

LAND SECURITIES GROUP PLC

**RULES OF THE LAND SECURITIES 2023
SHARE INCENTIVE PLAN**

Shareholder approval: []

Directors' adoption: []

Certified to HMRC on: []

Expiry date: []

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PART 1

DEFINITIONS AND INTERPRETATION

1. Introduction

The Plan is intended to be registered with HMRC under Schedule 2 and to be a Schedule 2 SIP for the purposes of Schedule 2. In order to be a Schedule 2 SIP, the Company must notify HMRC of the first Award by 6 July following the end of the Tax Year in which the relevant Award Date occurs (in accordance with Schedule 2) and then make annual filings with HMRC (by each subsequent 6 July) detailing the operation of the Plan.

2. Purpose

The purpose of the Plan is to provide, in accordance with Schedule 2, benefits to employees of the Group in the form of Shares which give them a continuing stake in the Company. The Plan does not provide benefits to employees otherwise than in accordance with Schedule 2.

3. Definitions

In these rules:

“Accumulation Period” means, in relation to Partnership Shares, the period during which the Trustee accumulates a Participant’s Partnership Share Money before buying Partnership Shares or repaying it to the Participant;

“Acquisition Date” means:

- (i) in relation to Partnership Shares where there is no Accumulation Period, the date set by the Trustee, being a date within 30 days after the last date on which the Partnership Share Money to be applied in buying the Shares was deducted;
- (ii) in relation to Partnership Shares where there is an Accumulation Period, the date set by the Trustee, being a date within 30 days after the end of the Accumulation Period; and
- (iii) in relation to Dividend Shares, the date set by the Trustee, being a date within 30 days after the date on which the dividend is received by the Trustee;

“Allocation Basis” means the system from time to time adopted by the Board for making Awards of Free Shares;

“Associated Company” has the meaning given in paragraph 94 of Schedule 2;

“Award” means:

- (i) in relation to Free Shares and Matching Shares, the acquisition by the Participant of the conditional beneficial interest in those Shares in accordance with the Plan; and

- (ii) in relation to Partnership Shares and Dividend Shares, the acquisition of those Shares on behalf of the Participant in accordance with the Plan;

and, as the context may require, an **“Award”** can be an Award made to a number of Participants at the same time or, in relation to an individual, the Award made to that individual;

“Award Date” means, in relation to Free or Matching Shares, the date on which the Shares are awarded to the Participant;

“Board” means the board of directors of the Company, or any sub-committee or person duly authorised by it;

“Business Day” means a day on which the London Stock Exchange (or, if relevant and if the Board determines, any other stock exchange nominated by the Board on which the Shares are traded) is open for the transaction of business;

“Capital Receipt” has the meaning given to it in section 502 of ITEPA;

“Company” means Land Securities Group plc, a company incorporated in England and Wales with registered number 04369054;

“Connected Company” has the meaning given to it in paragraph 18 of Schedule 2;

“Control” means, in relation to a body corporate, the power of a person to secure by means of the holding of shares or the possession of voting power in or in relation to that or any other body corporate, or as a result of any powers conferred by the articles of association, or other document regulating that or any other body corporate, that the affairs of the first mentioned body corporate are conducted in accordance with the wishes of that person;

“Dealing Restrictions” means any restrictions relating to dealing in Shares imposed by law, order, regulation, Government directive or any dealing code adopted by the Company;

“Deed” means the deed entered into by the Trustee and the Company under which the Trustee agrees to act as the trustee of the Plan, as amended from time to time;

“Dividend Shares” means Shares bought with cash dividends in accordance with Part 6 and which are subject to the Plan and, where the context so admits, any New Shares attributable to those Shares;

“Eligible Employee” means an employee who is eligible to take part in the Plan in accordance with rule 6;

“Employer” means the Company and any other Group Member which has entered into a deed in accordance with clause 13 of the Deed and whose participation has not terminated in accordance with the terms of that deed. References to an Eligible Employee's or Participant's Employer mean the Employer by which the Eligible Employee or Participant is or was last employed;

“Expiry Date” means [•] 2033, being the tenth anniversary of the date on which the Plan was approved by the Company’s shareholders;

“Free Shares” means Shares awarded to a Participant under Part 3 and which are subject to the Plan and, where the context so admits, any New Shares attributable to those Shares;

“Free Share Agreement” means an agreement made in accordance with rule 9.3;

“Group Member” means the Company and its Subsidiaries from time to time and **“Group”** will be construed accordingly;

“HMRC” means HM Revenue & Customs;

“Holding Period” means:

- (i) in relation to Free Shares, the period set by the Board under rule 9.4;
- (ii) in relation to Matching Shares, the period set by the Board under rule 23.3; and
- (iii) in relation to Dividend Shares, the period of three years from the Acquisition Date;

“ITEPA” means the Income Tax (Earnings and Pensions) Act 2003, as amended from time to time;

“London Stock Exchange” means the London Stock Exchange or any successor entity;

“Market Value”, subject to any other agreement made between the Trustee (with the consent of the Company) and HMRC in accordance with paragraph 92 of Schedule 2, means:

- (i) if, and only if, all the Shares acquired for an Award are purchased on the London Stock Exchange on a single Business Day, or over five or fewer consecutive Business Days ending on the day before the Acquisition Date or Award Date and awarded to all Participants on the same day, the average of the prices paid by the Trustee for those Shares; and
- (ii) in any other case, the closing middle-market quotation (taken from the Daily Official List of the London Stock Exchange) of a Share on the Business Day before that day or, if the Board so determines, the average of the closing middle-market quotations for the three Business Days before that day;

and the Market Value of a Share subject to a Restriction is to be determined as if it were not subject to the Restriction;

