

## SCHEDULES

### SCHEDULE 4

#### APPROVED CSOP SCHEMES

#### PART 5

##### REQUIREMENTS ETC. RELATING TO SHARE OPTIONS

###### *Requirements etc. relating to share options: introduction*

- 21 (1) A CSOP scheme must meet the requirements of—  
paragraph 22 (requirements as to price for acquisition of shares), and  
paragraph 23 (share options may not be transferred).
- (2) A CSOP scheme may make any provision authorised by—  
paragraph 24 (exercise of options: ceasing to be director or employee), or  
paragraph 25 (exercise of options: death).

###### *Requirements as to price for acquisition of shares*

- 22 (1) The price at which shares may be acquired by the exercise of a share option granted under the scheme—  
(a) must be stated at the time when the option is granted, and  
(b) must not be manifestly less than the market value of shares of the same class at that time.

This is subject to sub-paragraphs (2) and (3).

- (2) The Inland Revenue and the scheme organiser may agree in writing that sub-paragraph (1)(b) is to apply as if the reference to the time when the option is granted were to an earlier time or times stated in the agreement.
- (3) The scheme may provide for one or more of the following—  
(a) the price at which shares may be acquired by the exercise of a share option granted under the scheme,  
(b) the number of shares which may be so acquired, or  
(c) the description of shares which may be so acquired,  
to be varied so far as necessary to take account of a variation in the share capital of which the shares form part.
- (4) But the scheme must provide that no such variation is to be made without the prior approval of the Inland Revenue.

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*Status: This is the original version (as it was originally enacted).*

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*Share options must not be transferable*

- 23     (1) The scheme must ensure that share options granted to a participant are not capable of being transferred by the participant.
- (2) Paragraph 25 provides for the exercise of the options where the participant has died.

*Exercise of options: ceasing to be director or employee*

- 24     (1) The scheme may provide that an individual may exercise share options under it after ceasing to be a full-time director or qualifying employee.
- (2) “Qualifying employee” has the same meaning as in paragraph 8 (the employment requirement).

*Exercise of options: death*

- 25     The scheme may provide that, if a participant dies before exercising the options, they may be exercised on or after the date of death but not later than 12 months after that date.