

**THIS LETTER IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. THIS LETTER EXPLAINS THE IMPACT OF THE TRANSACTION ON YOUR OPTIONS AND WHAT YOU NEED TO DO. PLEASE READ THIS LETTER CAREFULLY.**

For reasons explained further below, it is important that you take the appropriate course of action as soon as possible. In particular, your Option(s) will only be exercisable for a limited period under the rules of the Share Option Scheme and may lapse and become worthless if you take no action. Nothing in this Letter or the Offer Document extends the exercise period of your Option(s).

If you are in any doubt as to the action you should take, you are recommended to seek your own personal independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser in the relevant jurisdiction.

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**FIREANGEL SAFETY TECHNOLOGY GROUP PLC**

Vanguard Centre  
Sir William Lyons Road,  
Coventry,  
United Kingdom,  
CV4 7EZ

**INTELLIGENT SAFETY ELECTRONICS PTE. LTD**

987 Serangoon Road  
328147 Singapore  
Singapore

Dear Participant

**Recommended cash offer for FireAngel Safety Technology Group plc (FireAngel) by Intelligent Safety Electronics Pte. Ltd (ISE) to acquire the entire issued and to be issued share capital of FireAngel not already owned or controlled by the ISE, to be effected by means of a takeover offer within the meaning of Part 28 of the Companies Act 2006**

Proposal to holders of options pursuant to the FireAngel 2015 Long-Term Incentive Plan and/or the 2020 Share Matching Scheme (each a **Share Option Scheme**) to acquire FireAngel Shares at an exercise price below 7.40 pence per FireAngel Share (**Proposal**)

**1 INTRODUCTION**

On 27 October 2023, the boards of ISE and FireAngel jointly announced that they had reached an agreement on the terms of a recommended cash offer to be made by ISE for the entire issued and to be issued share capital of FireAngel not already owned or controlled by ISE at a price of 7.40 pence per FireAngel Share (the **Offer Price**) (the **Offer**).

The Offer is intended to be implemented by way of a takeover offer within the meaning of Part 28 of the Companies Act 2006. For information purposes, an Offer Document will be sent out to all of the holders of options granted under the Share Option Scheme (the **Option(s)**) for information only. A copy of the Offer Document accompanies this letter (the **Letter**).

You should read this Letter in conjunction with the Offer Document, the schedule and the enclosed Form of Instruction. Words and expressions defined in the Offer Document and the rules of the Share Option Scheme apply for the purpose of this Letter. In the event of a conflict, words and expressions as defined in the Offer Document shall apply.

This Letter does not apply to FireAngel Shares you already own (either as a result of exercising share options or otherwise).

You should be aware that ISE intends, if it becomes entitled to do so, to buy FireAngel Shares from shareholders who have not accepted the Offer using the compulsory acquisition procedure under Chapter 3 of Part 28 of the Companies Act 2006.

## 2 EFFECT OF THE OFFER ON YOUR OPTION(S)

Your Option(s) may already be exercisable for other reasons under the Share Option Scheme. If your Option(s) are already exercisable and have not lapsed, you can still exercise your Option(s) and accept the Offer (Choice 2) or not accept the Offer (Choice 3) using the Form of Instruction enclosed.

Any Option(s) which are not currently exercisable will either: (i) become exercisable as a consequence of the Offer (you should note that the effect of the Offer may be to shorten the normal period of exercise of your Option(s) set out in the rules of the Share Option Scheme); or (ii) become exercisable in accordance with the rules of the relevant Share Option Scheme as a result of the Compulsory Purchase Procedure.

## 3 WHAT ARE THE CHOICES AVAILABLE TO YOU?

The alternative courses of action that you may take in relation to your Option(s) are set out in detail in the following pages. In summary, these are:

### 3.1 Choice 1

You may sell your Option(s) to ISE at a price equal to the difference between the Offer Price and the exercise price of the relevant Option(s) on the terms set out in section 4, or

### 3.2 Choice 2

You may exercise your Option(s) and accept the Offer, on the terms set out in section 5, or

### 3.3 Choice 3

You may exercise your Option(s) and not accept the Offer, on the terms set out in section 6, or

### 3.4 Choice 4

You may do nothing.

