

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM S-8
REGISTRATION STATEMENT
Under
The Securities Act of 1933

BICYCLE THERAPEUTICS PLC

(Exact name of registrant as specified in its charter)

England and Wales
(State or other jurisdiction of
incorporation or organization)

Not applicable
(I.R.S. Employer
Identification Number)

Bicycle Therapeutics plc
B900, Babraham Research Campus
Cambridge CB22 3AT
United Kingdom
Tel: +44 1223 261503

(Address of Principal Executive Offices)

Bicycle Therapeutics plc 2019 Share Option Plan
Bicycle Therapeutics plc 2019 Employee Share Purchase Plan
Non-Plan Share Option Contracts
(Full Title of the Plans)

Bicycle Therapeutics Inc.
4 Hartwell Place
Lexington, Massachusetts 02421
617-945-8155

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Kristopher D. Brown
James Xu
Jonathan A. Schur
Goodwin Procter LLP
620 Eighth Avenue
New York, NY 02109
(212) 813-8800

Graham Defries
Goodwin Procter (UK) LLP
100 Cheapside
London EC2V 6DY
United Kingdom
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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

CALCULATION OF REGISTRATION FEE

Title of Securities to be Registered(1)	Amount to be Registered(2)	Proposed Maximum Offering Price per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Ordinary shares, nominal value £0.01 per share				
— reserved for issuance pursuant to the Registrant's Non-Plan Share Option Contracts	1,238,268 shares(3)	\$ 3.34(4)	\$ 4,135,815.12	\$ 501.26
— reserved for issuance pursuant to Registrant's 2019 Share Option Plan	2,470,583 shares(5)	\$ 14.00(6)	\$ 34,588,162.00	\$ 4,192.09
— reserved for issuance pursuant to Registrant's 2019 Employee Share Purchase Plan	215,000 shares(7)	\$ 11.90(8)	\$ 2,558,500.00	\$ 310.09
Total	3,923,851 shares		\$ 41,282,477.10	\$ 5,003.44

- (1) These shares may be represented by the American Depositary Shares ("ADSs") of Bicycle Therapeutics plc (the "Registrant"). Each ADS represents one Ordinary Share. ADSs issuable upon deposit of the Ordinary Shares registered hereby were registered pursuant to a separate Registration Statement on Form F-6 (File No. 333-231422).
- (2) Pursuant to Rule 416 under the Securities Act of 1933, as amended (the "Securities Act"), this Registration Statement shall also cover any additional Ordinary Shares of the Registrant which become issuable under the above-named plans by reason of any stock dividend, stock split, recapitalization or any other similar transaction effected without the receipt of consideration which results in an increase in the number of the Registrant's outstanding Ordinary Shares. Pursuant to Rule 416(c) under the Securities Act, this Registration Statement shall also cover an indeterminate amount of interests to be offered or sold pursuant to the employee benefit plans described herein. In accordance with Rule 457(h)(2), no separate fee calculation is made for plan interests.
- (3) Represents Ordinary Shares issuable upon the exercise of outstanding stock option awards under non-plan share option contracts for employees in England and employees in the United States (the "Non-Plan Share Option Contracts") as of May 22, 2019. See footnote 5 below.
- (4) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(h) of the Securities Act, and based on \$3.34 per share, the weighted average exercise price (rounded to the nearest cent) of the outstanding option awards granted pursuant to the Non-Plan Share Option Contracts as of May 22, 2019.
- (5) Represents Ordinary Shares reserved for future issuance pursuant to awards under the 2019 Share Option Plan.
- (6) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(h) under the Securities Act, and based on \$14, the initial public offering price per share of the Registrant's ADSs, each representing one Ordinary Share, set forth on the cover page of the Registrant's prospectus dated May 22, 2019 relating to the Registrant's initial public offering.
- (7) Represents Ordinary Shares reserved for future issuance under the 2019 Employee Share Purchase Plan (the "2019 ESPP").
- (8) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(h) of the Securities Act, and based on 85% of \$14, the initial public offering price per

share of the Registrant's ADSs, each representing one Ordinary Share, set forth on the cover page of the Registrant's prospectus dated May 22, 2019 relating to its initial public offering. Pursuant to the 2019 ESPP, the purchase price of the Ordinary Shares reserved for issuance thereunder will be 85% of the fair market value of an Ordinary Share on the first trading day of the offering period or on the exercise date, whichever is lower.

Part I

INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS

Item 1. Plan Information.

The documents containing the information specified in this Item 1 will be sent or given to participants as specified by Rule 428(b)(1) under the Securities Act. In accordance with the rules and regulations of the Commission and the instructions to Form S-8, such documents are not being filed with the Commission either as part of this Registration Statement or as prospectuses or prospectus supplements pursuant to Rule 424 under the Securities Act.

Item 2. Registrant Information and Employee Plan Annual Information.

The documents containing the information specified in this Item 2 will be sent or given to participants as specified by Rule 428(b)(1) under the Securities Act. In accordance with the rules and regulations of the Commission and the instructions to Form S-8, such documents are not being filed with the Commission either as part of this Registration Statement or as prospectuses or prospectus supplements pursuant to Rule 424 under the Securities Act.

Part II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference.

The registrant hereby incorporates by reference into this Registration Statement the following documents filed with the U.S. Securities and Exchange Commission (the "Commission"):

- (a) [The prospectus filed by the registrant with the Commission pursuant to Rule 424\(b\) under the Securities Act, on May 23, 2019, relating to the Registration Statement on Form S-1, as amended \(File No. 333-231076\), which contains the registrant's audited financial statements for the latest fiscal year for which such statements have been filed; and](#)
- (b) [The description of the registrant's Ordinary Shares and American Depositary Shares contained in the registrant's Registration Statement on Form 8-A \(File No. 001-38916\), filed by the registrant with the Commission under Section 12\(b\) of the Securities Exchange Act of 1934, as amended \(the "Exchange Act"\), on May 20, 2019, including any amendments or reports filed for the purpose of updating such description.](#)

All documents that the registrant subsequently files pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act prior to the filing of a post-effective amendment to this registration statement which indicates that all of the Ordinary Shares offered have been sold or which deregisters all of such shares then remaining unsold, shall be deemed to be incorporated by reference in this registration statement and to be a part hereof from the date of the filing of such documents.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this registration statement.

Under no circumstances shall any information furnished under current items 2.02 or 7.01 of Form 8-K be deemed incorporated herein by reference unless such Form 8-K expressly provides to the contrary.

Item 4. Description of Securities.

Not applicable.

Item 5. Interests of Named Experts and Counsel.

Not applicable.

Item 6. Indemnification of Directors and Officers.

Subject to the U.K. Companies Act 2006, members of the Registrant's board of directors and its officers have the benefit of the following indemnification provisions in the registrant's Articles of Association:

Current and former members of the Registrant's board of directors or officers shall be reimbursed for:

(i) all costs, charges, losses, expenses and liabilities sustained or incurred in relation to his or her actual or purported execution of his or her duties in relation to the Registrant, including any liability incurred in defending any criminal or civil proceedings; and

(ii) expenses incurred or to be incurred in defending any criminal or civil proceedings, in an investigation by a regulatory authority or against a proposed action to be taken by a regulatory authority, or in connection with any application for relief under the statutes of the United Kingdom and any other statutes that concern and affect the Registrant as a company (collectively, the "Statutes") arising in relation to the Registrant or an associated company, by virtue of the actual or purported execution of the duties of his or her office or the exercise of his or her powers.

