



CARCLO PLC

**RULES OF THE CARCLO PLC
PERFORMANCE SHARE PLAN
2017**

Approved by the shareholders of the Company in general meeting on 7 September 2017 and amended by the shareholders of the Company in annual general meeting on 1 September 2022

CONTENTS

RULE		PAGE
1	DEFINITIONS AND INTERPRETATION	1
2	ELIGIBILITY	3
3	GRANT OF AWARDS.....	3
4	PERFORMANCE CONDITION	5
5	HOLDING PERIOD	6
6	VESTING OF AWARDS.....	7
7	CONSEQUENCES OF VESTING.....	7
8	EXERCISE OF OPTIONS.....	8
9	RESTRICTIONS ON VESTING AND EXERCISE	8
10	CASH ALTERNATIVE.....	9
11	PLAN LIMIT	10
12	REDUCTION AND RECOVERY	11
13	LAPSE OF AWARDS.....	12
14	LEAVERS.....	12
15	TAKEOVERS AND OTHER CORPORATE EVENTS	14
16	ADJUSTMENT OF AWARDS	166
17	AMENDMENTS.....	166
18	EMPLOYMENT RIGHTS	177
19	MISCELLANEOUS.....	188

1 DEFINITIONS AND INTERPRETATION

1.1 In this Plan, unless the context otherwise requires:

Adoption Date means the day on which the Plan is adopted by the Company in general meeting;

Award means a Conditional Award or an Option granted under this Plan;

Bad Leaver means a Participant who ceases to be a director or employee of a Group Company in circumstances in which the Participant is not a Good Leaver;

Board means the board of directors of the Company or a duly authorised committee of the Board (which includes the Committee) or a duly authorised person;

Committee means the remuneration committee of the Board or, on and after the occurrence of a corporate event described in Rule 15 (*Takeovers and other corporate events*), the remuneration committee of the Board as constituted immediately before such event occurs;

Company means Carclo plc registered in England and Wales with registered number 00196249;

Conditional Award means a conditional right to acquire Shares granted under the Plan which is designated as a conditional award by the Committee under Rule 3.2 (*Type of Award*);

Control means control within the meaning of section 995 of the Income Tax Act 2007;

Dealing Day means any day on which the London Stock Exchange is open for the transaction of business;

Dividend Equivalent means a benefit calculated by reference to dividends paid on Shares as described in Rule 3.6 (*Dividend Equivalents*);

Eligible Employee means an employee or executive director of a Group Company;

Employees' Share Scheme means an employees' share scheme adopted by a Group Company where participation is offered to employees of a Group Company;

Exercise Period means the period commencing on the date on which an Option Vests and ending on the tenth anniversary of the Grant Date (or such earlier date as the Committee may determine for such Option prior to the grant of the Option) subject to it lapsing earlier under Rule 14 (*Leavers*) or Rule 15 (*Takeovers and other corporate events*);

Financial Year means a financial year of the Company within the meaning of section 390 of the Companies Act 2006;

Good Leaver means a Participant who ceases to be a director or employee of a Group Company as a result of:

- (a) ill health, injury or disability;
- (b) a transfer of the undertaking or part undertaking in which the Participant is employed to a person who is not a Group Company;
- (c) the company in which the Participant is employed ceasing to be under the Control of the Company; or

- (d) such other reason as the Committee may in its discretion approve in the case of any particular Participant and/or Award;

Grant Date means the date on which an Award is granted;

Group Company means the Company, any subsidiary of the Company, the Company's holding company or a subsidiary of the Company's holding company (subsidiary and holding company having the meaning given to them in section 1159 of the Companies Act 2006);

Holding Period means the period as may be specified by the Committee under Rule 3.1(d) (*Terms on Grant*) in respect of an Award beginning on the Grant Date during which time a Participant may not sell, transfer, assign or dispose of some or all of the Shares subject to that Award except for the purpose of satisfying any Tax Liability and/or to pay any exercise price in respect of any Option;

ITEPA means the Income Tax (Earnings & Pensions) Act 2003;

Listing Rules means the Listing Rules published by the United Kingdom Listing Authority or any successor body;

London Stock Exchange means London Stock Exchange plc or any successor to that company;

Market Abuse Regulation means the European Union Market Abuse Regulation (596/2014/EU) and any accompanying implementation measures and guidance;

Option means a conditional right to acquire Shares with a nil or nominal exercise price which is designated as an option by the Committee under Rule 3.2 (*Type of Award*);

Participant means a person who holds an Award including his personal representatives;

Performance Condition means the performance condition imposed as a condition of the Vesting of an Award under Rule 4.1 (*Imposition of Performance Condition*), as determined by the Committee;

Performance Period means the period over which the Performance Condition must be satisfied, being the three years commencing on the Grant Date or, if earlier, the date of the beginning of the Financial Year in which the Award is granted, or such other period as the Committee may specify prior to the grant of an Award provided that the period shall be at least three years;

Plan means the Carclo plc Performance Share Plan 2017 as amended from time to time;

Plan Period means the period starting on the Adoption Date and ending on the day before the tenth anniversary of that date;

Rule means a rule of the Plan;

Shares means fully paid ordinary shares in the capital of the Company;

