

*To : The holders of unexercised options granted under the Applegreen Employee Share Option Trust Share Option Plan 2016 (the "ASOP") held pursuant to the Applegreen Employee Share Option Trust (the "ESOT")*

## **PART 1**

### **COMMUNICATION FROM THE TRUSTEES OF THE ESOT (THE "TRUSTEES")**

Dear Beneficiary

We are writing to you as the Trustees of the ASOP and the ESOT, of which you are a Beneficiary, as defined in the ASOP.

As you may be aware, Causeway Consortium Limited ("**Bidco**") is proposing to acquire Applegreen plc ("**Applegreen**") by way of a "Scheme of Arrangement" under Chapter 1 of Part 9 of the Companies Act 2014 (the "**Acquisition**"). Under the terms of the Acquisition, Applegreen Shareholders will be entitled to receive:

for each Applegreen Share €5.75 in cash (the "**Offer Price**").

Enclosed is a copy of the Scheme Document dated 25 January 2021 setting out the detail of the Acquisition.

As Trustees of the ESOT, we hold certain shares in Applegreen for and on behalf of the Beneficiaries as defined in the ASOP.

Pursuant to the terms of the ASOP you have been granted an entitlement to acquire certain shares in Applegreen, subject to the terms and conditions of the ASOP (the **ASOP Options**).

The purpose of this communication is to:

- (a) give you information regarding how the Acquisition will affect your unexercised ASOP Options; and
- (b) set out the terms of a facility whereby you may elect to undertake a cashless exercise of your ASOP Options (the "**Cashless Exercise Facility**").

#### **1. Your ASOP Options**

An ASOP Option gives you a right to acquire the ordinary shares of €0.01 each in the capital of Applegreen ("**Applegreen Shares**") at a price of €2.00 per share (the "**Exercise Price**"), subject to certain terms and conditions pursuant to the ASOP and ESOT. A schedule detailing your ASOP Options which have been granted to you under the ASOP is enclosed. You will receive a separate communication if you hold options under the other share schemes operated in respect of Applegreen.

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The Trustees hereby request you to exercise all of your ASOP Options in the event of the Scheme of Arrangement taking effect (or the Acquisition otherwise becoming or being declared wholly unconditional).

2. **Cashless Exercise**

In order to facilitate the exercise of your ASOP Options in an efficient manner on the coming into effect of the Scheme of Arrangement and to avoid the need for you to pay the total Exercise Price to the Trustees in advance of such exercise, you are being offered the Cashless Exercise Facility. The Cashless Exercise Facility operates by you authorising the Trustee to set aside such amount of the proceeds of the transfer of the Applegreen Shares to Bidco (which are the subject of your ASOP Options) as is equal to the total Exercise Price in respect of such of your ASOP Options and to account for same to the ESOT, which would have been paid by you had you exercised your ASOP Options in the normal way.

You can accept the Cashless Exercise Facility by completing the enclosed Election Form and returning it to Applegreen by no later than 30 days following the Effective Time (as defined in the Scheme Document).

You will be notified when the Scheme of Arrangement has taken effect. If you wish to accept the Cashless Exercise Facility, it is critically important that you complete the enclosed Election Form. Completion of the enclosed Exercise Notice will ensure that your ASOP Options are exercised immediately upon the Scheme of Arrangement taking effect.

3. **If you do not exercise your ASOP Options?**

If you elect not to exercise your ASOP Options, all of the ESOT Shares, including any Applegreen Shares the subject of your ASOP Options will be sold to BidCo in any event and the Trustees will distribute the proceeds to which the ESOT is entitled, in accordance with its terms.

To fully complete the Exercise Notice, you need to complete Section A, and Section C. Marking "X" in the box in Section A of the Exercise Notice means that you irrevocably elect to exercise all of your ASOP Options that remain outstanding immediately upon the Scheme of Arrangement taking effect (or the Acquisition otherwise becoming or being declared wholly unconditional).

By completing and returning the Exercise Notice you will agree to the terms and conditions set out in Section B of the Exercise Notice, including as to the conferring of irrevocable powers of attorney, and confirm that the decisions which you have made on the Exercise Notice cannot be withdrawn or altered except with the agreement of the Trustee. You should read these terms and conditions carefully.