In the case of current or former members of the Registrant's board of directors, there shall be no entitlement to reimbursement as referred to above for (i) any liability incurred to the Registrant or any associated company, (ii) the payment of a fine imposed in any criminal proceeding or a penalty imposed by a regulatory authority for non-compliance with any requirement of a regulatory nature, (iii) the defense of any criminal proceeding if the member of the Registrant's board of directors is convicted, (iv) the defense of any civil proceeding brought by the Registrant or an associated company in which judgment is given against the director, and (v) any application for relief under the statutes of the United Kingdom and any other statutes that concern and affect the Registrant as a company in which the court refuses to grant relief to the director.

In addition, members of the Registrant's board of directors and its officers who have received payment from the Registrant under these indemnification provisions must repay the amount they received in accordance with the Statutes or in any other circumstances that the Registrant may prescribe or where the Registrant has reserved the right to require repayment.

In addition, the Registrant has entered or intends to enter into a deed of indemnity with each of its directors and officers. In addition to such indemnification, the Registrant provides its directors and officers with directors' and officers' liability insurance.

Item 7. Exemption from Registration Claimed.

Not applicable.

Item 8. Exhibits.

See the Exhibit Index on the page immediately preceding the exhibits for a list of exhibits filed as part of this Registration Statement, which Exhibit Index is incorporated herein by reference.

Item 9. Undertakings.

(a) The registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act.

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement.

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

Provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) herein do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the registrant pursuant to Section 13 or Section 15(d) of the Exchange Act (15 U.S.C. 78m or 78o(d)) that are incorporated by reference in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(h) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
3.1(1)	Form of Articles of Association of Bicycle Therapeutics plc (to be effective upon the closing of the Registrant's initial public offering).
4.1(2)	Form of Deposit Agreement.
4.2(2)	Form of American Depositary Receipt (included in exhibit 4.1).
5.1*	Opinion of Goodwin Procter (UK) LLP.
23.1*	Consent of independent registered public accounting firm.
23.2*	Consent of Goodwin Procter (UK) LLP (included in Exhibit 5.1).
24.1*	Power of Attorney (included on signature page).
99.1(3)	Form of Non-Plan Share Option Contract of Bicycle Therapeutics Limited for employees in England.
99.2(4)	Form of Non-Plan Share Option Contract of Bicycle Therapeutics Limited for employees in the United States.
99.3(5)	2019 Employee Share Purchase Plan
99.4	2019 Share Option Plan

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- (1) Filed as Exhibit 3.2 to Registrant's Registration Statement on Form S-1 (File No. 333-231076), filed with the Securities and Exchange Commission on May 13, 2019, and incorporated herein by reference.
 - (2) Filed as Exhibits 4.1 and 4.2 to Registrant's Registration Statement on Form S-1 (File No. 333-231076), filed with the Securities and Exchange Commission on May 13, 2019, and incorporated herein by reference.
 - (3) Filed as Exhibit 10.2 to Registrant's Registration Statement on Form S-1 (File No. 333-231076), filed with the Securities and Exchange Commission on April 26, 2019, and incorporated herein by reference.
 - (4) Filed as Exhibit 10.3 to Registrant's Registration Statement on Form S-1 (File No. 333-231076), filed with the Securities and Exchange Commission on April 26, 2019, and incorporated herein by reference.
 - (5) Filed as Exhibit 10.5 to the Registrant's Registration Statement on Form S-1 (File No. 333-231076), filed with the Securities and Exchange Commission on May 13, 2019, and incorporated herein by reference.

* Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, under the laws and regulations of England and Wales, on May 23, 2019.

BICYCLE THERAPEUTICS PLC

By: /s/ Kevin Lee
Name: Kevin Lee, Ph.D., MBA
Title: *Chief Executive Officer*

POWER OF ATTORNEY AND SIGNATURES

KNOW ALL BY THESE PRESENT, that each individual whose signature appears below hereby constitutes and appoints each of Kevin Lee, Ph.D., MBA and Lee Kalowski, MBA, as such person's true and lawful attorney-in-fact and agent with full power of substitution and resubstitution, for such person in such person's name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement on Form S-8, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission granting unto each said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as such person might or could do in person, hereby ratifying and confirming all that any said attorney-in-fact and agent, or any substitute or substitutes of any of them, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following person in the capacities and on the date indicated.

<u>Name</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Kevin Lee</u> Kevin Lee, Ph.D., MBA	<i>Chief Executive Officer and Director (Principal Executive Officer)</i>	May 23, 2019
<u>/s/ Lee Kalowski</u> Lee Kalowski, MBA	<i>Chief Financial Officer and President (Principal Financial and Accounting Officer)</i>	May 23, 2019
<u>/s/ Pierre Legault</u> Pierre Legault, MBA, CPA	<i>Chairman and Director</i>	May 23, 2019
<u>/s/ Michael Anstey</u> Michael Anstey, DPhil	<i>Director</i>	May 23, 2019
<u>/s/ Catherine Bingham</u> Catherine Bingham, MBA	<i>Director</i>	May 23, 2019
<u>/s/ Deborah Harland</u> Deborah Harland, Ph.D., MBA	<i>Director</i>	May 23, 2019

<u>/s/ Bosun Hau</u> Bosun Hau	<i>Director</i>	May 23, 2019
<u>/s/ Carolyn Ng</u> Carolyn Ng, Ph.D.	<i>Director</i>	May 23, 2019
<u>/s/ Sir Gregory Winter</u> Sir Gregory Winter, FRS	<i>Director</i>	May 23, 2019
<u>/s/ Lee Kalowski</u> Lee Kalowski, MBA	<i>Authorized Representative in the United States</i>	May 23, 2019



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23 May 2019

Bicycle Therapeutics plc
Building 900
Babraham Research Campus
Babraham
Cambridgeshire
CB22 3AT

Ladies and Gentlemen:

Bicycle Therapeutics plc — Registration Statement on Form S-8 — Exhibit 5.1

We have acted as English legal advisers to Bicycle Therapeutics plc, a public limited company incorporated in England and Wales (the “**Company**”) in connection with the preparation and filing of the registration statement on Form S-8 to which this letter is attached as an exhibit (such registration statement, including the documents incorporated by reference therein, the “**Registration Statement**”) filed with the U.S. Securities and Exchange Commission (the “**SEC**”) pursuant to the U.S. Securities Act of 1933, as amended (the “**Securities Act**”). For the purposes of this letter, the ordinary shares in the capital of the Company each having a nominal value of £0.01 are referred to as “**Ordinary Shares**”.

As set out in the Registration Statement, it is proposed that an aggregate of up to 3,923,851 Ordinary Shares (the “**Shares**”) will be allotted and issued upon the exercise or settlement of equity awards granted under (i) the Bicycle Therapeutics plc 2019 Employee Share Purchase Plan, adopted by the board of directors of the Company (the “**Board**”) on 9 May 2019 and approved by the Company’s shareholders on 13 May 2019 (the “**2019 Employee Share Purchase Plan**”) and (ii) the Bicycle Therapeutics plc 2019 Share Option Plan, adopted by the Board on 9 May 2019 and approved by the Company’s shareholders on 13 May 2019 (the “**2019 Share Option Plan**”) and collectively with the 2019 Employee Share Purchase Plan, the “**Plans**” and each, a “**Plan**”).

We understand that the existing issued Ordinary Shares are not, and are not intended to be, admitted to trading on any market or exchange, or otherwise listed, in the United Kingdom.

