become incapable of being satisfied, in whole or in part; and

3.6.2 of any waiver or variation of that Performance Condition under clause 3.4.

4 **TRANSFER OF OPTIONS**

4.1 Options may not be transferred or assigned or have any charge or other security interest created over them. If an Option Holder attempts to do any of those things, the Option shall lapse immediately.

4.2 Clause 4.1 does not prevent the transmission of an Option to an Option Holder's personal representatives on the death of the Option Holder.

5 **LAPSE AND SUSPENSION OF OPTIONS**

5.1 Unless clause 8.2 applies, an Option (or part of an Option as applicable) shall lapse on the earliest of the following:

- 5.1.1 any attempted action by the Option Holder falling within clause 4.1; or
- 5.1.2 to the extent that any Performance Condition becomes incapable of being met, or is not met within the time period specified for meeting such Performance Condition; or
- 5.1.3 the lapse date specified in the Option Certificate; or
- 5.1.4 the expiry of any time limit for the exercise of an Option specified in clause 8;
- 5.1.5 if the Board does not make a decision to permit exercise of the Option under clause 8.2.2, 90 days following the Option Holder ceasing to be an Employee;
- 5.1.6 if any part of clause 12 applies, the time specified for the lapse of the Option under that part of clause 12; or
- 5.1.7 when the Option Holder becomes bankrupt under Part IX of the Insolvency Act 1986, or applies for an interim order under Part VIII of the Insolvency Act 1986, or proposes or makes a voluntary arrangement under Part VIII of the Insolvency Act 1986, or takes similar steps, or is similarly affected, under laws of any jurisdiction that correspond to those provisions of the Insolvency Act.

- 5.2 If clause 8.3 applies, the Option shall lapse on the first anniversary of the Option Holder's death.

6 EXERCISE OF OPTIONS: GENERAL

- 6.1 An Option Holder may exercise an Option from the earliest of:
 - 6.1.1 the Vesting Date;
 - 6.1.2 the time it becomes exercisable under clause 8; and
 - 6.1.3 the time it becomes exercisable under clause 12.
- 6.2 An Option Holder may only exercise an Option to the extent that the relevant Performance Condition is achieved (unless waived under clause 3.4).

7 EXERCISE OF OPTIONS: RESTRICTIONS

7.1 An Option Holder may not exercise an Option when its exercise is prohibited by, or would be a breach of the Market Abuse Regulation, or any:

7.1.1 law;

7.1.2 regulation with the force of law; or

7.1.3 rule of an investment exchange on which the Shares are listed or traded, or other rule, code or set of guidelines that binds the Company or with which Company has resolved to comply.

7.2 An Option Holder may exercise an Option only if the Option Holder has:

7.2.1 agreed to clause 10 in writing (this Agreement may be included in the exercise notice); and

7.2.2 made any arrangements, or entered into any agreements, required under clause 10.

7.3 An Option Holder may not exercise an Option at any time:

7.3.1 while subject to ongoing disciplinary proceedings by any Group Company;

7.3.2 while any Group Company is investigating the Option Holder's conduct and may as a result begin disciplinary proceedings;

7.3.3 while there is a breach of the Option Holder's employment contract that is a potentially fair reason for dismissal;

7.3.4 while in breach of a fiduciary duty owed to any Group Company;

7.3.5 after ceasing to be an Employee, if there was a breach of the employment contract or fiduciary duties that (in the reasonable opinion of the Board) would have prevented exercise of the Option had the Company been aware (or fully aware) of that breach, and of which the Company was not aware (or not fully aware) until after both:

- the Option Holder ceases to be an Employee; and

- the time (if any) when the Board decided to permit exercise of the Option.

7.4 The Company shall not unfairly frustrate a valid exercise of the Option by the inappropriate application of any provision of clause 7.3.

7.5 If an Option Holder is unable to exercise an Option due to the application of clause 7.2.1 or clause 7.2.2, following the conclusion of any disciplinary proceedings or investigation, the Board shall determine whether the Option is exercisable. If so, the Option will be exercisable, subject to these rules, on the date of such determination.

8 TERMINATION OF EMPLOYMENT

8.1 An Option Holder who gives or receives notice of termination of employment (whether or not lawful) as an Employee may not exercise an Option at any time while the notice remains effective unless the Board is satisfied that the notice has been given or received in connection with an arrangement to transfer the Option Holder's employment to another Group Company.