Tax Liability means any amount of tax, employee's national insurance contributions or other similar charges for which a Participant would or may be liable and for which any Group Company or former Group Company would or may be obliged to (or would or may suffer a disadvantage if it were not to) account to any relevant authority, together with any related fines, penalties and interest;

Variation means in relation to the equity share capital of the Company a capitalisation issue, a rights issue or open offer, a subdivision, a consolidation, reduction or other variation or any special dividend or dividend in specie, demerger or such other circumstances as the Committee may determine;

Vest means a Participant becoming entitled to have Shares transferred to him (or his nominee), or to exercise his Option over such Shares, to the extent the Performance Condition has been satisfied and **Vesting** shall be construed accordingly;

Vested Shares means those Shares in respect of which an Award Vests; and

Vesting Date means the date when an Award normally Vests being the date, following the end of the Performance Period, on which the Committee determines the extent to which any Performance Condition has been satisfied or such date as may be specified by the Committee under Rule 3.1(c) (*Terms on grant*).

- 1.2 Any reference in the Plan to any law includes a reference to that law as from time to time modified, extended or re-enacted.
- 1.3 Expressions in italics and headings are for guidance only and do not form part of the Plan.
- 1.4 Words importing any gender include every gender, references to the singular include the plural and vice versa and words denoting persons include individuals, bodies corporate, partnerships, unincorporated associations and other bodies (in each case, wherever resident and for whatever purpose) and vice versa.

2 ELIGIBILITY

An individual is eligible to be granted an Award in any Financial Year of the Company only if he is an Eligible Employee at the time of the grant of an Award.

3 GRANT OF AWARDS

3.1 Terms on grant

Subject to Rule 3.8 (*Restrictions on granting Awards*) and Rule 3.4 (*Timing of grant*), the Committee may resolve that an Award should be granted:

- (a) on the terms set out in the Plan;
- (b) on such additional terms or conditions as the Committee may specify;
- (c) subject to such Vesting Date as the Committee may specify; and
- (d) subject to such Holding Period, if any, as the Committee may specify (save that in the case of an executive director of the Company a Holding Period must be imposed in accordance with Rule 5.1),

to any Eligible Employee who is eligible to be granted an Award under Rule 2 (*Eligibility*) that the Committee in its discretion determines should be granted an Award.

3.2 Type of Award

On or before the Grant Date the Committee shall determine:

- (a) the maximum number of Shares subject to the Award (if any) to be granted to the Participant; and
- (b) whether an Award shall be an Option or a Conditional Award.

If the Committee does not specify the type of Award on or before the Grant Date, the Award will be a Conditional Award.

3.3 Individual limit

Any Award shall be limited and take effect so that immediately following such grant no Participant has been granted, in respect of any Financial Year, Awards over Shares with a total market value, measured on their Grant Dates, in excess of 100 per cent of his salary (or 200 per cent if the Committee determines there are exceptional circumstances) ("salary" being the annual basic rate of pay for the Participant at the relevant Grant Date or such other date being no later than 90 days after the Grant Date).

For the purposes of this Rule 3.3 the **market value** of the Shares over which the Award is granted shall be taken to be an amount equal to:

- (a) the middle-market quotation of such Shares (as derived from the London Stock Exchange Daily Official List) on the Dealing Day immediately prior to the Grant Date;
- (b) if the Committee so determines, the average of the middle-market quotations during a period determined by the Committee not exceeding the period of five Dealing Days ending with the Dealing Day immediately prior to the Grant Date; or
- (c) such value of a Share as the Committee reasonably determines,

provided that, in all cases such Dealing Day(s) do not fall within any period when dealings in Shares are prohibited under the Company's share dealing code.

3.4 Timing of grant

- (a) The Committee may decide, at its absolute discretion, when Awards should be granted. However, subject to Rule 3.8 (*Restrictions on granting Awards*) and Rule 3.4(b) below, Awards may only be granted within the period of 42 days starting on:
 - (i) the Dealing Day after the Adoption Date;
 - (ii) the Dealing Day after the day on which the Company makes an announcement of its results for the last preceding Financial Year, half-year or any other period; or
 - (iii) if Awards cannot be granted under (i) or (ii) above due to restrictions on the grant of Awards under Rule 3.8 (*Restrictions on granting Awards*), the Dealing Day after the day on which any such restrictions are lifted.
- (b) If the Committee considers that there are exceptional circumstances which justify the grant of Awards outside any of the periods set out in (a) above, the Committee may decide for the purpose of that grant that Awards may be granted at another time.
- (c) The Committee shall, as soon as reasonably practicable after the Grant Date, issue to each Participant an award certificate or other confirmation containing details of the Award.

(d) No Award can be granted after the expiry of the Plan Period.

3.5 Method of grant

An Award shall be granted so that it constitutes a binding contract between the Company and the Participant. A single deed of grant may be executed in favour of any number of Participants. A Participant shall not be required to make a payment for the grant of an Award.

3.6 Dividend Equivalents

The Committee may decide on or before the grant of an Award that a Participant (or his nominee) may be entitled to cash and/or Shares (as determined by the Committee) of a value determined by reference to the dividends that would have been paid on his Vested Shares in respect of dividend record dates occurring during the period between the Grant Date and the Vesting Date. The Committee shall decide the basis on which the value of such dividends may be calculated which may assume the reinvestment of dividends. In giving effect to this Rule 3.6, the Committee shall have complete discretion to decide the basis on which the Dividend Equivalent may be calculated or paid (for example, but without limitation, excluding all or part of the value of any dividend or special dividend).