1. INTRODUCTION

1.1 Purpose

In connection with the preparation and filing of a registration statement on Form S-8, we have been asked to provide opinions on certain matters, as set out below. We have taken instruction in this regard solely from the Company.

1.2 Defined terms and headings

In this letter:

Goodwin Procter (UK) LLP is a limited liability partnership registered in England and Wales with registered number OC362294. Its registered office is at 100 Cheapside, London, EC2V 6DY. A list of the names of the members of Goodwin Procter (UK) LLP is available for inspection at the registered office. Goodwin Procter (UK) LLP is authorised and regulated by the Solicitors Regulation Authority. Goodwin Procter (UK) LLP is affiliated with Goodwin Procter LLP, which operates in the United States of America.

- (a) capitalised terms used without definition in this letter or the schedules hereto have the meanings assigned to them in the Registration Statement unless a contrary indication appears; and
- (b) headings are for ease of reference only and shall not affect interpretation.

1.3 Legal review

For the purpose of issuing this letter, we have examined such questions of law as we have considered appropriate to give the opinions set forth in this letter. We have reviewed such documents and conducted such enquiries and searches as we have considered appropriate to give the opinions set forth in this letter, including the following documents and the following enquiries and searches:

- (a) an online search at Companies House in respect of information available for inspection on the Company's file conducted on 23 May 2019 at 10.30 a.m. (London time);
- (b) an enquiry of the Central Index of Winding Up Petitions, London on 23 May 2019 at 10.30 a.m. (London time) ((a) and (b) together, the "**Searches**");
- (c) a PDF copy of the minutes of the meeting of the Board held on 9 May 2019 at which it was resolved, *inter alia*, to approve the Plans;
- (d) a PDF executed copy of the written resolutions passed by the shareholders of the Company on 13 May 2019 approving, *inter alia*, the Plans (together, the "**Written Resolutions**");
- (e) PDF copies of the Plans;
- (f) a PDF copy of the current articles of association of the Company adopted on 22 May 2019 (the "**Articles**"), the certificate of incorporation of the Company dated 27 October 2017 and the certificate of incorporation on re-registration of the Company as a public limited company dated 22 May 2019; and
- (g) a PDF of the Registration Statement to be filed with the SEC on 23 May 2019.

1.4 Applicable law

This letter, the opinions given in it, and any non-contractual obligations arising out of or in connection with this letter and/or the opinions given in it, are governed by, and to be construed in accordance with, English law and relate only to English law as applied by the English courts, including the laws of the European Union to the extent having the force of law in England, as at today's date. In particular:

- (a) we have not investigated the laws of any country other than England and we assume that no foreign law affects any of the opinions stated below;
- (b) we do not undertake or accept any obligation to update this letter and/or the opinions given in it to reflect subsequent changes in English law or factual matters; and

- (c) we express no opinion in this letter on the laws of any jurisdiction other than England. It is assumed that no foreign law which may apply to the matters contemplated by the Registration Statement, the Company, any document or any other matter contemplated by any document would or might affect this letter and/or the opinions given in it.

1.5 Assumptions and reservations

The opinions given in this letter are given on the basis of each of the assumptions set out in schedule 1 (*Assumptions*) to this letter and are subject to each of the reservations set out in schedule 2 (*Reservations*) to this letter. The opinions given in this letter are strictly limited to the matters stated in paragraph 2 (*Opinions*) below and do not extend, and should not be read as extending, by implication or otherwise, to any other matters.

2. OPINION

Subject to paragraph 1 (*Introduction*) and the other matters set out in this letter and its schedules, and subject further to the following:

- (a) the Registration Statement, as finally amended, having become effective under the Securities Act;
- (b) the shareholders of the Company having resolved: (i) as may be required, as an ordinary resolution, or within the Company's articles of association, to authorise the board of directors of the Company pursuant to section 551 of the Companies Act 2006 (the "**Companies Act**") to allot Shares, or to grant rights to subscribe for Shares, pursuant to the Plans; and (ii) as may be required, as a special resolution, or within the Company's articles of association, to empower the directors of the Company pursuant to section 570 of the Companies Act to allot such Shares, and grant such rights (as applicable), free of the restrictions in section 561 of the Companies Act, and such resolutions and authorities remaining in full force and effect and not having expired, been rescinded or amended;
- (c) the delegation of authority to the compensation committee of the Board (the "**Compensation Committee**") having been validly effected (*inter alia*, in accordance with the Articles, the Companies Act and the Plans);
- (d) the Board and the shareholders of the Company having validly approved the Plans;
- (e) the Board or the Compensation Committee having validly granted the awards in respect of the Shares under the Plans;
- (f) the receipt in full of payment for the Shares in an amount of "cash consideration" (as defined in section 583(3) of the Companies Act) of not less than the aggregate nominal value for such Shares, assuming in each case that the individual grants or awards under the relevant Plan are duly authorised by all necessary corporate action (as described in (e) above) and duly granted or awarded and exercised in accordance with the requirements of law, the Company's articles of association and the relevant Plan (and the agreements and awards duly adopted thereunder and in accordance therewith); and

(g) valid entries having been made in relation to the allotment and issue of the Shares in the books and registers of the Company,

it is our opinion that, as at today's date, the Shares, if and when allotted and issued, registered in the name of the recipient in the register of members of the Company and delivered in accordance with the terms and conditions referred to in the Plans and as described in the Registration Statement, will be duly and validly authorised and issued, fully paid (subject to the receipt of valid consideration by the Company for the issue thereof) or credited as fully paid and will not be subject to any call for payment of further capital.

3. EXTENT OF OPINIONS

We express no opinion as to any agreement, instrument or other document other than as specified in this letter or as to any liability to tax or duty which may arise or be suffered as a result of or in connection with the transactions contemplated by the Plans.

This letter only applies to those facts and circumstances which exist as at today's date and we assume no obligation or responsibility to update or supplement this letter to reflect any facts or circumstances which may subsequently come to our attention, any changes in laws which may occur after today, or to inform the addressee of any change in circumstances happening after the date of this letter which would alter our opinion.

4. DISCLOSURE AND RELIANCE

This letter is addressed to you in connection with the Registration Statement. We consent to the filing of this letter as an exhibit to the Registration Statement. In giving such consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations thereunder.

Other than for the purpose set out in the prior paragraph, this letter may not be relied upon, or assigned, for any purpose, without our prior written consent, which may be granted or withheld in our discretion.