***For reasons explained further below, it is important that you take the appropriate course of action as soon as possible. In particular, your Option(s) will only be exercisable for a limited period under the rules of the Share Option Scheme and may lapse and become worthless if you take no action. Nothing in this Letter or the Offer Document extends the exercise period of your Option(s).***

***Before deciding what action you should take, you may wish to consider your tax position. Please note, the schedule to this Letter gives some general guidance on the UK tax and National Insurance consequences of selling your Option(s) to ISE and of exercising Option(s) and disposing of the FireAngel Shares acquired as a result of the exercise of Option(s) pursuant to the Offer. If you are in any doubt as to your tax position, you should consult an appropriate independent professional tax adviser without delay.***

***Your attention is drawn to section 11 below.***

**4 SELL YOUR OPTIONS — CHOICE 1**

If you wish, conditional on the Offer becoming or being declared unconditional in all respects, to sell your Option(s) to the ISE at a price equal to the difference between the Offer Price (7.40 pence per FireAngel Share) and the exercise price of the relevant Option(s) (the **Option Purchase Price**) then please complete Box 1 in the enclosed Form of Instruction accordingly. The sale of your Option(s) will then be completed immediately following the Offer becoming or being declared unconditional in all respects (as determined by the ISE Board or a duly authorised committee of the ISE Board), or if your Form of Instruction is received too late for this to occur, as soon as reasonably practicable after receipt of your Form of Instruction so long as the Offer remains open for acceptance at that time (and assuming the Form of Instruction is received before your Option(s) lapse). If you wish to proceed under Choice 1, you must follow the instructions set out in section 0 below.

If you decide to proceed under

Choice 1, then you will be undertaking to pay, where relevant, any liability to income tax and employee's National Insurance contributions (or overseas equivalents) arising in connection with the sale of your Option(s) for which FireAngel, or your employing company, if different, is required to withhold and account to HM Revenue & Customs (**HMRC**) (or overseas equivalent), (together the **Tax Liability**).

ISE will pay the aggregate Option Purchase Price to FireAngel and FireAngel will retain the Tax Liability from the Option Purchase Price and pay the balance to you by cheque or payroll.

**5 EXERCISE YOUR OPTION(S) AND ACCEPT THE OFFER — CHOICE 2**

You may, if you wish, exercise your Option(s), conditional on the Offer becoming or being declared unconditional in all respects, if and to the extent that they are or become exercisable and accept the Offer in respect of the FireAngel Shares you acquire on exercise of your Option(s) using the enclosed Form of Instruction.

If you decide to exercise your Option(s) on this basis using the enclosed Form of Instruction, the exercise of your Option(s) will take effect to the extent your Option(s) are already or become exercisable, immediately following the Offer becoming or being declared unconditional in all respects (as determined by the FireAngel Directors or a duly authorised committee of the FireAngel Directors), or if your Form of Instruction is received too late for this to occur, as soon as reasonably practicable after receipt of your Form of Instruction so long as the Offer remains open for acceptance at that time (and assuming the Form of Instruction is received before your Option(s) lapse).

***Each FireAngel Share would be sold under the Offer at the Offer Price***

To accept the Offer in relation to the FireAngel Shares under your Option(s), you will be required to insert details of your Option(s) in Box 2 of the enclosed Form of Instruction. If you wish to check the details of your Option(s), please contact [REDACTED] at FireAngel on [REDACTED] without delay.

If you decide to proceed under Choice 2, then you will be undertaking to pay:

- the aggregate exercise price due in respect of the exercise of your Option(s) (being the total number of FireAngel Shares you are exercising your Option(s) over multiplied by the relevant exercise price per share for the Option(s) as specified in your Option agreement(s)/certificate(s)) (the **Aggregate Exercise Price**); and

- the liability to income tax and employee's National Insurance (or overseas equivalents) arising in connection with your Option(s) for which FireAngel, or your employing company, if different, is required to withhold and account to HM Revenue & Customs (**HMRC**) (or overseas equivalent), (together the **Tax Liability**).

If you choose Choice 2, you will undertake to pay the Aggregate Exercise Price together with the Tax Liability and direct that the relevant amount is withheld from the cash proceeds otherwise payable to you by ISE when the FireAngel Shares arising from the exercise of your Option(s) are sold under the Offer (the **Cash Proceeds**).

ISE will pay the Cash Proceeds to FireAngel. FireAngel will retain the Aggregate Exercise Price and the Tax Liability from the Cash Proceeds and pay the balance to you by cheque or payroll.