3.7 Method of satisfying Awards

Subject to Rule 10 (*Cash Alternative*), unless specified otherwise by the Committee on or before the Grant Date, a Conditional Award and/or an Option may be satisfied by:

- (a) the issue of Shares; and/or
- (b) the transfer of treasury Shares; and/or
- (c) the transfer of Shares (other than the transfer of treasury Shares).

3.8 Restrictions on granting Awards

No Award shall be granted to any Eligible Employee at any time when the grant of an Award to that Eligible Employee is prohibited under the Listing Rules, any relevant share dealing code of the Company, the City Code on Takeovers and Mergers, the Market Abuse Regulation or any other UK or overseas regulation or enactment.

3.9 Non-transferability and bankruptcy

An Award granted to any person shall lapse immediately if:

- (a) the Award is transferred, assigned, charged or otherwise disposed of (except on his death when it may be transmitted to his personal representatives); or
- (b) he is declared bankrupt (unless the Committee decides otherwise).

4 PERFORMANCE CONDITION

4.1 Imposition of Performance Condition

On the grant of an Award to executive directors of the Company, the Committee shall impose a Performance Condition. For all other Participants, the Committee may impose a Performance Condition.

4.2 **Performance Condition can no longer be satisfied**

If the Committee determines that the Performance Condition has not been satisfied or cannot be satisfied, either in whole or in part in relation to an Award, the Award shall lapse to that extent immediately.

4.3 **Substitution or variation of Performance Condition**

If an event occurs which causes the Committee to consider that the Performance Condition, or any condition imposed pursuant to Rule 3.1(b), subject to which the outstanding Award has been granted is no longer appropriate, the Committee may substitute or vary the Performance Condition or the condition in such manner (and make such consequential amendments to the Rules) as:

- (a) is fair and reasonable in the circumstances; and
- (b) produces a more appropriate measure of performance and is materially no less challenging than the original condition.

The outstanding Award shall then take effect subject to the Performance Condition or the condition as so substituted or varied.

4.4 **Notification of Participant**

The Committee shall, as soon as reasonably practicable, notify the Participant concerned of any determination made by it under Rule 4.2 (*Performance Condition can no longer be satisfied*) or any substitution or variation of the Performance Condition or condition under Rule 4.3 (*Substitution or variation of Performance Condition*) and explain how it affects his position under the Plan.

5 **HOLDING PERIOD**

5.1 **Executive directors**

On the grant of an Award to any executive director of the Company the Committee shall impose a Holding Period, which shall last for a period of at least five years from the Grant Date.

In exceptional circumstances, including death, the Committee may, at any time and at its absolute discretion, allow a Participant to sell, transfer, assign or dispose of some or all of the Shares subject to such Holding Period, subject to such additional terms and conditions as the Committee may specify.

5.2 **Other Participants**

For all Participants other than executive directors, the Committee may impose a Holding Period in respect of any Award under Rule 3.1(d) which the Committee may amend, vary or revoke, at its absolute discretion, at any time.

5.3 **Effect of cessation of employment**

In the event that a Participant ceases employment during any Holding Period, Rules 14.2 and 14.5 shall apply.

5.4 **Effect of takeovers and other corporate events**

In the event of a general offer, scheme of arrangement, winding up, demerger or similar event, or internal reorganisation, Rules 15.2 15.3, 15.4 or 15.5 shall apply.

6 **VESTING OF AWARDS**

6.1 **Vesting of Awards**

Subject to Rule 9.1 (*Regulatory and tax issues*) and Rule 14.4(b), an Award which has not lapsed in accordance with these Rules shall Vest on the Vesting Date to the extent the Performance Condition has been satisfied (in accordance with Rule 6.2), except where earlier Vesting occurs under Rule 14 (*Leavers*) or Rule 15 (*Takeovers and other corporate events*).

6.2 **Testing of the Performance Condition**

As soon as practicable after the end of the Performance Period or on such date as the Committee determines, the extent to which the Performance Condition has been satisfied shall be determined by the Committee and the number of Shares in respect of which the Award may Vest shall be calculated.

7 **CONSEQUENCES OF VESTING**

7.1 **Conditional Awards**

Within 30 days of the Vesting Date of a Conditional Award (or as soon as reasonably practicable thereafter), the Board shall, subject to Rule 9.1 (*Regulatory and tax issues*) and Rule 9.3 (*Payment of Tax Liability*), procure the transfer of the Vested Shares to the Participant (or a nominee for him) subject to any Holding Period imposed under Rule 5 in respect of such Vested Shares.

7.2 **Options**

An Option shall, subject to Rule 9.1 (*Regulatory and tax issues*) and Rule 9.3 (*Payment of Tax Liability*), be exercisable in respect of Vested Shares during the Exercise Period, subject to it lapsing earlier under Rule 14 (*Leavers*) or Rule 15 (*Takeovers and other corporate events*) and subject to any Holding Period imposed under Rule 5 in respect of such Vested Shares.