8.2 An Option Holder who ceases to be an Employee may not exercise their Option:

8.2.1 except as permitted by clause 8.3 or clause 8.4; or

8.2.2 unless the Board determines otherwise under clause 8.5.

8.3 Notwithstanding any other rule of this Plan except clause 12.8, if an Option Holder dies after the Vesting Date, the Option Holder's personal representatives may exercise the Option during the period of 12 months following the Option Holder's death. If the Option is not exercised, it will lapse on the first anniversary of the Option Holder's death.

8.4 An Option Holder who ceases to be an Employee after the Vesting Date due to any of the following reasons, may exercise their Option during the 90-day period beginning on the earlier of the Vesting Date and the date on which the Option becomes exercisable under clause 12:

8.4.1 injury;

8.4.2 ill health;

8.4.3 disability;

8.4.4 retirement;

8.4.5 the Option Holder's employer ceasing to be a Group Company;

8.4.6 the transfer of the business that employs the Option Holder to a person that is not a Group Company.

The Option shall lapse at the end of the exercise period specified in this clause 8.4 to the extent it is not exercised.

8.5 The Board may decide at any time during the period of 90 days after the relevant cessation of employment that the relevant Option Holder may exercise their Option. Any such decision, and whether to consider making such a decision, shall be entirely at the discretion of the Board. If the Board makes a decision to permit exercise under this clause 8.5, it shall:

8.5.1 specify the period during which the Option may be exercised (after which the Option shall lapse, to the extent not exercised), such a period to end no later than the latest date on which the Option may be exercised, as specified in the Option Certificate; and

8.5.2 notify the Option Holder of its decision within a reasonable time after making it.

8.6 An Option Holder shall not be regarded as ceasing to be an Employee until the Option Holder is no longer an employee or director of any Group Company.

9 MANNER OF EXERCISE OF OPTIONS

9.1 Where an Option is exercised in part, it shall be exercised over at least 100,000 Shares or, if fewer, the number of Shares over which the Option is then exercisable. Following any partial exercise, the Company shall issue a new Option Certificate for the Shares that are still subject to the Option.

9.2 An Option shall be exercised by the Option Holder giving a written exercise notice to the Company, that shall:

9.2.1 set out the number of Shares over which the Option Holder wishes to exercise the Option. If that number exceeds the number over which the Option may be validly exercised at the time:

- the Option shall be treated as exercised only in respect of that lesser number; and
- any excess amount paid to exercise the Option or meet any Tax Liability shall be refunded; and

9.2.2 be made using a form that the Board will approve;

9.2.3 include a power of attorney as required by clause 10.7;

9.2.4 include the Option Holder's agreement to pay the Tax Liability in accordance with clause 10; and

9.2.5 be accompanied by the relevant Option Certificate. If an Option Certificate has been lost, the relevant Option may still be exercised, but the Company may make it a condition of exercise that the Option Holder shall enter into a formal acknowledgement that the Option Certificate is lost and a binding undertaking to return it for cancellation if recovered at a later date.

9.3 Any exercise notice shall be accompanied by:

9.3.1 payment of an amount equal to the Exercise Price multiplied by the number of Shares specified in the notice; and

9.3.2 any payment required under clause 10; and/or

9.3.3 any documents relating to arrangements or agreements required under clause 10.

9.4 Any exercise notice shall be invalid:

9.4.1 to the extent that it is inconsistent with the Option Holder's rights under these rules and the Option Certificate; or

9.4.2 if any of the requirements of clause 9.2 or clause 9.3 are not met; or

9.4.3 if any payment referred to in clause 9.3 is made by a cheque that is not honoured on first presentation or in any other manner that fails to transfer the expected value to the Company.

The Company may permit the Option Holder to correct any defect referred to in clause 9.4.2 or clause 9.4.3 (but shall not be obliged to do so). The date of any corrected exercise notice shall be the date of the correction rather than the original notice date for all other purposes of the Plan.

9.5 Shares shall be allotted and issued (or transferred, as appropriate) within 30 days after a valid Option exercise, subject to the other rules of the Plan.

9.6 Except for any rights determined by reference to a date before the date of allotment, Shares allotted and issued in satisfaction of the exercise of an Option shall rank equally in all respects with the other shares of the same class in issue at the date of allotment.

9.7 If the Shares are listed or traded on any stock exchange, the Company shall apply to the appropriate body for any newly issued Shares allotted on exercise of an Option to be admitted to trading on that exchange.