You need to sign the Exercise Notice in Section C and have your signature witnessed by a person who is 18 years of age or older and who is not your spouse or civil partner.

**The Exercise Notice should be returned to the Trustees with a copy to Niall Dolan at Applegreen no later than 30 days following the Effective Time (as defined in the Scheme Document).**

4. **Alternative ways to exercise your ASOP Options**

Subject to compliance with the terms of the Applegreen share dealing code, you may be able

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to exercise your ASOP Options that are (and remain) exercisable at any time prior to Scheme of Arrangement becoming effective in the usual way. This will require you to pay the aggregate Exercise Price to the Trustee in advance, as the Cashless Exercise Facility will not be available. Please contact the Trustee at [Christian.Farrugia@fenlex.com](mailto:Christian.Farrugia@fenlex.com) if you would like more detail.

5. **Need for Action**

Part 2 of this document, which was provided to us and is therefore not to be construed as any legal/tax advice from us, contains additional information which you should read before making a decision with respect to your ASOP Options.

You are advised to take independent tax and/or financial advice if you are in any doubt about your individual circumstances or as to what action you should take. **If you subsequently have any queries as to how to implement your decision, please contact Niall Dolan at Applegreen on +353 1 512 4845.**

Yours faithfully

Fenlex Trust Services Ltd.

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## PART 2

### ADDITIONAL INFORMATION

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#### 1. Tax Consequences

##### 1.1 ASOP Optionholders tax resident in Ireland

###### *Exercise of ASOP Options*

On exercise of any of your options you will have an income tax liability at the rate of 40 per cent (unless you have agreed in advance with the Revenue Commissioners that a rate of 20 per cent will apply to you), an employee PRSI liability of 4 per cent and a USC liability of up to 8 per cent on the excess of the market value of a Applegreen Share on the date of exercise over the per share Exercise Price of your ASOP Options, multiplied by the number of shares in respect of which you exercise your ASOP Options. These liabilities must be accounted for to the Revenue Commissioners within 30 days after exercise of your ASOP Options and accompanied by a completed Form RTSO1. Please note that payment of the tax due and filing form RTSO1 and an annual self-assessment tax return will be your responsibility.

###### *Capital Gains Tax*

If your resulting Applegreen Shares are transferred to Bidco immediately following the exercise of your ASOP Options pursuant to the Articles of Association of the Company as provided for in the Scheme of Arrangement, no Capital Gains Tax should arise on this sale of these Applegreen Shares. However, you will need to return details of the share option exercise and the disposal to the Revenue Commissioners on a Form 11 (tax return), including detail of the sales proceeds.

On any other disposal of Applegreen Shares (including following exercise of your ASOP Options other than through completion of the Exercise Notice), you may be liable to Capital Gains Tax (current rate 33 per cent) on the excess of the disposal proceeds over the price you paid for the shares plus any amount charged to income tax (less any allowable deductions such as broker's fees). There is an annual individual small gains exemption of €1,270 in respect of all gains. It will be your responsibility to account to the Revenue Commissioners for any capital gains tax payable and include their details on the Form 11.

The tax information above is a summary based on the laws and practices currently in force in Ireland regarding the tax position of ASOP Optionholders and should be treated with appropriate caution. Particular rules may apply depending on your individual circumstances. The summary does not constitute tax or legal advice and the comments are of a general nature only. If you are in any doubt as to your tax position, you should consult your professional advisers on the tax implications of your choices.

##### 1.2 ASOP Optionholders tax resident in the UK

###### *Exercise of Options*

On exercise, the option holders will be subject to income tax (currently at up to 45%) and employees national insurance contributions (currently 2% (for higher/additional rate taxpayers)) on the taxable amount which is equal to the fair market value of the shares

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at exercise less the exercise price.

In addition, upon exercise employers will be subject to employer's national insurance contributions at 13.8% of the taxable amount as calculated above.

The employer has an immediate income tax and employee's national insurance contribution withholding obligation. To the extent there is insufficient cash payments from which the employer can withhold, the employee must make good the tax to the employer before the end of a period of 90 days following the end of the tax year in which the taxable event arises. Failure to meet this deadline may generate further income and national insurance contribution liabilities.