7.3 **Provision of Dividend Equivalents**

The provision of the Dividend Equivalent to the Participant shall be made as soon as practicable after the issue or transfer of Vested Shares and:

- (a) in the case of a cash payment, shall be subject to such deductions (on account of tax or similar liabilities) as may be required by law or as the Committee may reasonably consider to be necessary or desirable; or
- (b) in the case of a provision of Shares, Rule 9.1 (*Regulatory and tax issues*) and Rule 9.3 (*Payment of Tax Liability*) shall apply as if such provision was the delivery of Shares following the Vesting of an Award.

8 EXERCISE OF OPTIONS

8.1 Exercise in whole or in part

An Option must be exercised to the maximum extent possible at the time of exercise unless the Committee decides that a Participant may exercise his Option in respect of such fewer number of Shares as it decides (in which case the unexercised portion of such Option shall remain exercisable).

8.2 Manner of exercise

The exercise of any Option shall be effected in the form and manner prescribed by the Committee. Unless the Committee, acting fairly and reasonably determines otherwise, any notice of exercise shall, subject to Rule 9.1 (*Regulatory and tax issues*), take effect only when the Company receives it, together with, where applicable, payment relating to:

- (a) the exercise price payable on the exercise of the Option (if any); and
- (b) the Tax Liability,

or an agreement to secure that such a payment is made under arrangements acceptable to the Committee.

8.3 Exercise Date

If any conditions must be fulfilled before an Option may be exercised, the Option will not be validly exercised unless and until the Committee is satisfied that those conditions have been fulfilled. Otherwise, the exercise date will be the date of receipt of the items referred to in Rule 8.2 (*Manner of exercise*).

8.4 Issue or transfer of Shares

Subject to Rule 9.1 (*Regulatory and tax issues*) and Rule 9.3 (*Payment of Tax Liability*), Shares will be allotted or transferred to a Participant (or his nominee) pursuant to the exercise of an Option within 30 days following the exercise date (or as soon as reasonably practicable thereafter).

9 RESTRICTIONS ON VESTING AND EXERCISE

9.1 Regulatory and tax issues

An Award shall not Vest, and, in the case of an Option which has Vested, shall not be exercised, unless and until the following conditions are satisfied:

- (a) the Vesting (or exercise) of the Award, the issue or transfer of Shares after such Vesting (or exercise) and the sale of Shares after such issue or transfer (in circumstances where such sale is necessary or desirable to satisfy any Tax Liability) would be lawful in all relevant jurisdictions and in compliance with the Listing Rules, any relevant share dealing code of the Company, the City Code on Takeovers and Mergers, the Market Abuse Regulation and any other relevant UK or overseas regulation or enactment;
- (b) if, on the Vesting (or exercise) of the Award, a Tax Liability would arise by virtue of such Vesting (or exercise) and the Board decides that such Tax Liability shall not be satisfied by the sale of Shares pursuant to Rule 9.3 (*Payment of Tax Liability*) then the Participant must have entered into arrangements acceptable to the Board that the relevant Group Company will receive the amount of such Tax Liability; and

- (c) where the Committee requires, the Participant has entered into, or agreed to enter into, a valid election under section 431(1) of ITEPA or any similar arrangements in any overseas jurisdiction.

For the purposes of this Rule 9.1, references to Group Company include any former Group Company.

9.2 Tax Liability before Vesting

If a Participant will, or is likely to, incur any Tax Liability before the Vesting of an Award then that Participant must enter into arrangements acceptable to any relevant Group Company to ensure that it receives the amount of such Tax Liability. If no such arrangement is made then the Participant shall be deemed to have authorised the Company to sell or procure the sale of sufficient of the Shares subject to his Award on his behalf to ensure that the relevant Group Company receives the amount required to discharge the Tax Liability and the number of Shares subject to his Award shall be reduced accordingly (and the Committee will have the power to determine that such Shares are Vested Shares before they are sold in order to give effect to this provision).

For the purposes of this Rule 9.2, references to Group Company include any former Group Company.

9.3 Payment of Tax Liability

The Participant authorises the Company to sell or procure the sale of sufficient Vested Shares on or following the Vesting of his Award (including, in the case of an Award that is an Option, on the exercise of the Option) on his behalf to ensure that any relevant Group Company or former Group Company receives the amount required to discharge the Tax Liability which arises on Vesting (or exercise) except to the extent that the Board decides that all or part of the Tax Liability shall be funded in a different manner.

10 CASH ALTERNATIVE

10.1 Committee determination

Where an Award Vests and Vested Shares have not yet been issued or transferred to the Participant (or his nominee), the Committee may determine that, in substitution for his right to acquire such number of Vested Shares as the Committee may decide (but in full and final satisfaction of his right to acquire those Shares) he shall be paid a sum equal to the cash equivalent (as defined in Rule 10.3 (*Cash equivalent*)) of that number of Shares in accordance with the following provisions of this Rule 10.

10.2 Limitation on the use of this Rule

This Rule shall not apply in relation to Awards made in relation to any jurisdiction where the presence of this Rule would cause:

- (a) the operation of this Rule to be unlawful or for it to fall outside any applicable securities law exemption; or
- (b) adverse tax consequences for the Participant or any Group Company as determined by the Board.