You should note that although all of your Option(s) will be or become exercisable in accordance with the rules of the Share Option Scheme, the exercise price per FireAngel Share relating to some or all of your Option(s) may be greater than the Offer Price. If this applies to you, those Option(s) are effectively worthless.

**IF YOU WISH TO PROCEED UNDER CHOICE 2, YOU MUST FOLLOW THE INSTRUCTIONS SET OUT IN SECTION 9.2 BELOW.**

## 6 **EXERCISE YOUR OPTION(S) AND NOT ACCEPT THE OFFER — CHOICE 3**

You are not obliged to accept the Offer if you do not wish to do so. You may instead exercise your Option(s) (to the extent they are already or become exercisable and have not lapsed) and seek to retain the resulting FireAngel Shares or sell them on the AIM market of the London Stock Exchange (**AIM**) (so long as the FireAngel Shares continue to be admitted to trading). You should note, however, that if you try and sell your FireAngel Shares on AIM you may find that it is not possible to sell them at the Offer Price. In addition, you would ordinarily expect to incur dealing costs in respect of such a sale.

You should also note that subject to the Offer becoming or being declared unconditional in all respects and subject to any applicable legal or regulatory requirements, the Offeror intends to procure the application by FireAngel for the cancellation of the admission of FireAngel Shares to trading on AIM (**de-listing**). It is expected that such de-listing would significantly reduce the liquidity and marketability of any FireAngel Shares in respect of which the Offer is not accepted.

If any of your Option(s) are not currently exercisable, they will become exercisable in accordance with the rules of the Share Option Scheme.

You should also be aware that ISE intends, if it becomes entitled to do so, to buy FireAngel Shares from FireAngel Shareholders who have not accepted the Offer using the Compulsory Purchase Procedure. If ISE becomes entitled to do so, it will, for a limited period of time, be able to acquire your FireAngel Shares acquired as a result of the exercise of your Option(s) at the Offer Price even if you do not accept the Offer.

***Please note if you choose to exercise your Option(s) under Choice 3, in order to exercise your Option(s) you will be required to pay the Aggregate Exercise Price of your Option(s) and the Tax Liability to FireAngel using your funds before the exercise of your Option(s) will be accepted.***

If you wish to exercise your Option(s) but not accept the Offer you must follow the instructions in section 9.3 below.

## 7 **DO NOTHING – CHOICE 4**

If you do not take any action in respect of your Option(s), your Option(s), to the extent unexercised, will lapse and cease to be of any value one month after the Offer becomes or is declared unconditional in all respects or, if ISE becomes entitled to buy FireAngel Shares from

shareholders who have not accepted the Offer using the compulsory acquisition procedure under Chapter 3 of Part 28 of the Companies Act 2006, when ISE no longer remains so entitled.

## 8 TAXATION CONSEQUENCES

Note that the schedule to this Letter gives some general guidance on UK tax and National Insurance contributions consequences of selling your Option(s) to ISE and of selling your Option(s) to ISE and of exercising your Option(s) and disposing of FireAngel Shares acquired as a result of the exercise of your Option(s) pursuant to the Offer. However, if you are in any doubt as to your tax position, whether in respect of Choice 1, Choice 2, Choice 3, or otherwise, you are strongly advised to consult an independent professional tax adviser without delay.

## 9 ACTION TO BE TAKEN

If you wish to proceed under

### 9.1 Choice 1

You need to complete Box 1 of the enclosed Form of Instruction accordingly and return it, together with the relevant Option certificate(s)/agreement(s) to [REDACTED] at FireAngel Safety Technology Group plc, Vanguard Centre, Sir William Lyons Road, Coventry, CV4 7EZ, United Kingdom by post or by hand (during normal business hours only). You are requested to return the enclosed Form of Instruction **as soon as possible and in any event so as to be received by no later than 5pm (UK time) on the date upon which the Offer ceases to be available for acceptance, being no later than 3 April 2024. It is very important to note, that the Offer may cease to be available for acceptance prior to 3 April 2024 (depending on certain conditions to the Offer being satisfied or waived prior to that date). In such event, you shall be notified accordingly of the date by which your Form of Instruction must be returned in order for the sale of your Option(s) to be completed. Please do not ignore such communication.** If you proceed under Choice 1, by completing the Form of Instruction, you agree and acknowledge that the sale of your Option(s) will take effect to the extent your Option(s) are already or become exercisable, immediately following the Offer becoming or being declared unconditional in all respects (as determined by the FireAngel Board or a duly authorised committee of the FireAngel Board); or, if your Form of Instruction is received too late for this to occur, as soon as reasonably practicable after receipt of your Form of Instruction (assuming the Offer becomes or is declared unconditional in all respects and your Option has not lapsed) so long as the Offer remains open for acceptance at that time. **In the event that the Offer becomes or is declared unconditional, you shall be notified accordingly of the date by which your Form of Instruction must be returned in order for the sale of your Option(s) to be completed.**