On exercise, it is expected that individuals enter into a joint section 431 ITEPA 2003 election with their employer. This does not need to be filed with HMRC, however a copy should be retained by the individual and the employer. The effect of such election is that the individual is subject to income tax and national insurance contributions on the unrestricted market value of the shares at acquisition so that future growth is treated as a capital gain.

The Company will be obliged to return the details of all options exercised to HMRC annually.

#### *Capital Gains Tax*

If your resulting Shares are transferred to Bidco immediately following the exercise of your Options pursuant to the Articles of Association of the Company as provided for in the Scheme of Arrangement, no Capital Gains Tax should arise on this sale of these Shares. However, you may need to return details of the share option exercise and the disposal to the HMRC on an annual tax return through the self-assessment system, including detail of the sales proceeds.

On any other disposal of Shares (including following exercise of your Options other than through completion of the Election Form), you may be liable to Capital Gains Tax (20% for gains above the basic income tax rate band (currently, £50,000) and 10% for gains below £50,000) on the excess of the disposal proceeds over the price you paid for the shares plus any amount charged to income tax (less any allowable deductions such as broker's fees).

Individuals are entitled to a capital gains tax annual exemption of £12,300 (2020/21).

It will be your responsibility to account to the HMRC for any capital gains tax payable and include their details on your annual tax return.

The tax information above is a summary based on the laws and practices currently in force in the UK regarding the tax position of Applegreen Optionholders and should be treated with appropriate caution. Particular rules may apply depending on your individual circumstances if you have not been resident in the UK over the life of the option and/or exercised all of your employment duties in the UK. The summary does not constitute tax or legal advice and the comments are of a general nature only. If you are in any doubt as to your tax position, you should consult your professional advisers on the tax implications of your choices.

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### 1.3 **ASOP Optionholders tax resident in other jurisdictions**

Summaries of the tax consequences in jurisdictions other than Ireland and the UK of the exercise of share options are not provided with this document. Optionholders are advised to seek independent local advice from qualified tax practitioners or financial advisers on their personal tax position.

## 2. **Miscellaneous Information**

Accidental omission to dispatch this document to, or any failure to receive the same by, any person to whom the choices set out in this document apply, or should apply, shall not invalidate the choices set out in this document in any way.

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**EXERCISE NOTICE**

**to accept the Cashless Exercise Facility**

FOR HOLDERS OF OPTIONS UNDER THE APPLGREEN EMPLOYEE SHARE OPTION TRUST  
SHARE OPTION PLAN

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**TAKE ACTION**

**This Exercise Notice should be completed and returned to the Trustee, The Applegreen Employee Share Option Trust, 85, St. John Street, Valetta, Malta with a copy to be sent to Niall Dolan to arrive no later than 30 days following the Effective Time (as defined in the Scheme Document)**

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«Name»  
«Address1»  
«Address2»  
«Address3»

(the “**Optionholder**”)

In respect of the options granted to me under the Applegreen Employee Share Option Trust Share Option Plan described in the attached Schedule (“my ASOP Options”) I hereby direct as follows:-

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**SECTION A – Exercise  
of Options**

**(Mark X in the  
box)**

I irrevocably elect to accept the Cashless Exercise Facility and exercise such of my ASOP Options that remain outstanding immediately upon the Scheme of Arrangement taking effect (or the Acquisition otherwise becoming or being declared wholly unconditional).