10.3 Cash equivalent

- (a) For the purpose of this Rule 10, the cash equivalent of a Share is the market value of a Share on:
 - (i) in the case of a Conditional Award, the day the Conditional Award Vests or the day on which any applicable Holding Period would have expired (if later);
 - (ii) in the case of an Option, the day notice is validly given to exercise such Option in accordance with the Rules, or the day on which any applicable Holding Period would have expired (if later); or
 - (iii) such other date as the Committee may in its discretion determine,

each such date being a **Relevant Date**.

Market value on any day shall be determined as follows:

- (b) the middle-market quotation of a Share (as derived from the London Stock Exchange Daily Official List) on the Dealing Day immediately prior to the Relevant Date; or
- (c) such other value of a Share as the Committee reasonably determines.

10.4 Payment of cash equivalent

As soon as reasonably practicable after the Relevant Date the Company shall pay to the Participant or procure the payment to him of the sum payable under Rule 10.3 (*Cash Equivalent*) in cash.

10.5 Deductions

There shall be deducted from any payment under this Rule 10 such amounts (on account of tax or similar liabilities) as may be required by law or as the Board may reasonably consider to be necessary or desirable.

11 PLAN LIMIT

11.1 10% limit

The number of Shares which may be allocated, as defined in Rule 11.33 (*Meaning of allocated*), under the Plan on any day shall not, when added to the aggregate of the number of Shares which have been allocated in the previous 10 years under the Plan and any other Employees' Share Scheme adopted by the Company, exceed that number of Shares that represents 10% of the ordinary share capital of the Company in issue immediately prior to that day.

11.2 Exclusions from the limit

In calculating the limit in Rule 11.1 (*10% limit*), where:

- (a) the right to acquire any Shares was released or lapsed without being exercised; or
- (b) after the grant of an option, award or contractual right to acquire Shares the Committee determines that:
 - (i) it shall be satisfied by the payment of a cash equivalent; or

- (ii) it shall be satisfied by the transfer of existing Shares (other than Shares transferred out of treasury); or
- (c) partnership shares are awarded under any tax advantaged share incentive plan under Schedule 2 of ITEPA operated by the Company,

such Shares will be disregarded.

11.3 **Meaning of allocated**

References to "allocated" Shares mean, in the case of any share award or option plan, the placing of unissued Shares or treasury Shares under award or option and, in relation to other types of Employees' Share Scheme, means the issue and allotment of Shares or transfer of Shares out of treasury (including any issue and allotment of Shares, or transfer of Shares out of treasury, to any trustees to satisfy the exercise of any option, award or contractual right granted under any Employees' Share Scheme unless such Shares are already treated as allocated under this Rule 11.33). However, the placing of treasury Shares under award or option or the transfer of Shares out of treasury may be disregarded if the "Principles of Remuneration" published by the Investment Association (or any replacement principles or guidelines) are amended to permit such shares to be disregarded.

11.4 **Adjustment to Shares to be taken into account**

Where Shares which have been issued under the Plan or any other Employees' Share Scheme of the Company are to be taken into account for the purposes of the limit in Rule 11.1 (*10% limit*) and a Variation has taken place between the date of issue of those Shares and the date on which the limit is to be calculated, then the number of Shares taken into account for the purposes of the limit will be adjusted in the manner the Committee considers appropriate to take account of the Variation.

11.5 **Effect of limit**

Any Award shall be limited and take effect so that the limit in this Rule 11 is complied with.

12 **REDUCTION AND RECOVERY**

12.1 **Circumstances for Reduction and/or Recovery to apply**

Notwithstanding any other Rule of the Plan, the Committee may exercise its discretion under this Rule 12 in any of the following circumstances:

- (a) if any of the audited financial results for the Company are materially mis-stated;
- (b) if the Company, any Group Company and/or a relevant business unit has suffered serious reputational damage as a result of the relevant Participant's misconduct or otherwise;
- (c) there has been serious misconduct on the part of the relevant Participant; or
- (d) such other circumstances where the Committee determines that this Rule 11 should apply.

In all cases, the decision of the Committee as to whether any of the circumstances set out in (a) to (c) above exist shall be conclusive and final.

12.2 **Reduction of Awards**

If the Committee determines, in relation to any Award within seven years from its Grant Date, that this Rule 12.1 applies then the Committee may resolve that the number of Shares comprised in an Award that are not Vested Shares, and/or Vested Shares in the case of an Option where the Option has not yet been exercised, should be reduced (to nil if appropriate) and/or impose further conditions on an Award.

12.3 **Recovery**

If the Committee determines, in relation to any Award within seven years from its Grant Date, that Rule 12.1 applies then the Committee may require a Participant to repay to the Company an amount equal to the value of the Shares acquired by the Participant on the Vesting of any Conditional Award or exercise of any Option.

Where a repayment is due from a Plan participant, such repayment:

- (a) shall be recoverable by any Group Company from any Participant as a debt;
- (b) may or may not take account of any tax (including national insurance contributions) which has already been paid in relation to an Award;
- (c) may be set-off against any other payments or entitlements (including, but not limited to, salary payments and/or vested cash or share awards, whether vested or unvested) which become, or may become, due to the Participant.

12.4 The Committee will not in any circumstances seek repayment under Rule 12.3 for an amount in excess of the amount of loss suffered by the Company or any Group Company as a result of the circumstances specified in Rule 12.1.