Please read the explanatory notes and the Terms and Conditions printed on the Form of Instruction carefully before you complete it. These notes tell you how to complete the Form of Instruction to sell your Option(s).

### 9.2 If you wish to proceed under Choice 2

You need to complete Box 2 of the enclosed Form of Instruction accordingly and return it, together with the relevant Option certificate(s)/agreement(s) to [REDACTED] at FireAngel Safety Technology Group plc, Vanguard Centre, Sir William Lyons Road, Coventry, CV4 7EZ, United Kingdom by post or by hand (during normal business hours only). You are requested to return the enclosed Form of Instruction **as soon as possible and in any event so as to be received by no later than 5pm (UK time) on the date upon which the Offer ceases to be available for acceptance, being no later than 3 April 2024. It is very important to note, that the Offer may cease to be available for acceptance prior to 3 April 2024 (depending on certain conditions to the Offer being satisfied or waived prior to that date). In such event, you shall be notified accordingly of the date by which your Form of Instruction must be returned in order for the exercise of your Option(s) and your acceptance of the Offer in respect of the FireAngel Shares you acquire on the exercise to be completed. Please do not ignore such communication.** If you proceed under Choice 2, by completing the Form of

Instruction, you agree and acknowledge that the exercise of your Option(s) will take effect to the extent your Option(s) are already or become exercisable, immediately following the Offer becoming or being declared unconditional in all respects (as determined by the FireAngel Board or a duly authorised committee of the FireAngel Board); or, if your Form of Instruction is received too late for this to occur, as soon as reasonably practicable after receipt of your Form of Instruction (assuming the Offer becomes or is declared unconditional in all respects and your Option has not lapsed) so long as the Offer remains open for acceptance at that time. **In the event that the Offer becomes or is declared unconditional, you shall be notified accordingly of the date by which your Form of Instruction must be returned in order for the exercise of your Option(s) and your acceptance of the Offer in respect of the FireAngel Shares you acquire on the exercise to be completed.**

Please read the explanatory notes and the Terms and Conditions printed on the Form of Instruction carefully before you complete it. These notes tell you how to complete the Form of Instruction to exercise your Option(s) and accept the Offer.

### 9.3 **If you wish to proceed under Choice 3**

You should **not** complete or return the enclosed Form on Instruction, but instead contact [REDACTED] at FireAngel on [REDACTED] without delay, who will supply you with a standard notice of exercise. You must return this notice of exercise duly completed together with your original Option certificate(s)/agreement(s) and a cheque for the appropriate Aggregate Exercise Price and any Tax Liability to [REDACTED] at FireAngel Safety Technology Group plc, Vanguard Centre, Sir William Lyons Road, Coventry, CV4 7EZ, United Kingdom.

### 9.4 **If you take no action (Choice 4)**

***If you take no action, you will not be able to accept the Offer in respect of your Option(s) which shall lapse and become worthless*** one month after the Offer becomes or is declared unconditional in all respects or, if ISE becomes entitled to buy FireAngel Shares from shareholders who have not accepted the Offer using the compulsory acquisition procedure under Chapter 3 of Part 28 of the Companies Act 2006, when ISE no longer remains so entitled.

## 10 **SETTLEMENT**

If you proceed under

Choice 1, you will receive the **net** Option Purchase Price due to you under the Offer (after paying the Tax Liability), or if you proceed under Choice 2 you will receive the **net** consideration due to you under the Offer (after paying the Aggregate Exercise Price and the Tax Liability), in each case in pounds sterling either by cheque, if applicable, or through FireAngel's payroll as soon as practicable after the date of sale of your Option(s) or the exercise of your Option(s) and subsequent sale of FireAngel Shares (as applicable) and the payment of the Option Purchase Price or consideration (as applicable) under the Offer.