Yours faithfully

/s/ Goodwin Procter (UK) LLP

Goodwin Procter (UK) LLP

SCHEDULE 1

ASSUMPTIONS

The opinions in this letter have been given on the basis of the following assumptions:

- (a) the genuineness of all signatures, stamps and seals on all documents, the authenticity and completeness of all documents submitted to us as originals, and the conformity to original documents of all documents submitted to us as copies;
- (b) that, where a document has been examined by us in draft or specimen form, it will be or has been duly executed in the form of that draft or specimen, and that each of the signed documents examined by us has been duly executed and, where applicable, delivered on behalf of the Company;
- (c) that the Articles remain in full force and effect, and no alteration has been made or will be made to such articles of association, in each case prior to the relevant date of allotment and issue of the Shares (the “**Allotment Date**”);
- (d) on the relevant Allotment Date the Company will comply with all applicable laws to allot and issue the Shares and the Company will receive such amounts as are necessary to fully pay the nominal value of the Shares and any applicable share premium;
- (e) that the Plans remain in full force and effect and no alteration has been made or will be made to the Plans prior to an Allotment Date;
- (f) that all documents, forms and notices which should have been delivered to the Registrar of Companies in respect of the Company have been so delivered, that information revealed by the Searches was complete and accurate in all respects and has not, since the time of the Searches, been altered and that the results of the Searches will remain complete and accurate as at the relevant Allotment Date;
- (g) that (i) the resolutions described in the written resolutions of the board of directors of the Company provided to us in connection with the giving of this opinion or otherwise contemplated in connection with the matters referred to herein were and/or will be duly passed as written resolutions of the board of directors of the Company, all constitutional, statutory and other formalities were and/or will be observed and such resolutions have not been, and will not be, revoked or varied and remain in full force and effect and will remain so at each Allotment Date; and (ii) the proceedings and resolutions described in the minutes of the meetings of the board of directors of the Company provided to us in connection with the giving of this opinion or otherwise contemplated in connection with the matters referred to herein were and/or will be duly conducted as so described, and that each of the meetings referred to therein was and/or will be duly constituted, convened and conducted and all constitutional, statutory and other formalities were and/or will be duly observed (including, if applicable, those relating to the declaration of directors’ interests or the power of interested directors to vote), a quorum was and/or will be present throughout, the requisite majority of directors voted and/or will vote in favour of approving the resolutions and the resolutions

passed thereat were and/or will be duly adopted, have not been and will not be revoked or varied and remain in full force and effect and will remain so as at each Allotment Date;

- (h) that the resolutions of the shareholders of the Company provided to us in connection with the giving of this opinion and as referred to at paragraph 1.3(d) of this letter or otherwise contemplated in connection with the matters referred to herein were and/or will be duly passed, all constitutional, statutory and other formalities were and/or will be observed in relation to such resolutions and such resolutions have not been and/or will not be revoked or varied and will not be revoked or varied prior to each Allotment Date and remain in full force and effect and will remain in full force and effect as at each Allotment Date;
- (i) that at the time of each allotment and issue of any Shares the Company shall have received in full "cash consideration" (as such term is defined in section 583(3) of the Companies Act) equal to the subscription price payable for such Shares and shall have entered the holder or holders thereof in the register of members of the Company showing that all such Shares shall have been fully paid up as to their nominal value and any premium thereon as at each Allotment Date;
- (j) that in relation to the allotment and issue of the Shares, the directors of the Company have acted and will act in the manner required by section 172 of the Companies Act (Duty to promote the success of the Company), and there has not been and will not be any bad faith, breach of trust, fraud, coercion, duress or undue influence on the part of any of the directors of the Company;
- (k) in relation to any allotment and issue of any Shares by the Company pursuant to the Plans, that the recipient will have become entitled to such Shares under the terms of the relevant Plan such Shares or rights over Shares will, where applicable, be fully vested each in accordance with the terms of the relevant Plan and such recipient has or will have complied with all other requirements of the relevant Plan in connection with the allotment and issue of such Shares;
- (l) that all awards have been made under the terms of the relevant Plan, that the terms of all awards have not materially deviated from the terms set out in the relevant Plan and that any Shares will be allotted and issued in accordance with the terms set out in the relevant Plan and in accordance with the Articles;
- (m) that the Plans have been validly adopted and no alteration has been or shall be made to the Plans since the date of their respective adoption except to the extent expressly set out in this letter;
- (n) that immediately prior to each Allotment Date, the directors of the Company and/or the Compensation Committee had or shall have sufficient authority and powers conferred upon them to allot and issue such Shares and grant such rights (as applicable) under section 551 of the Companies Act and under section 570 of the Companies Act as if section 561 of the Companies Act did not apply to such allotment and issue or grant, and the directors of the Company and/or the Compensation Committee shall not allot or issue (or purport to allot or issue) Shares and shall not grant rights (or purport to grant rights) to acquire Shares in excess of such powers or in breach of any other limitation on their power to allot and issue Shares or grant rights to acquire Shares;

- (o) that in relation to the allotment and issuance of Shares pursuant to the Plans or otherwise to an employee benefit trust, that such Shares will be allotted and issued in accordance with the terms of the relevant Plan, the Company's articles of association and the requirements of all applicable laws;
- (p) that no Shares shall be allotted or issued, or are or shall be committed to be allotted or issued, at a discount to their nominal value (whether in dollars or equivalent in any other currency);
- (q) that no Shares or rights to subscribe for Shares have been or shall be offered to the public in the United Kingdom in breach of the Financial Services and Markets Act 2000 ("FSMA") or of any other United Kingdom laws or regulations concerning offers of securities to the public, and no communication has been or shall be made in relation to the Shares in breach of section 21 of the FSMA or any other United Kingdom laws or regulations relating to offers or invitations to subscribe for, or to acquire rights to subscribe for or otherwise acquire, shares or other securities;
- (r) that in issuing and allotting and granting rights to acquire Shares and administering the Plans, the Company is not carrying on a regulated activity for the purposes of section 19 of FSMA; and
- (s) that the Company has not taken any corporate or other action nor have any steps been taken or legal proceedings been started against the Company for the liquidation, winding up, dissolution, reorganisation or bankruptcy of, or for the appointment of a liquidator, receiver, trustee, administrator, administrative receiver or similar officer of, the Company or all or any of its assets (or any analogous proceedings in any jurisdiction) and the Company is not unable to pay its debts as they fall due within the meaning of section 123 of the Insolvency Act 1986 and will not become unable to pay its debts within the meaning of that section as a result of any of the transactions contemplated herein, is not insolvent and has not been dissolved or declared bankrupt (although the Searches gave no indication that any winding-up, dissolution or administration order or appointment of a receiver, administrator, administrative receiver or similar officer has been made with respect to the Company).

SCHEDULE 2

RESERVATIONS

The opinions in this letter are subject to the following reservations:

- (a) the Searches are not capable of revealing conclusively whether or not a winding-up or administration petition or order has been presented or made, a receiver appointed, a company voluntary arrangement proposed or approved or any other insolvency proceeding commenced, and the available records may not be complete or up-to-date. In particular, the Central Registry of Winding-Up Petitions in England may not contain details of administration applications filed, or appointments recorded in or orders made by, district registries and county courts outside London. Searches at Companies House and at the Central Registry of Winding Up Petitions in England are not capable of revealing whether or not a winding up petition or a petition for the making of an administration order has been presented and, further, notice of a winding up order or resolution, notice of an administration order and notice of the appointment of a receiver may not be filed at Companies House immediately and there may be a delay in the relevant notice appearing on the file of the company concerned. Further, not all security interests are registrable, such security interests have not in fact been registered or such security interests have been created by an individual or an entity which is not registered in England. We have not made enquiries of any District Registry or County Court in England;
- (b) the opinions set out in this letter are subject to: (i) any limitations arising from applicable laws relating to insolvency, bankruptcy, administration, reorganisation, liquidation, moratoria, schemes or analogous circumstances; and (ii) an English court exercising its discretion under section 426 of the Insolvency Act 1986 (co-operation between courts exercising jurisdiction in relation to insolvency) to assist the courts having the corresponding jurisdiction in any part of the United Kingdom or any relevant country or territory;
- (c) we express no opinion as to matters of fact;
- (d) we have made no enquiries of any individual connected with the Company;
- (e) we express no opinion on the compliance of the Plans, or the compliance of any award made under the Plans, with the rules or regulations of the NASDAQ Stock Market LLC or the rules or regulations of any other securities exchange that are applicable to the Company;
- (f) we express no opinion in relation to the legality, enforceability or validity of the Plans or any award agreement entered into pursuant to such Plans. In particular, but without prejudice to the generality of the foregoing, we have assumed that the Shares to be allotted under the Plans or any such award agreement will be paid up in full (as to their nominal value and any premium) in cash (within the meaning of section 583(1) of the Companies Act) and we express no opinion as to whether any consideration other than "cash consideration" (as such term is defined in section 583(3) of the Companies Act) which might be paid, or purport to be paid, for the Shares would result in such Shares being validly issued, fully paid and not subject to any call for payment of further capital;