13 **LAPSE OF AWARDS**

An Award shall lapse on the expiration of the Exercise Period subject to it lapsing earlier under Rule 3.9 (*Non-transferability and bankruptcy*), Rule 4.2 (*Performance Condition can no longer be satisfied*), Rule 14 (*Leavers*) or Rule 15 (*Takeovers and other corporate events*).

14 **LEAVERS**

14.1 **Restriction for leavers**

The provisions relating to the Vesting of Awards and exercise of Options in Rule 14.2 (*Death*), Rule 14.3 (*Good Leavers before the Vesting Date*) and Rule 14.6 (*Good Leavers: Exercise of Options*) shall take effect subject to Rule 9.1 (*Regulatory and tax issues*) and Rule 15 (*Takeovers and other corporate events*).

14.2 **Death**

- (a) If a Participant dies before the Vesting Date of any Award, then unless the Committee determines otherwise, his Award shall Vest as soon as reasonably practicable after the Participant's death to the extent that the Committee determines taking into account:
 - (i) if the Committee so determines, the extent to which the Performance Condition has been satisfied at the date of death; and
 - (ii) unless the Committee determines otherwise, the proportion of the period between the Grant Date and the Vesting Date that has elapsed at the date of death (or such other relevant period as the Committee may determine),

and any Holding Period will cease to apply to the Award.

- (b) Subject to (a) above, if a Participant holding an Award in the form of an Option which has Vested dies prior to exercising the Option, his personal representatives shall be entitled to exercise the Option to the extent that it has Vested, at any time during the twelve month period following his death. If not so exercised, the Option shall lapse at the end of the twelve month period.

14.3 Good Leavers before the Vesting Date

- (a) If a Participant ceases to be a director or employee of a Group Company before the Vesting Date of an Award as a Good Leaver, the Participant's Award shall not lapse and shall Vest on the Vesting Date, or such other date as the Committee may, at its absolute discretion, specify following the Participant's cessation of office or employment.
- (b) The number of Shares in respect of which the Award shall Vest under Rule 14.3(a) shall be determined by the Committee taking account of:
 - (i) the extent to which the Performance Condition (if any) is satisfied at the end of the Performance Period, or as appropriate, at the date of cessation of office or employment; and
 - (ii) unless the Committee determines otherwise, the proportion of the period between the Grant Date and the Vesting Date that has elapsed at the date of cessation of office or employment (or such other relevant period as the Committee may determine).

14.4 Bad Leavers

- (a) If a Participant ceases to be a director or employee of a Group Company at any time as a Bad Leaver, the Participant's Award shall lapse immediately on the date of such cessation or the date that the Participant is determined to be a Bad Leaver by the Committee (if later).
- (b) If a Participant gives or receives notice of termination of employment in circumstances where he would be a Bad Leaver, his Award may not Vest under any provision of these Rules after the giving or receipt of such notice.

14.5 Effect of cessation of employment on Holding Period (if any)

If a Participant's ceases to be a director or employee of a Group Company before the end of any applicable Holding Period (in circumstances in which an Award held by him does not lapse) such Holding Period shall continue to apply except:

- (a) in the event of a Participant's death; or
- (b) in the event that the Committee exercises its discretion under Rule 5.1 or 5.2.

14.6 Good Leavers: exercise of Options

If a Participant who has an Award in the form of an Option ceases to be a director or employee of a Group Company as a Good Leaver, then that Participant may exercise the Option in respect of any Vested Shares for a period of six months from the later of the Vesting Date and the date

of cessation (or such other date as the Committee may specify under Rule 14.3(a)). At the end of this six month period the Option will lapse.

14.7 **Meaning of ceasing employment**

A Participant shall not be treated for the purposes of this Rule 14 as ceasing to be a director or employee of a Group Company until such time as he is no longer a director or employee of any Group Company. If any Participant ceases to be such a director or employee before the Vesting of his Award in circumstances where he retains a statutory right to return to work then he shall be treated as not having ceased to be such a director or employee until such time (if at all) as he ceases to have such a right to return to work while not acting as an employee or director.

The reason for the termination of office or employment of a Participant shall be determined by the Committee by reference to Rules 14.3 and 14.4 regardless of whether such termination was lawful or unlawful.

15 **TAKEOVERS AND OTHER CORPORATE EVENTS**

15.1 **Restriction on takeovers**

The provisions relating to the Vesting of Awards and exercise of Options in Rule 15.2 (*General Offers*) and Rule 15.3 (*Schemes of arrangement and winding-up*) shall be subject to Rule 9.1 (*Regulatory and tax issues*), Rule 15.5 (*Compulsory rollover of Awards*) and Rule 15.6 (*Internal Reorganisations*).

In the event that any of the circumstances in Rules 15.2, 15.3 or 15.4 apply, then any Holding Period in respect of any Award affected by such circumstances shall not apply.

15.2 **General offers**

Subject to Rule 15.5, if any person (or any group of persons acting in concert, as defined in the City Code on Takeovers and Mergers):

- (a) obtains Control of the Company as a result of making a general offer to acquire the whole of the issued share capital of the Company; or
- (b) obtains Control of the Company as a result of making a general offer to acquire all the shares in the Company which are of the same class as the Shares,

all Awards, to the extent they have not already Vested, will Vest on the date that person obtains Control of the Company (**Change of Control Date**). In such circumstances, any Option may be exercised at any time during the period of one month from the Change of Control Date (or, if shorter, at any time until the end of the Exercise Period). Any Option not exercised within this period shall lapse immediately upon the expiry of the period.