If you proceed under Choice 3, you will receive a share certificate in respect of the FireAngel Shares you acquire on exercise of your Option(s) within 30 days of such exercise.

## 11 **RECOMMENDATION**

The FireAngel Directors, who have been so advised by PwC as to the financial terms of the choices available in the Proposal to the Option holders, consider the terms of

Choice 1 to be fair and reasonable in the context of the Offer. In providing their advice, PwC have taken into account the commercial assessments of the FireAngel Directors. PwC is providing independent financial advice to the FireAngel Board for the purposes of Rule 3 and Rule 15.2 of the Takeover Code.

Accordingly, the FireAngel Directors unanimously recommend Option holders to select

Choice 1 to sell their Options to ISE. The FireAngel Directors who are also FireAngel Shareholders have irrevocably undertaken to sell their FireAngel Shares pursuant to the Offer in respect of their own holdings of Shares comprising a total of 13,754,611 Shares representing approximately 4.55 per cent. of the existing issued share capital of FireAngel.

12 **FURTHER INFORMATION**

Your attention is drawn to the information contained in the Offer Document, and to the accompanying Form of Instruction, which should be read in conjunction with this Letter.

The Offer Document, together with all information incorporated into the Offer Document by reference to another source and the documents required to be published pursuant to Rule 26 of the Code, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, shall be available on ISE's website at [www.intelligentse.com/?investor](http://www.intelligentse.com/?investor) and FireAngel's website at [www.fireangeltech.com](http://www.fireangeltech.com) by no later than 12 noon (London time) on the Business Day following publication of the Offer Document. For the avoidance of doubt, the contents of these websites and any websites accessible via hyperlinks on these websites are not incorporated into and do not form part of the Offer Document or this Letter.

If you have any queries in relation to this Letter or how to complete the Form of Instruction you should contact [REDACTED] at FireAngel on [REDACTED] without delay. However, please note that [REDACTED] will not be able to provide you with any legal, financial, tax planning or investment advice on the merits of any particular choice or on the Offer itself. **You are reminded that if you fail to take any action, your Option(s) will lapse in due course and cease to be of any value.**

**Please also note that nothing in this Letter is intended, nor should it be taken, as any advice as to any course of action you should take. If you are in any doubt as to the action you should take now, you should seek your own financial advice from an appropriate independent professional adviser duly authorised under the Financial Services and Markets Act 2000 if you are in the UK, or if not, from another appropriately authorised financial adviser.**

Yours faithfully

[REDACTED]

For and on behalf of FireAngel	For and on behalf of ISE
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## 1 NOTES

1.1 The ISE Directors whose names are set out in paragraph 2.1 of Part 6 of the Offer Document accept responsibility for the information contained in this Letter, other than:

(a) the information relating to FireAngel, the FireAngel Directors, their close relatives, related trusts and connected persons; and

(b) the recommendation and opinions of the FireAngel Directors relating to the Offer contained in Part 2 of the Offer Document.

To the best of the knowledge and belief of the ISE Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Letter for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of that information.

1.2 The FireAngel Directors, whose names are set out in paragraph 2.2 of Part 6 of the Offer Document, accept responsibility for the information contained in this Letter relating to the FireAngel Group, the FireAngel Directors, their close relatives, related trusts and connected persons and the recommendations and opinions of the FireAngel Directors relating to the Offer. To the best of the knowledge and belief of the FireAngel Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Letter for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of that information.

1.3 The enclosed Form of Instruction, including the notes, terms and conditions and instructions in that document, shall be deemed to be incorporated into and form an integral part of the proposals in this Letter.

1.4 The proposals set out in this Letter and acceptances and instructions in respect of them shall be irrevocable and this Letter and Form of Instruction (and choices made under it) are governed by and should be construed in accordance with the laws of England and Wales. All acceptances of the Offer shall be governed by the provisions of the Offer Document.

1.5 Words and expressions defined in the Offer Document will, unless the context requires otherwise, have the same meaning in this Letter, the schedule and the enclosed Form of Instruction. Your Option(s) are governed by the rules of the Share Option Scheme under which they were granted and the applicable legislation. If there is any inconsistency between those rules and the applicable legislation and this Letter (including the schedule) and the Form of Instruction, the rules and such legislation will prevail.