- (g) a certificate, documentation, notification, opinion or the like might be held by the English courts not to be conclusive if it can be shown to have an unreasonable or arbitrary basis or in the event of a manifest error; and
- (h) it should be understood that we have not been responsible for investigating or verifying the accuracy of the facts, including statements of foreign law, or the reasonableness of any statements of opinion, contained in the Registration Statement, or that no material facts have been omitted from it.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in this Registration Statement on Form S-8 of Bicycle Therapeutics plc of our report dated March 22, 2019, except for the effects of the corporate reorganization by way of a bonus share issuance having the effect of a share split as described in Note 1 to the consolidated financial statements, as to which the date is May 13, 2019 relating to the financial statements of Bicycle Therapeutics Limited, which appears in Amendment No 1. to the Registration Statement on Form S-1 (No. 333-231076) of Bicycle Therapeutics plc (formerly Bicycle Therapeutics Limited).

/s/ PricewaterhouseCoopers LLP
Cambridge, United Kingdom
May 23, 2019

BICYCLE THERAPEUTICS PLC

**RULES OF
THE BICYCLE THERAPEUTICS SHARE OPTION PLAN**



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RULES OF THE BICYCLE THERAPEUTICS SHARE OPTION PLAN

1 DEFINITIONS AND INTERPRETATION

Definitions

1.1 The following definitions shall apply for the purposes of this Plan:

“Cessation Date”

in relation to an Optionholder who is an Employee means the date notice of termination of his employment is given by or to him unless the Compensation Committee in their absolute discretion determines a later date, not being later than the statutory or contractual expiry date of the applicable notice period;

“Change of Control”

as defined in Rule 10.1;

“Code”

the U.S. Internal Revenue Code of 1986, as amended, and any successor Code, and related rules, regulations and interpretations;

“Company”

Bicycle Therapeutics Plc registered in England with number 11036004;

“Compensation Committee”

the committee of the board of the Company constituted for the purpose of, amongst other matters, discharging the board of the Company’s responsibility relating to compensation of the Company’s directors and executives, save that in the event such committee has not been constituted, the board of the Company;

“Consultant”

an individual who provides consultancy services to a Group Company (which, for the avoidance of doubt, shall include any person who is: (a) directly engaged by a Group Company; and (b) employed by a third party to work in the provision of services to a Group Company on behalf of such third party who is engaged by a Group Company to provide such services);

“Control”

the meaning in section 995 of the Income Tax Act 2007;

“Corporate Event”

an event within Rule 10;

“Date of Grant”

the date on which an Option is granted under this Plan;

“Eligible Person”

an Employee or Consultant;

“Employee”

an Eligible Person who is or was a director, secretary or employee of a Group Company;

“Employer Company”

in the case of an Optionholder who is an Employee, the Optionholder’s employer or former employer as applicable;

“Exercise Price”

the price determined in accordance with Rule 2.4 at which each Share subject to an Option may be acquired on the exercise of that Option;

“Financial Year”

the accounting reference period (as defined by the Companies Act 2006) of the Company;

“Fully Diluted Share Capital”

at the relevant time, the aggregate of: (a) the number of Shares in issue; and (b) the number of additional Shares which would be issued assuming the allotment and issue of the number of Shares in the Option Pool (whether or not on their terms the securities are actually convertible into Ordinary Shares at such time) only to the extent that such Shares are not already included in part (a) of this definition;

“Good Leaver”

ceasing to be an Employee or Consultant for one of the reasons in Rule 6.3;

“Group”

the Company, any company which is the Company’s subsidiary, its holding company or a subsidiary of its holding company (as “**subsidiary**” and “**holding company**” are defined in section 1159 of the UK Companies Act 2006) and “**Group Company**” shall be construed accordingly;

“HMRC”

Her Majesty’s Revenue & Customs;

“Incentive Stock Option”

any Option designated and qualified as an “incentive stock option” as defined in Section 422 of the Code;

“Market Value”

the market value of the shares subject to an Option determined in accordance with the applicable provisions of Part VIII of the Taxation of Chargeable Gains Act 1992; provided, however, that the Market Value for an Option granted to a U.S. Eligible Person shall be the closing market price on the Nasdaq Global Market (or such other market on which the Company’s Shares are then principally listed) of one Share on the effective date of grant, or if no closing price is reported for such date, the closing price on the next immediately following date for which a closing price is reported;

“Non-Qualified Stock Option”

any Option that is not an Incentive Stock Option;

“Normal Vesting Date”

the date specified in Rule 6.1 on which an Option may normally first be exercised;

“Option”

a right to acquire Shares granted under the Plan;

“Option Certificate”

a certificate setting out the terms of an Option issued in accordance with Rule 2.4;

“Option Pool”

the pool of Shares: (a) over which options have or may be granted to Eligible Persons under this Plan or any other plan; and (b) allotted and issued to Eligible Persons under any other arrangement;

“Optionholder”

an Eligible Employee who has been granted an Option under this Plan (including his personal representatives or beneficiaries in the event of his death);

“Performance Condition”

any objective condition(s) imposed in accordance with Rule 4.1 or any amended condition(s) substituted in accordance with Rule 4.2.

“Plan”

the Bicycle Therapeutics Share Option Plan constituted and governed by these Rules as amended from time to time;

“Scheme of Arrangement”

as defined in Rule 10.2;

“Shares”

ordinary shares in the Company;

“Ten Percent Owner”

an employee that resides in the US who owns or is deemed to own (by reason of the attribution rules of Section 424(d) of the Code) more than 10 percent of the combined voting power of all classes of shares of the Company or any parent or subsidiary corporation;

“U.S.”

United States of America; and

“Vest”

subject to Rule 6.4 (*lapse of options*), the extent to which an Option becomes capable of exercise on the first to occur of:

- (a) the Normal Vesting Date;
- (b) the date of the Optionholder’s death or the Cessation date of his employment within, or provision of consultancy services to, the Group as a Good Leaver; and
- (c) a Corporate Event,

and “**Vested**” and “**Unvested**” shall be construed accordingly.

Interpretation

- 1.2 Headings are for reference purposes only and shall not affect the construction of these Rules.
- 1.3 References to any statutory provision are to that provision as amended, previously enacted, re-enacted or consolidated.
- 1.4 Where the context permits words in the singular shall include the plural and the masculine shall include the feminine and vice versa.

2 GRANT OF OPTIONS

Type of option

- 2.1 The Company may grant Options to any Eligible Employee it chooses provided that Incentive Stock Options may be granted only to Employees of the Company or any subsidiary that is a “subsidiary corporation” within the meaning of Section 424(f) of the Code. To the extent that any Option does not qualify as an Incentive Stock Option, it shall be deemed a Non-Qualified Stock Option.