Unless the number of Shares in respect of which the Award Vests has already been determined at the end of the Performance Period, the number of Shares in respect of which the Award Vests in accordance with this Rule 15.2 shall be determined by the Committee and, unless the Committee determines otherwise, taking into account:

- (i) the extent to which the Performance Condition has been satisfied at the Change of Control Date; and

- (ii) the proportion of the period between the Grant Date and the Vesting Date that has that has elapsed at the Change of Control Date (or such other relevant period as the Committee may determine).

15.3 Schemes of arrangement and winding-up

Subject to Rule 15.5, if:

- (a) a compromise or arrangement is sanctioned by the Court under section 899 of the Companies Act 2006 in connection with or for the purposes of a change in Control of the Company; or
- (b) the Company passes a resolution for a voluntary winding up of the Company; or
- (c) an order is made for the compulsory winding-up of the Company

all Awards, to the extent not already Vested, shall Vest on the occurrence of such event. In such circumstances, any Option may be exercised at any time during the period of one month from the date of the event (or, if shorter, at any time until the end of the Exercise Period). Any Option not exercised within this period shall lapse immediately upon the expiry of the period.

Unless the number of Shares in respect of which the Award Vests has already been determined at the end of the Performance Period, the number of Shares in respect of which the Award Vests in accordance with this Rule 15.3 shall be determined by the Committee and, unless the Committee determines otherwise, taking into account:

- (i) the extent to which the Performance Condition has been satisfied at the date of the relevant event specified in (a) to (c); and
- (ii) the proportion of the period between the Grant Date and the Vesting Date that has elapsed at the date of the relevant event specified in (a) to (c) (or such other relevant period as the Committee may determine).

15.4 Demergers and similar events

- (a) If a demerger, special dividend or other similar event (**Relevant Event**) is proposed which, in the opinion of the Committee would affect the market price of Shares to a material extent, then the Committee may, at its discretion, decide that an Award will Vest in accordance with the provisions of this Rule 15.4.
- (b) As soon as reasonably practicable after deciding to apply the provisions in this Rule 15.4, the Committee shall notify a Participant that his Award will Vest either on or preceding the Relevant Event, and if the Award was in the form of an Option, that the Option may be exercised on such terms as the Committee may determine and during such period preceding, on or after the Relevant Event as the Committee may determine.
- (c) If the Committee determines that the Vesting of an Award under this Rule 15.4 shall be conditional upon the Relevant Event and such event does not occur then the conditional Vesting and/or exercise shall not be effective and the Award shall continue to subsist.
- (d) If an Award is an Option that becomes exercisable in accordance with this Rule 15.4 but is not exercised during the relevant period determined by the Committee, the Option shall lapse immediately on the expiry of such period.

- (e) Unless the number of Shares in respect of which the Award Vests has already been determined at the end of the Performance Period, the number of Shares in respect of which the Award Vests in accordance with this Rule 15.4 shall be determined by the Committee and, unless the Committee determines otherwise, taking into account:
 - (i) the extent to which the Performance Condition has been satisfied at the date of the Relevant Event; and
 - (ii) the proportion of the period between the Grant Date and the Vesting Date that has elapsed at the date of the Relevant Event (or such other relevant period as the Committee may determine).

15.5 **Compulsory rollover of Awards**

In the event that a company (**Acquiring Company**) is expected to obtain Control of the Company as a result of an offer referred to in Rule 15.2 (*General offers*) or a compromise or arrangement referred to in Rule 15.3(a) (*Schemes of arrangement and winding-up*) then the Committee, with the consent of the Acquiring Company, may decide before the obtaining of such Control that an Award shall not Vest under Rule 15.2 (*General offers*) or Rule 15.3 (*Schemes of arrangement and winding-up*) but shall be automatically surrendered in consideration for the grant of a new award which the Committee determines is equivalent to the Award it replaces, except that it will be over shares in the Acquiring Company (or another company within its group).

The Rules will apply to any new award granted under this Rule 15.5 as if references to Shares were references to shares over which the new award is granted and references to the Company were references to the company whose shares are subject to the new award. Any Holding Period shall continue to apply to the new award unless otherwise determined by the Committee.

15.6 **Internal reorganisations**

In the event that:

- (a) an offer (as referred to in Rule 15.2) is made or a compromise or arrangement (as referred to in Rule 15.3) is proposed which is expected to result in the Company becoming Controlled by a new company (**New Company**); and
- (b) at least 75% of the shares in the New Company are expected to be held by substantially the same persons who immediately before the offer or proposal was made were shareholders in the Company,

then, unless the Committee determines otherwise, Rule 15.5 shall apply.

16 **ADJUSTMENT OF AWARDS**

In the event of a Variation, the Committee may make such adjustments as it considers appropriate to the number of Shares comprised in an Award and, in the case of an Option, any exercise price.

17 **AMENDMENTS**

17.1 **General rule on amendments**

Except as described in Rule 17.2 (*Shareholder approval*) and 17.3 (*Amendments to the disadvantage of Participants*) the Committee may at any time amend the Plan or the terms of any Award.