10 TAX LIABILITIES

10.1 The Option Holder shall indemnify the Employer Company in respect of any Tax Liability.

10.2 An Option Holder may not exercise an Option unless the Option Holder:

10.2.1 agrees, in writing, to pay the Tax Liability to the Employer Company;
and

10.2.2 has made arrangements, satisfactory to the Employer Company or Company, to pay the Tax Liability.

10.3 If an Option Holder does not pay the Tax Liability within twenty days of exercise, the Company or Employer Company as appropriate, may:

10.3.1 if the Shares are readily saleable at the time, retain and sell such number of Shares on behalf of the Option Holder as is necessary to meet the Tax Liability and any costs of sale; or

10.3.2 deduct the amount of any Tax Liability from any payments of remuneration made to the Option Holder on or after the date on which the Tax Liability arose. However, in the case of NICs, the Employer Company may only withhold such amount as is permitted by the Social Security Contributions Regulations 2001 (*SI 2001/1004*).

The Option Holder's obligations under clause 10.1 shall not be affected by any failure of the Company or Employer Company to withhold shares or deduct from payments of remuneration under this rule.

10.4 At the request of the Employer Company, at any time before exercise of the Option, the Option Holder must elect, to the extent permitted by law, and using a form approved by HMRC, that the whole or any part of the liability for employer NICs arising as a result of a Taxable Event shall be transferred to the Option Holder.

10.5 The Employer Company (or the Company on behalf of the Employer Company) may:

10.5.1 on the Grant Date, direct that the Tax Liability shall not include Employer NICs; or

10.5.2 at any time after the Grant Date, but before the Option is exercised, release the Option Holder from their obligations in respect of Employer NICs under this clause 10 so that Employer NICs do not form part of the Tax Liability.

10.6 At the request of the Employer Company (or Company on behalf of the Employer Company) on or before the date of exercise of the Option, the Option Holder must enter into a joint election under section 431(1) or section 431(2) of ITEPA 2003, in respect of the Shares to be acquired on exercise of the relevant Option.

10.7 The exercise notice for the Option shall include a power of attorney appointing the Company as the Option Holder's agent and attorney for the purposes of clause 10.3.

10.8 Each Option shall include a requirement that the Option Holder irrevocably agrees to enter into a joint election under section 431(1) or section 431(2) of ITEPA 2003, if required to do so by the Company or their Employer Company, on or before the date of exercise of the Option.

11 RELATIONSHIP WITH EMPLOYMENT CONTRACT

- 11.1 The rights and obligations of any Option Holder under the terms of their office or employment with the Company (or any Group Company or former Group Company) shall not be affected by being an Option Holder.
- 11.2 The value of any benefit realised under the Plan by Option Holders shall not be taken into account in determining any pension or similar entitlements.
- 11.3 Option Holders and Employees shall have no rights to compensation or damages on account of any loss in respect of Options or the Plan where such loss arises (or is claimed to arise), in whole or in part, from:
- 11.3.1 termination of office or employment with; or
- 11.3.2 notice to terminate office or employment given by or to,
- the Company, any Group Company or any former Group Company. This exclusion of liability shall apply however termination of office or employment, or the giving of notice, is caused and however compensation or damages may be claimed.
- 11.4 Option Holders and Employees shall have no rights to compensation or damages from the Company, any Group Company or any former Group Company on account of any loss in respect of Options or the Plan where such loss arises (or is claimed to arise), in whole or in part, from:
- 11.4.1 any company ceasing to be a Group Company; or
- 11.4.2 the transfer of any business from a Group Company to any person that is not a Group Company.
- This exclusion of liability shall apply however the change of status of the relevant Group Company, or the transfer of the relevant business, is caused, and however compensation or damages may be claimed.
- 11.5 An Employee shall not have any right to receive Options, whether or not any have previously been granted.

12 TAKEOVERS AND LIQUIDATIONS

12.1 For the purposes of this clause 12, a Relevant Event means:

12.1.1 a person (the "Controller") obtaining Control of the Company as a result of:

- making a general offer to acquire the whole of the issued share capital of the Company (except for any capital already held by the Controller or any person connected with the Controller) that is made on a condition such that, if it is satisfied, the person making the offer will have Control of the Company; or
- making a general offer to acquire all the shares in the Company (except for any shares already held by the Controller or any person connected with the Controller) that are of the same class as the Shares; or

12.1.2 the court sanctioning a compromise or arrangement under section 899 of the Companies Act 2006 that is applicable to or affects:

- all the ordinary share capital of the Company or all the Shares of the same class as the Shares to which the Option relates; 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

12.1.3 shareholders becoming bound by a non-UK reorganisation (as defined by paragraph 35ZA of Schedule 4) that is applicable to or affects:

- all the ordinary share capital of the Company or all the Shares of the same class as the Shares to which the Option relates; 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

12.1.4 a person becomes bound or entitled to acquire Shares under sections 979 to 985 of the Companies Act 2006.