When options may normally be granted

- 2.2 The Company may grant Options to any Eligible Employee it chooses:
- (a) during the period of 42 days after the date the Plan is adopted by the Company; and
 - (b) at any other time the Compensation Committee decides that exceptional circumstances have arisen which justify the grant of Options.

When options may be granted

- 2.3 Options may be granted to any Eligible Person the Company chooses:
- (a) at any time when that grant would not be prohibited by, or in breach of:
 - (i) any law;
 - (ii) any other regulation with the force of law; or
 - (iii) the rules of any investment exchange on which Shares are listed or traded, or any other non-statutory rule that binds the Company or with which the Compensation Committee has resolved to comply; and
 - (b) before the tenth anniversary of the Adoption Date.

Exercise price

- 2.4 Subject to Rule 12 (*variation of share capital*), the Exercise Price per Share may not be less than the higher of:
- (a) if Shares are to be newly issued to satisfy the exercise of Options, the nominal value of a Share; and
 - (b) the Market Value of a Share on the Date of Grant.

In the case of an Incentive Stock Option that is granted to a Ten Percent Owner, the option price of such Incentive Stock Option shall be not less than 110 percent of the Market Value on the grant date.

Option certificates

- 2.5 An Option shall be granted by the Company executing an Option Certificate as a deed in a form approved by the Compensation Committee. Each Option Certificate shall state:
- (a) the Date of Grant of the Option;
 - (b) the number and class of the Shares subject to the Option;
 - (c) the Exercise Price;
 - (d) the Normal Vesting Date;
 - (e) any applicable Performance Conditions imposed in accordance with Rule 4.1;
 - (f) the date when the Option will lapse (being not be later than the tenth anniversary of the Date of Grant);
 - (g) the date on which the Option was granted; and
 - (h) if the Compensation Committee so determines, such obligations on the part of the Optionholder as shall be deemed necessary to comply with any tax or securities laws

or other regulatory issues in any jurisdiction which may apply to the Company, any other Group Company, the Optionholder or any other person.

2.6 The Option Certificate is subject to the terms and conditions of this Plan.

3 NON-TRANSFERABILITY

Other than where Options are transferred or assigned to an Optionholder's personal representatives or beneficiary in the event of the Optionholder's death or pursuant to a domestic relations order, Options may not be transferred, assigned, pledged or charged and any purported transfer, assignment, pledge or charge shall cause the Option to lapse immediately. Each Option Certificate shall carry a statement to this effect.

4 PERFORMANCE CONDITIONS

Imposition of performance conditions

4.1 The exercise of an Option may be conditional upon the satisfaction of one or more objective Performance Condition(s) imposed by the Compensation Committee at the Date of Grant and specified in the Option Certificate.

Variation and waiver of performance conditions

4.2 If, after the Compensation Committee has determined any objective Performance Condition(s) to be satisfied pursuant to this Rule, events occur which cause the Compensation Committee to consider that any of the existing Condition(s) has become unfair or impractical, they may in their absolute discretion amend, relax or waive such Condition.

Notification to Optionholders

4.3 The Compensation Committee shall notify all relevant Optionholders in writing of any amendment, relaxation or waiver of existing targets or conditions made pursuant to Rule 4.2.

5 PLAN LIMITS

5.1 The number of Shares in the Option Pool at the Adoption Date shall be 2,470,583, subject to adjustment per Section 12.

5.2 Thereafter, on the first day of each new Financial Year following the Adoption Date, until such time as the Compensation Committee otherwise determines, the number of Shares in the Option Pool shall be cumulatively increased by 4% of the number of Shares outstanding as of the day prior to the first day of the applicable new Financial Year (or such lesser amount as determined by the Board) (the "Annual Increase").

Inclusion of treasury shares

5.3 For the purposes of this Rule, any Shares which are treasury shares within sections 724 - 732 of the Companies Act 2006 shall be treated as though they were unissued Shares.

Exclusion of certain Shares

5.4 For the purposes of this Rule any Shares which are not treasury shares within Rule 5.2 and:

- (a) which are already in issue when any option or other right is granted over them; or
- (b) which were comprised in any option or other right to the extent that it has lapsed or been surrendered,

shall be disregarded.

ISO Limitation

- 5.5 Subject to such overall limitations set forth above, no more than 2,470,583 Shares may be issued in the form of Incentive Stock Options, increased on the first day of each new Financial Year following the Adoption Date, by the lesser of 430,000 Shares or the Annual Increase.
- 5.6 Annual Limit on Incentive Stock Options. To the extent required for “incentive stock option” treatment under Section 422 of the Code, the aggregate Market Value (determined as of the time of grant) of the shares with respect to which Incentive Stock Options granted under this Plan and any other plan of the Company or its parent and subsidiary corporations become exercisable for the first time by an Optionholder during any calendar year shall not exceed U.S. \$100,000. To the extent that any Option exceeds this limit, it shall constitute a Non-Qualified Stock Option.

6 VESTING, EXERCISE AND LAPSE OF OPTIONS

Vesting of options

- 6.1 Save as provided in Rules 6.2 (*death of the Optionholder*), 6.3 (*cessation of employment or consultancy as a good leaver*), 6.4 (*lapse of options*) and 10 (*corporate events*), unless the Compensation Committee determines otherwise, Options shall Vest in equal tranches of 1/36th at the end of each calendar month following the Date of Grant and may only be exercised after the later of:
- (a) the third anniversary of the Date of Grant (the “**Normal Vesting Date**”); and
 - (b) the date on which any applicable Performance Condition(s) have been satisfied or waived in accordance with Rule 4.2.

Death of an Optionholder

- 6.2 Save as provided in Rule 6.4 (*lapse of options*), if an Optionholder dies whilst he is employed within the Group or while time is running under Rule 6.3 (*cessation of employment or consultancy as a good leaver*) his personal representatives may exercise his Option at any time within the period of 12 months after the date of his death to the extent it had Vested, and any applicable Performance Condition(s) had been satisfied, at that date.

Cessation of employment or consultancy as a good leaver

- 6.3 Save as provided in Rule 6.4 (*lapse of options*), if an Optionholder who is an Employee ceases to be employed within, or an Optionholder who is a Consultant ceases to provide consultancy services to, the Group:
- (a) by reason of illness, injury or disability (evidenced to the satisfaction of the Compensation Committee);
 - (b) in the case of an Employee, by reason of redundancy within the meaning of the Employment Rights Act 1996;
 - (c) by reason that the only company, undertaking or part-undertaking within the Group by which he is employed or to which he provides consultancy services ceases to be a member of, or is transferred outside, the Group; or
 - (d) for any other reason which the Compensation Committee considers justifies his treatment as a Good Leaver,

he may exercise his Option within the period of three months after the Cessation Date (or such longer period as the Compensation Committee may decide) to the extent it had Vested, and any applicable Performance Condition(s) had been satisfied, on that Date. For the avoidance of doubt, any portion of his Option that is Unvested as of the Cessation Date shall lapse.