17.2 Shareholder approval

Without the prior approval of the Company in a general meeting, no amendment to the Plan which is to the advantage of a Participant or an Eligible Employee may be made if such amendment relates to:

- (a) eligibility;
- (b) the overall limits on the issue of Shares or transfer of treasury shares under the Plan;
- (c) the maximum entitlement for any one Participant;
- (d) the basis for determining a Participant's entitlement to, and the terms of, Shares (or cash) provided under the Plan;
- (e) any adjustment of Awards on a Variation; and
- (f) the terms of this Rule 17.2;

except for:

- (i) an amendment which is of a minor nature and benefits the administration of the Plan; or
- (ii) an amendment which is necessary or desirable in order to take account of a change of legislation, including overseas legislation, or to obtain or maintain favourable tax, exchange control or regulatory treatment for the Participant, the Company or some other Group Company.

17.3 Amendments to the disadvantage of Participants

No amendment to the material disadvantage of Participants shall be made under Rule 17.1 (*General rule on amendments*) unless:

- (a) the Board shall have invited every affected Participant to indicate whether or not he approves the amendment; and
- (b) the amendment is approved by a majority of those Participants who have given such an indication.

17.4 Overseas Plans

The Committee may establish sub-plans or schedules to the Plan, with any such sub-Plan or schedule to be similar to the Plan but modified to take account of local tax, exchange controls or securities laws and provided that any Shares made available under such further sub-plans or schedules are treated as counting against the limits on individual and overall participation in the Plan.

18 EMPLOYMENT RIGHTS

18.1 Employment

The rights and obligations of any Participant under the terms of his office or employment with the Company (or any Group Company or former Group Company) shall not be affected by being a Participant. Nothing in this Plan confers upon the Participant any right to continue in the employment of the Company (or any Group Company or former Group Company), or will affect the right of the Company (or any Group Company or former Group Company) to terminate the employment of the Participant.

18.2 **Benefits not pensionable**

The value of any benefit realised under the Plan by Participants shall not be taken into account in determining any pension or similar entitlements.

18.3 **No consequential losses on termination**

Participants shall have no rights to compensation or damages from the Company, any Group Company or any former Group Company on account of any loss in respect of Awards where such loss arises (or is claimed to arise), in whole or in part, from:

- (a) termination of office or employment with; or
- (b) notice to terminate office or employment given by or to,

the Company, any Group Company or any former Group Company. This exclusion of liability shall apply however termination of office or employment, or the giving of notice, is caused and however compensation or damages may be claimed.

18.4 **No consequential losses on transfer of employer**

Participants shall have no rights to compensation or damages from the Company, any Group Company or any former Group Company on account of any loss in respect of Awards where such loss arises (or is claimed to arise), in whole or in part, from:

- (a) any company ceasing to be a Group Company; or
- (b) the transfer of any business from a Group Company to any person that is not a Group Company.

This exclusion of liability shall apply however the change of status of the relevant Group Company, or the transfer of the relevant business, is caused, and however compensation or damages may be claimed.

18.5 **No expectation of grant**

The granting of an Award on a particular basis or to a particular Participant in any year does not create any right or expectation of the grant of Awards on the same basis, or at all, or to any particular individual in that or any subsequent year.

19 **MISCELLANEOUS**

19.1 **Disputes**

In the event of any dispute or disagreement as to the interpretation of the Plan, or as to any question or right arising from or relating to the Plan, the decision of the Committee shall be final and binding upon all persons.

19.2 **Exercise of powers and discretions**

The exercise of any power or discretion by the Committee shall not be open to question by any person and a Participant or former Participant shall have no rights in relation to the exercise of or omission to exercise any such power or discretion.

19.3 **Share rights**

Where Vested Shares are transferred to Participants (or their nominee), Participants shall be entitled to all rights attaching to such Shares by reference to a record date on or after the date of such transfer and shall thereafter rank *pari passu* with all other Shares issued in the Company.

19.4 **Notices**

Any notice or other communication under or in connection with the Plan may be given:

- (a) by personal delivery or by post, in the case of a company to its registered office, and in the case of an individual to his last known address, or, where he is a director or employee of a Group Company, either to his last known address or to the address of the place of business at which he performs the whole or substantially the whole of the duties of his office or employment;
- (b) in an electronic communication to their usual business address or such other address for the time being notified for that purpose to the person giving the notice; or
- (c) by such other method as the Committee determines.

19.5 **Third parties**

No third party has any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Plan, save for any company whose shares are subject to any new award under Rule 15.5 (*Compulsory rollover of Awards*).

19.6 **Data protection**

Each Participant consents to the collection, processing and transfer of his personal data for any purpose relating to the operation of the Plan. This includes:

- (a) providing personal data to any Group Company and any third party such as trustees of any employee benefit trust, administrators of the Plan, registrars, brokers and any of their respective agents;
- (b) processing of personal data by any such Group Company or third party;
- (c) transferring personal data to a country outside the European Economic Area (including a country which does not have data protection laws equivalent to those prevailing in the European Economic Area); and
- (d) providing personal data to potential purchasers of the Company, the Participant's employer or the business in which the Participant works.

19.7 **Governing law**

The Plan and all Awards shall be governed by and construed in accordance with the law of England and Wales and the Courts of England and Wales have exclusive jurisdiction to hear any dispute.