12.2 Subject to clause 12.4 and clause 12.7, an Option may be exercised:

12.2.1 within six months of a Relevant Event occurring under clause 12.1.1, clause 12.1.2, or clause 12.1.3;

12.2.2 at any time after a Relevant Event occurring under clause 12.1.4, continuing for as long as that person remains so bound or entitled.

The Board may determine that the Option shall lapse when it ceases to be exercisable under this clause 12.2.

12.3 If the Board reasonably expects a Relevant Event to occur, the Board may make arrangements (including, at its sole discretion, allowing Options to be exercised otherwise than in accordance with clause 6) permitting Options to be exercised for a period of 20 days ending with the Relevant Event. If an Option is exercised under this clause 12.3, it will be treated as having been exercised in accordance with clause 12.2.

If the Board makes arrangements for the exercise of Options under this clause 12.3:

12.3.1 if the Option is not exercised in accordance with those arrangements, it will lapse on the date of the Relevant Event; and

12.3.2 if the Relevant Event does not occur within 20 days of the date of purported exercise, the Option shall be treated as not having been exercised.

12.4 If, as a result of a Relevant Event, a company has obtained Control of the Company, each Option Holder may, by agreement with that company ("Acquiring Company") within the Rollover Period, release each Option ("Old Option") for a replacement option ("New Option") on such terms as may be agreed. The Rollover Period shall be the period starting with the date the Acquiring Company acquires Control and ending on the last day on which the Old Option could have been exercised under clause 12.2.

12.5 The Acquiring Company shall issue (or procure the issue of) an Option Certificate for each New Option.

12.6 In this clause 12 (other than clause 12.4), a person shall be deemed to have obtained Control of a company if they, and others acting with them, have obtained Control of it together.

- 12.7 If a Relevant Event takes place in the course of any corporate reconstruction or reorganisation under which the ultimate beneficial ownership of the business of the Group Companies will remain the same, and the company that obtains Control offers to grant New Options in accordance with clause 12.4, then clause 12.2 shall not apply and all Old Options shall lapse at the end of the Rollover Period to the extent that they are not released under clause 12.4.
- 12.8 If the shareholders of the Company receive notice of a resolution for the voluntary winding up of the Company, any Option Holder may exercise an Option to the extent that the Performance Condition is met at the date of the resolution at any time in the period before that resolution is passed, conditionally upon the passing of that resolution, and if the Option Holder does not exercise the Option, it shall lapse when the winding up begins.
- 12.9 The Board shall notify Option Holders of any event that is relevant to Options under this clause 12 within a reasonable period after the Board becomes aware of it.

13 VARIATION OF SHARE CAPITAL

- 13.1 If there is any variation of the share capital of the Company (whether that variation is a capitalisation issue (other than a scrip dividend), rights issue, consolidation, subdivision or reduction of capital or otherwise) that affects (or may affect) the value of Options to Option Holders, the Board may adjust the number and description of Shares subject to each Option and/or the Exercise Price of each Option in a manner that the Board, in its reasonable opinion, considers to be fair and appropriate. However:
- 13.1.1 the total market value of the Shares subject to the Option must, immediately after the variation of share capital, be substantially the same as immediately before the variation of share capital;
- 13.1.2 the total amount payable on exercise of an Option immediately after the variation of Share Capital must be substantially the same as immediately before the variation of share capital;
- 13.1.3 the Exercise Price for a Share to be newly issued on the exercise of any Option shall not be reduced below its nominal value (unless the Board resolves to capitalise, from reserves, an amount equal to the amount by

which the total nominal value of the relevant Shares exceeds the total adjusted Exercise Price, and to apply such amount to pay up the relevant Shares in full).

14 NOTICES

14.1 Any notice or other communication given under or in connection with the Plan shall be in writing and shall be:

14.1.1 delivered by hand or by pre-paid first-class post or other next working day delivery service at the appropriate address;

For the purposes of this clause 14, the "appropriate address" means:

- in the case of the Company, its registered office marked for the attention of Company Secretary;
- in the case of an Option Holder, their home address;
- if the Option Holder has died, and notice of the appointment of personal representatives has been given to the Company, any contact address they have specified in such notice; and

14.1.2 sent by email to the appropriate email address.