Lapse of options

6.4 Options shall lapse on the earliest of the following events:

- (a) the expiry of the period allowed for the satisfaction of any Performance Condition(s) without such Condition(s) being satisfied;
- (b) the expiry of the applicable periods in Rule 6.2 (*death of the Optionholder*) and Rule 6.3 (*cessation of employment or consultancy as a good leaver*) but if an Optionholder dies while time is running under Rule 6.3 the Option shall not lapse until the expiry of the period in Rule 6.2;
- (c) the Cessation Date of the Optionholder's employment within, or the provision of consultancy services to, the Group for any reason whatsoever (including wrongful or unfair dismissal in the case of an Optionholder who is an Employee) other than those specified in Rule 6.2 (*death of Optionholder*) and Rule 6.3 (*cessation of employment or consultancy as a good leaver*);
- (d) save as provided in Rule 11 (*option rollover*), the expiry of the applicable period in Rule 10 (*corporate events*);
- (e) the expiry of the applicable period in Rule 11 (*option rollover*);
- (f) the date on which the Optionholder becomes bankrupt or does or omits to do anything as a result of which he is deprived of the legal or beneficial ownership of the Option.; and
- (g) the tenth anniversary of the Date of Grant (provided that, in the case of an Incentive Stock Option granted to a Ten Percent Owner, such Incentive Stock Option shall lapse on the fifth anniversary of the Date of Grant).

7 MANNER OF EXERCISE

7.1 Provided it would not then be in breach of any applicable restriction (including, without limitation, the U.S. Sarbanes-Oxley Act of 2002), a Vested Option may be exercised in whole or in part by the Optionholder giving a notice of exercise in such manner as the Company may from time to time determine, including electronically. The notice of exercise shall be accompanied by:

- (a) a remittance in cleared funds for the aggregate Exercise Price;
- (b) irrevocable instructions to a broker to deliver promptly to the Company an amount equal to the aggregate Exercise Price; or
- (c) an application for bridging finance to exercise the Option, in such form as the Company may prescribe.

7.2 The Company shall allot or procure the transfer of Shares pursuant to a notice of exercise within 30 days of the date of exercise. Except for any rights determined by reference to a date preceding the date of allotment, any new Shares allotted shall rank *pari passu* with the other shares of the same class in issue at that date of allotment.

7.3 For so long as the Shares are admitted to trading on Nasdaq or any other investment exchange the Company will apply for admission or listing (as the case may be) of any new Shares issued as soon as is practicable after their allotment.

8 SHARE SETTLEMENT OF OPTION EXERCISE

Notwithstanding any other provision of this Plan, the Company may agree with an Optionholder that he will undertake a share-settled exercise in respect of any Option that is not an Incentive Stock Option held by him whereby, subject to Rule 9 (*tax liabilities*), on exercise of the Option:

- (a) no Exercise Price is paid; and
- (b) the Optionholder is given free of charge, a number of Shares calculated in accordance with the following formula:

$$S = N \times (MV - EP) \div MV$$

where:

S = the number of Shares to be delivered to the Optionholder, rounded down to the nearest whole Share

N = the total number of Shares in respect of which the Option is being exercised

MV = the Market Value of a Share at the date of exercise

EP = the Option Exercise Price payable per Share.

9 TAX LIABILITIES

- 9.1 For the purposes of this Rule “**Tax**” means all UK income tax and primary class 1 (employee) and (to the extent the Compensation Committee decides that it shall be borne by the relevant Optionholder), secondary class 1 (employer) National Insurance Contributions, and their equivalent in any other jurisdiction including the U.S., which may properly be borne by Optionholders by reason of the grant, vesting and/or exercise of options or otherwise as a consequence, directly or indirectly, of being an Optionholder.
- 9.2 Any Group Company or other person which is liable to account for Tax may withhold the appropriate amount of Tax from the Optionholder’s remuneration or make such other arrangements as it considers necessary (including the sale of Shares on behalf of an Optionholder) to finance the amounts due. The amount to be withheld may if necessary be estimated provided that if a subsequent adjustment is required it is made as soon as practicable after the amount has been definitively determined.
- 9.3 With respect to any Optionholder that resides in the U.S., subject to approval by the Compensation Committee, an Optionholder may elect to have the Group Company’s required tax withholding obligation satisfied, in whole or in part, by authorising the Group Company to withhold from the Shares to be issued pursuant to an Option a number of shares with an aggregate Market Value (as of the date the withholding is effected) that would satisfy the withholding amount due; provided, however, that the amount withheld does not exceed the maximum statutory tax rate or such lesser amount as is necessary to avoid liability accounting treatment. The Compensation Committee may also require Options to be subject to mandatory share withholding up to the required withholding amount. For purposes of share withholding, the Market Value of withheld shares shall be determined in the same manner as the value of Shares includible in income of the Optionholder. The required tax withholding obligation may also be satisfied, in whole or in part, by an arrangement whereby a certain number of Shares issued pursuant to the Option are immediately sold and proceeds from such sale are remitted to the Group Company in an amount that would satisfy the withholding amount due.
- 9.4 If the Company or any other person is liable to account for UK secondary Class 1 national insurance contributions (“**Employers’ NICs**”) in the UK by virtue of the exercise of an Option the Compensation Committee may make it a condition of the exercise of the Option that the Optionholder either:
 - (a) meets such liability to pay Employers’ NICs; or
 - (b) enters into an election to transfer the liability for Employers’ NICs to the Optionholder in a form approved by HMRC,

and enters into such arrangements as may be approved by HMRC in order to ensure that the Employers' NICs liability can be met.

- 9.5 The Compensation Committee may make it a condition of the exercise of an Option that the Optionholder enters into:
- (a) a joint election under section 431 of the UK Income Tax (Earnings and Pensions) Act 2003 to disregard any restrictions for the purposes of any income tax and primary Class 1 national insurance contributions which may arise as the consequence of the exercise of the Option and to disapply section 425 of that Act; or
 - (b) a similar election in any other jurisdiction.
- 9.6 If the Compensation Committee so determines, Optionholders may be offered the opportunity to make other funding arrangements satisfactory to the relevant Group Company or other person in relation to the Tax liability.
- 9.7 By accepting an Option an Optionholder agrees to indemnify any Group Company and any other person against any Tax liability if and to the extent it is not discharged in accordance with this Rule.

10 CORPORATE EVENTS

Change of control

- 10.1 Save as provided in Rules 8 (*share settlement of option exercise*) and 11 (*option rollover*), if any person (or group of persons acting in concert (as "**acting in concert**") is defined in The City Code on Takeovers and Mergers) obtains Control of the Company as a result of making a general offer to acquire either:
- (a) the whole of the issued ordinary share capital of the Company which is made on a condition such that if it is satisfied the person making the offer will have Control of the Company, or
 - (b) all the shares in the Company which are of the same class as the Plan Shares,
- (a "**Change of Control**") all Unvested Options shall lapse unless and to the extent the Compensation Committee determines otherwise and Vested Options may, subject to Rule 10.3 (*squeeze-out and sell-out*) be exercised on the same day as, and immediately prior to, the Change of Control becoming effective or within such period not exceeding 6 months afterwards as the Compensation Committee shall determine, and any Vested Options not exercised within such period shall lapse.

Scheme of arrangement

- 10.2 Save as provided in Rules 8 (*share settlement of option exercise*) and 11 (*option rollover*), if under section 899 of the Companies Act 2006 the Court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies (a "**Scheme of Arrangement**"), all Unvested Options shall lapse unless and to the extent the Compensation Committee determines otherwise and Vested Options may be exercised on the same day as, and immediately prior to, the Court sanctioning the compromise or arrangement or within such period not exceeding 6 months afterwards as the Compensation Committee shall determine.