**SECTION B – TERMS AND CONDITIONS**

By completing and returning this exercise notice I:-

- a) agree that I have received and read the letter from the Trustee and that I have read, understood and agree to these terms and conditions and that I am aware of the terms of the ASOP and the ESOT;
  - b) that the terms of this exercise notice shall replace the terms of the option exercise notice contained in Schedule C of the ASOP;
  - c) warrant that the details of my ASOP Options as set out in the Schedule accompanying this Exercise Notice are accurate:
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- d) confirm that each of my ASOP Options in respect of which I make a choice is valid and has not lapsed and is free from all mortgages and any third party interests and acknowledge that if any of my ASOP Options have lapsed or lapse before the date on which the Scheme of Arrangement takes effect (or the Acquisition otherwise becoming or being declared wholly unconditional), the completion of the Exercise Notice will be of no effect in relation to those options;
  - e) acknowledge that any option certificate in respect of any ASOP Option covered by this Exercise Notice shall become void once that ASOP Option has been exercised in accordance with my instructions given in this Exercise Notice;
  - f) confirm that the decisions which I have made on the Exercise Notice cannot be withdrawn or altered except with the agreement of the Trustee and that I have signed this Exercise Notice as a deed;
  - g) accept that documents sent by, to or from me in connection with my ASOP Options will be sent at my own risk to the postal address and/or email address shown on the Exercise Notice;
  - h) acknowledge that neither Bidco, Applegreen, the Trustee nor any of their respective agents will be responsible for any consequential loss in the event that the Exercise Notice is incorrectly completed or where it has not been possible to obtain clarification of my instructions or where the Exercise Notice is delayed or fails to arrive;
  - i) appoint the Trustee, or any person nominated by the Trustee, as my attorney and authorise and instruct such attorney to do all things that may be required (including to execute, complete and sign and submit any document and to do any other thing on my behalf as necessary or desirable) to give effect to the choices I have made in the Exercise Notice;
  - j) confirm that all powers of attorney and authorities given by me under the terms of this Exercise Notice and its accompanying letter are given by way of security for the performance of my obligations and cannot be withdrawn or altered and I undertake to ratify and confirm any action properly taken on my behalf by my attorney;
  - k) agree that the delivery of this Exercise Notice duly signed may, if the Trustee determines it appropriate, be treated as being as effective as if it were duly completed and received by any deadline specified in this letter, notwithstanding that it is not completed or received strictly in accordance with this Exercise Notice, and these terms and conditions, or by the deadline specified;
  - l) acknowledge that I have decided to exercise my ASOP Options conditionally upon the Scheme of Arrangement being sanctioned by the High Court and taking effect (or the Acquisition otherwise becoming or being declared wholly unconditional) and I irrevocably agree to exercise each such of my ASOP Options to the maximum extent possible immediately following the High Court making an order giving effect to the Scheme of Arrangement (or the Acquisition otherwise becoming or being declared wholly unconditional);
  - m) acknowledge that I have elected to avail of the Cashless Exercise Facility in respect of the exercise of my ASOP Options and agree and acknowledge that in return, the Trustee will remit to me an amount equal to the Offer Price for such Applegreen Shares sold by the Trustee to Bidco which are the subject of my ASOP Options minus the total Exercise Price which would have been paid by me had I exercised my ASOP Options in the normal way;
  - n) acknowledge that (other than in jurisdictions where there is a mandatory withholding obligation on my employer). I will be responsible for payment direct to the tax authorities of
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any income tax, universal social charge and social security and/or capital gains tax liability arising in connection with the exercise of my ASOP Options that is not subject to a tax withholding liability through my employer;

- o) confirm and acknowledge that the option to acquire the ESOT Shares to which I am entitled in terms of the ASOP has been exercised and therefore, for the avoidance of doubt, I have no further rights emanating in terms of the ASOP and I shall have no claim against the Trustee (including for the avoidance of doubt the ESOT) in respect of the ESOT Shares and the ESOT;
- p) agree that (i) the information provided to me by the Trustee does not constitute tax advice and the tax treatment applicable to me will depend on my own particular individual circumstances and (ii) I have been advised to take independent tax and/or financial advice if I am in any doubt about my individual circumstances; and
- q) authorise and request the Trustee to remit any cash proceeds from the transfer to it of the Applegreen Ordinary Shares acquired by me on the exercise of my ASOP Options (less, an amount in respect of aggregate Exercise Prices due in respect of such ASOP Option) directly to my bank account.

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**SECTION C - SIGNATURE**

**SIGNED and DELIVERED as a deed  
by the Optionholder  
in the presence of:**

.....  
*Signature of Optionholder*

*Signature of Witness:* .....

*Name of Witness:* .....

*Address of Witness:* .....

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*Occupation of Witness:* .....

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**INSTRUCTIONS:**

- 1. In Section A, place an **X** in the box to confirm that you wish to exercise all of your ASOP Options.
- 2. Sign the Exercise Notice in Section C before a witness (other than your spouse or civil partner) who is 18 years of age or older.

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**Your completed Exercise Notice should be returned to the Trustee at Fenlex Corporate Services with a copy to Niall Dolan, to arrive as soon as possible and not later than 30 days following the Effective Time (as defined in the Scheme Document).**

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**SCHEDULE**  
DETAILS OF OPTIONS

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