For the purposes of this clause 14, "appropriate email address" means:

- in the case of the Company, paul.cronin@adriaticmetals.com
- in the case of the Option Holder, if they are permitted to receive personal emails at work, their work email address.

14.2 Any notice or other communication given under this clause 14 shall be deemed to have been received:

14.2.1 if delivered by hand, on signature of a delivery receipt, or at the time the notice is left at the proper address;

14.2.2 if sent by pre-paid first-class post or other next working day delivery service, at 9.00 am on the second Business Day after posting, or at the time recorded by the delivery service;

14.2.3 if send by fax, at 9.00 am on the next Business Day after transmission; and

14.2.4 if sent by email, at 9.00 am on the next Business Day after sending.

14.3 This clause 14 does not apply to:

14.3.1 the service of any exercise notice pursuant to clause 9.2; and

14.3.2 the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

15 ADMINISTRATION AND AMENDMENT

15.1 The Board shall administer the Plan.

15.2 The Board may amend the Plan from time to time, but:

15.2.1 no material amendment may apply to Options granted before the amendment was made without the consent of the Option Holder:

15.2.2 no amendment may be made without the prior approval of the Company in general meeting if it would:

- make the terms on which Options may be granted materially more generous; or
- change the definition of Eligible Employee to expand the class of potential Option Holders; or
- change clause 11 to the benefit of Option Holders,

unless it is a minor amendment to benefit the administration of the Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for Option Holders or for the Company or any Group Company.

15.3 The cost of setting up and operating the Plan shall be borne by the Constituent Companies in proportions determined by the Board.

15.4 The Company shall ensure that at all times:

15.4.1 it has sufficient unissued or treasury Shares available; or

15.4.2 arrangements are in place for a third party to transfer issued Shares to satisfy the exercise of all the Options.

15.4.3 arrangements are in place for any third party to transfer issued Shares,
to satisfy the exercise of all Options.

15.5 The Board shall determine any question of interpretation and settle any dispute arising under the Plan. In such matters, the Board's decision shall be final.

15.6 In making any decision or determination, or exercising any discretion under the rules, the Board shall act fairly and reasonably and in good faith.

15.7 The Company shall not be obliged to notify any Option Holder if an Option is due to lapse.

15.8 The Company shall not be obliged to provide Option Holders with copies of any materials sent to the holders of Shares.

16 GOVERNING LAW

The Plan and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.

17 JURISDICTION

17.1 Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with the Plan or its subject matter or formation (including non-contractual disputes or claims).

17.2 Each party irrevocably consents to any process in any legal action or proceedings under clause 17.1 above being served on it in accordance with the provisions of the Plan relating to service of notices. Nothing contained in the Plan shall affect the right to serve process in any other manner permitted by law.

18 THIRD PARTY RIGHTS

- 18.1 A person who is not a party to the Option shall not have any rights under or in connection with it as a result of the Contracts (Rights of Third Parties) Act 1999 except where such rights arise under any provision of the Plan for any Employer Company of the Option Holder which is not a party.

This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.

- 18.2 The rights of the parties to an Option to surrender, terminate or rescind it, or agree any variation, waiver or settlement of it, are not subject to the consent of any person that is not a party to the Option as a result of the Contracts (Rights of Third Parties) Act 1999.

19 DATA PROTECTION

- 19.1 In accepting the grant of an Option each Option Holder consents to the collection, holding, processing and transfer of their Personal Data by the Company or any Constituent Company for all purposes connected with the operation of the Plan.

- 19.2 The purposes of the Plan referred to in clause 17.1 include, but are not limited to:

19.2.1 holding and maintaining details of the Option Holder's Options;

19.2.2 transferring the Option Holder's Personal Data to the trustee of an employee benefit trust, the Company's registrars or brokers or any administrators of the Plan; and

19.2.3 transferring the Option Holder's Personal Data to a bona fide prospective buyer of the Company or the Option Holder's employer company or business unit (or the prospective buyer's advisers), provided that the prospective buyer and its advisers irrevocably agree to use the Option Holder's Personal Data only in connection with the proposed transaction and in accordance with the data protection principles set out in the Data Protection Act 1998; and

19.2.4 transferring the Option Holder's Personal Data under clause 19.2.2 or clause 19.2.3 to a person who is resident in a country or territory outside the

European Economic Area that may not provide the same statutory protection for the information as countries within the European Economic Area.