Squeeze-out and sell-out

- 10.3 Save as provided in Rules 8 (*share settlement of option exercise*) and 11 (*option rollover*), if any person (or group of persons acting in concert) becomes bound or entitled to acquire shares in the Company under sections 974 to 979 of the Companies Act 2006 ("*squeeze-out*")

and “sell-out”) all Unvested Options shall lapse unless and to the extent the Compensation Committee determines otherwise and Vested Options may be exercised at any time when that person remains so bound or entitled.

Winding-up

- 10.4 If notice is given of a general meeting at which a resolution will be proposed for the voluntary winding-up of the Company (except for the purposes of a Scheme of Arrangement) all Unvested Options shall lapse unless and to the extent the Compensation Committee determines otherwise and Vested Options may be exercised conditionally on the resolution being passed at any time between the notice of the resolution being given and the resolution being passed or defeated.

11 OPTION ROLLOVER

- 11.1 This Rule applies if there is a Corporate Event and an Optionholder is offered a new option (the “**New Option**”) in exchange for the original Option (the “**Old Option**”) and the New Option is equivalent to the Old Option. For the purposes of this Rule a New Option is equivalent to an Old Option if:
- (a) it is exercisable in the same manner as the Old Option and subject to the provisions of this Plan as they had effect immediately before the exchange;
 - (b) the total market value of the Shares subject to the Old Option immediately before the exchange equals, as far as is reasonably practicable, the total market value of the shares or securities subject to the New Option immediately after the exchange; and
 - (c) the total amount payable to exercise the New Option is equal to the total amount payable to exercise the Old Option.
- 11.2 If there is a Change of Control or Scheme of Arrangement such that Shares are exchanged for shares or securities in another company and the persons who will own the shares in that other company will be the same, or substantially the same, as the persons who owned the Shares immediately before that Change of Control or Scheme of Arrangement and the Optionholder is offered a New Option which is equivalent to the Old Option, the Old Option shall not become exercisable in accordance with whichever is applicable of Rules 10.1 and 10.2 and shall lapse if and to the extent the Optionholder does not accept the offer of the New Option within one month of the offer date.
- 11.3 Where any New Options are granted pursuant to this Rule, references to “Options” shall be construed as references to the New Options for which they have been exchanged.
- 11.4 Where any New Options are granted pursuant to this Rule, such exchange shall be done in compliance with the Code with respect to Optionholders that reside in the U.S.

12 VARIATION OF SHARE CAPITAL

- 12.1 In the event of any variation in the share capital of the Company by way of capitalisation or rights issue, consolidation, subdivision or reduction or otherwise, the number and kind of Shares subject to any Option and the Exercise Price for each of those Shares shall be adjusted in such manner as the Compensation Committee shall determine to be fair and reasonable.
- 12.2 The Company will take such steps as are considered necessary to notify Optionholders of any adjustments made under this Rule and may call in, endorse, issue or re-issue any certificate as a result of that adjustment.

13 AMENDMENT

13.1 Subject to Rule 13.2, the Compensation Committee may from time to time amend these Rules provided that no amendment to the advantage of Eligible Employees and Optionholders may be made to the provisions relating to:

- (a) the persons to whom Options may be granted;
- (b) the limit on the number of Shares in respect of which Options may be granted; and
- (c) this Rule,

without the prior approval of the Company's shareholders in general meeting except for minor amendments which the Compensation Committee considers necessary or desirable in order to benefit the administration of the Plan, take account of any changes to the applicable legislation in any country or territory or to obtain or maintain favourable tax, exchange control or regulatory treatment for Optionholders or any Group Company. The Compensation Committee are specifically authorized to exercise their discretion to reduce the exercise price of outstanding Options or effect the repricing of such Options through cancellation and re-grants.

13.2 The Compensation Committee may not make any amendment which would abrogate or adversely affect the subsisting rights of Optionholders unless it is made:

- (a) with the written consent of the number of Optionholders who hold Options to acquire 75% of the Shares which would be issued or transferred if all Subsisting Options were exercised; or
- (b) by a resolution of a meeting of Optionholders passed by not less than 75% of the Optionholders who attend and vote either in person or by proxy.

14 RELATIONSHIP WITH CONTRACT OF EMPLOYMENT OR FOR PROVISION OF CONSULTANCY SERVICES AND EXCLUSION OF LIABILITY

Notwithstanding any other provision of this Plan:

- (a) nothing in this Plan or in any Eligible Person's contract of employment or contract for the provision of consultancy services shall be construed as giving any Eligible Person a right to be granted an Option under this Plan;
- (b) an Eligible Employee or Optionholder shall not be entitled, and by accepting an Option granted under this Plan he shall be deemed to have waived any possible entitlement, to any compensation or loss he may suffer as a result of the exercise by the Compensation Committee of any discretion given to them in accordance with these Rules, or the failure by the Compensation Committee to exercise any such discretion, even if such exercise or failure to exercise constitutes a breach of contract by the Company or any other Group Company which employs the Eligible Employee or Optionholder or a breach of any other duty owed by the Company or any other Group Company or gives rise to any other claim whatsoever; and
- (c) if an Eligible Person or Optionholder shall cease to be employed within, or to provide consultancy services to, the Group for any reason whatsoever, including (in the case of an Employees) as a result of being wrongfully or unfairly dismissed, he shall not be entitled, and by accepting an Option he shall be deemed to have waived any possible entitlement, to any sum or benefit to compensate him for any loss or curtailment of any right or benefit accrued or in prospect under the Plan, and no such loss or curtailment shall form part of any claim for damages for breach of any contract of employment or for the provision of consultancy services of any Eligible Person or

Optionholder or compensation for unfair or wrongful dismissal or any other claim whatsoever.

15 ADMINISTRATION

- 15.1 The Plan shall be administered by the Compensation Committee whose decision on all disputes shall be final.
- 15.2 The Company shall at all times keep available sufficient authorised and unissued shares, or will ensure that sufficient shares will be available, to satisfy the exercise to the full extent still possible all Options which have neither lapsed nor been fully exercised, taking account of any other obligations of the company to issue unissued shares.
- 15.3 For the purposes of operating the Plan the Company and other relevant Group Companies will collect and process information relating to Eligible Persons and Optionholders in accordance with the privacy notice which is available from the Company's secretary and, in the case of Eligible Persons and Optionholders in the European Union, the EU General Data Protection Regulation of 25 May 2018.
- 15.4 Any notice or other communication under or in connection with this Plan may be given by the Company either personally or by post and to the company either personally or by post to the secretary. Items sent by post shall be pre-paid and shall be deemed to have been received 72 hours after posting.
- 15.5 This Plan shall terminate on the tenth anniversary of the date of its adoption or at any earlier time by resolution of the Compensation Committee. Termination of the Plan shall be without prejudice to the subsisting rights of Optionholders and any other relevant persons.

16 THIRD PARTY RIGHTS

A person who is not a party to any Option granted under this Plan shall not have any rights under or in connection with that Option as a result of the Contract (Rights of Third Parties) Act 1999 except where such rights under any provision of the Plan in relation to any Employer Company of the Optionholder which is not a party to the Option.

17 GOVERNING LAW AND JURISDICTION

This Plan is governed by and shall be construed in accordance with the laws of England and Wales and the courts of England and Wales shall have exclusive jurisdiction to hear any claim or dispute arising out of it.

18 TRADING POLICY RESTRICTIONS

Option exercises under the Plan shall be subject to the Company's insider trading policies and procedures, as in effect from time to time.

19 CLAWBACK POLICY

Shares subject to Options under the Plan shall be subject to the Company's clawback policy, as in effect from time to time.