1.6 Accidental omission to despatch this Letter or the Form of Instruction to, or any failure to receive the same by, any person to whom the proposals are made or should be made, will not invalidate the proposals in this Letter in any way. Receipt of documents will be acknowledged and documents will be despatched at your own risk by post.

1.7 Any cheque which you may become entitled to receive will be despatched to the address provided by you at your own risk.

1.8 All acceptances and elections in respect of the proposals set out in this Letter will be irrevocable and cannot be subsequently revoked.

1.9 PwC has given and not withdrawn its written consent to the issue of this Letter with the inclusion of the references to its name in the form and context in which it appears.

1.10 PwC, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively as financial adviser to FireAngel and for no-one else in connection with the matters referred to in this Letter and will not be responsible to any person other than FireAngel for providing the protections afforded to clients of PwC, nor for providing advice in relation to the contents of this Letter. Neither PwC nor any of its members owes,



accepts or assume any duty of care, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of PwC in connection with the matters referred to in this Letter, or otherwise.

## SCHEDULE 1 – UK TAX SUMMARY

The information contained below is a summary of the current United Kingdom (UK) tax implications of selling your Option(s) and of exercising your Option(s) and accepting the Offer as referred to in this Letter and applies only to Option holders resident for tax purposes in the UK. It is for guidance only and is not a full description of all the circumstances in which a Tax Liability may occur and only considers the implications of accepting these choices in relation to your Option(s). It does not constitute tax advice to any individual Option holder. The precise implications for you will depend on your particular circumstances and, if you are in any doubt as to your tax position or are not resident in the UK for tax purposes, you should consult an appropriate independent professional adviser immediately. The summary is based on existing law and what is understood to be the current practice of HMRC.

### 1 SELLING YOUR OPTION(S) (*CHOICE 1*)

The sale of an Option by an Option holder to ISE would result in the Option holder being treated as receiving taxable employment income, to the extent of the consideration received for the disposal (i.e. the Option Purchase Price).

The taxable amount would be the amount of the consideration paid for the Option by ISE, and in disposing of the Option the Option holder would be agreeing to bear the cost of such income tax and employee National Insurance contributions (NICs) liability accordingly and to account to the Company for such income tax and employee NICs.

Such income tax charge, and NICs, will be accounted for by FireAngel (as opposed to via self-assessment by the Option holder).

### 2 EXERCISING YOUR OPTION(S) (*CHOICES 2 AND 3*)

As the Options constitute “unapproved” options for the purposes of UK taxation, on the exercise of an Option by an Option holder, a charge to income tax will arise on the difference between the market value of the FireAngel Shares at the date of exercise, and the amount paid by the Option holder to exercise the Option.

Employee NICs will also be due on exercise of the Options.

Such income tax charge, and NICs, will be accounted for by FireAngel (as opposed to via self-assessment by the Option holder).

The terms of the Options provide that the cost of any such income tax and employee NICs charge is to be borne by the Option holder and, in this connection and as a pre-condition to exercise, an Option holder will be required to account to the Company for the amount of any such income tax and employee NICs.

### 3 DISPOSING OF YOUR FIREANGEL SHARES (*CHOICES 2 AND 3*)

On the disposal of the FireAngel Shares acquired as a result of exercising the Option, an Option holder may be subject to capital gains tax (CGT) in respect of any increase in value of the Shares, measured from the date of acquisition of the Shares, up to the date of disposal. If you are exercising your Option(s) pursuant to Choice 2, there is unlikely to be a CGT charge as the Shares will be immediately sold following the exercise of your Option(s).

If there is a gain arising, whether or not a shareholder will in practice incur such a charge to CGT will depend on a number of factors which are personal to that individual, such as the availability of the UK's annual CGT exemption for gains below a certain annual threshold (currently set at £6,000 for the tax year 2023 - 2024) and whether any particular exemptions or reliefs may apply, such as Business Asset Disposal Relief where the FireAngel Shares have been held in excess of two years, and certain other conditions are satisfied.

#### 4 **SHARE IDENTIFICATION**

Notwithstanding the above, you should be aware that special rules apply when individuals acquire and dispose of shares in the same company during various periods. These rules could affect your CGT position. You should take appropriate professional advice in relation to these rules if you think they may apply to you.