“Matching Shares” means Shares awarded under Part 5 and which are held subject to the Plan and, where the context so admits, any New Shares attributable to those Shares;

“New Shares” has the meaning given to it in paragraph 87 of Schedule 2;

“NICs” means National Insurance Contributions;

“Participant” means an Eligible Employee on whose behalf the Trustee holds Plan Shares or from whose Salary deductions are being made to buy Partnership Shares or that Eligible Employee’s personal representatives;

“Partnership Shares” means Shares awarded under Part 4 and which are held subject to the Plan and, where the context so admits, any New Shares attributable to those Shares;

“Partnership Share Agreement” means an agreement made in accordance with rule 14.2;

“Partnership Share Money” means money deducted from a Participant’s Salary in accordance with a Partnership Share Agreement and held by the Trustee for the purpose of buying Partnership Shares;

“Performance Targets” means the criteria, if any, for an allocation of Free Shares in accordance with rule 10;

“Plan” means the Land Securities 2023 Share Incentive Plan, as amended from time to time;

“Plan Shares” means, in relation to a Participant, the Free, Partnership, Matching and Dividend Shares held for the Participant by the Trustee;

“Qualifying Company” means:

- (i) a company that is an Employer at the end of the Qualifying Period;
- (ii) a company that was an Employer when the individual was employed by it; or
- (iii) a company that when the individual was employed by it was an Associated Company of either a company referred to in (i) or (ii) above or another company qualifying under paragraph 17(3) of Schedule 2;

“Qualifying Corporate Bond” has the meaning given to it in section 117 of the Taxation of Chargeable Gains Act 1992;

“Qualifying Period” means such period (if any) as the Board may set, which must not start:

- (i) for Free Shares, before the period of 18 months ending with the Relevant Date;
- (ii) for Partnership or Matching Shares where there is no Accumulation Period, before the period of 18 months ending with the Relevant Date; and
- (iii) for Partnership or Matching Shares where there is an Accumulation Period, before the period of six months ending with the Relevant Date,

and in each case must end on the Relevant Date. The Board may set different Qualifying Periods for Awards made at different times but the Qualifying Period for an Award of Free or, as the case may be, Partnership or Matching Shares made at the same time must be the same for all employees of the Employers;

“Relevant Date” means:

- (i) for Free Shares, the Award Date;
- (ii) for Partnership or Matching Shares where there is no Accumulation Period, the date on which the Partnership Share Money relating to the Award is deducted; and
- (iii) for Partnership or Matching Shares where there is an Accumulation Period, the date on which the first deduction of Partnership Share Money relating to the Award is made;

“Relevant Employment” means employment by an Employer or an Associated Company of the Company. References to a person ceasing to be in Relevant Employment mean that that person is no longer employed by an Employer or any company which is an Associated Company of the Company;

“Restriction” means any contract, agreement, arrangement or condition which makes provision to which any of subsections (2) to (4) of section 423 of ITEPA would apply if the references in those subsections to the employment-related securities were to the Shares;

“Salary” means:

- (i) in the case of a Participant who is within the scope of charge under Part 3 of ITEPA, such of the earnings of the Participant’s employment by reference to which the Participant is eligible to participate in the Plan as are liable (or would be so liable apart from Schedule 2) to be paid under deduction of income tax under the PAYE regulations after deducting amounts included by virtue of the benefits code; and
- (ii) in the case of a Participant who is not within the scope of charge under Part 3 of ITEPA, such of the earnings of the Participant’s employment by reference to which the Participant is eligible to participate in the Plan as would be liable (or would be so liable apart from Schedule 2) to be paid under deduction of income tax under the PAYE regulations if the Participant were within the scope of that charge, after deducting amounts which would have been included by virtue of the benefits code had the Participant been within the scope of that charge.

For these purposes, the PAYE regulations are the regulations made under section 684 of ITEPA and the benefits code has the meaning given to it in section 63 of ITEPA;

“Schedule 2” means Schedule 2 to ITEPA;

“Schedule 2 SIP” has the meaning given in paragraph 1(A1) of Schedule 2;

“Share” means a fully paid ordinary share in the capital of the Company which satisfies the requirements of paragraphs 26 to 29 of Schedule 2;

“Subsidiary” means a company which is a subsidiary of the Company within the meaning of section 1159 of the Companies Act 2006 which is under the Control of the Company;

“Surplus Assets” means any Shares (other than Plan Shares) held by the Trustee, including any Shares which have been forfeited in accordance with Part 7 and any other surplus assets for the time being held by the Trustee;

“Tax Year” means a year beginning on 6 April and ending on the following 5 April;

“Treasury Shares” means Shares which are governed by Chapter 6 of Part 18 of the Companies Act 2006;

“Trustee” means the trustee or trustees for the time being of the Plan;

“Trust Period” means the period starting on the date of the Deed and ending on whichever is the earliest of:

- (i) 125 years from the date of the Deed;
- (ii) the date of the death of the last surviving Participant; and
- (iii) such day (if any) as the Trustee may appoint by deed provided that no such day will precede the date of such deed;

4. Interpretation

4.1.1 Expressions not otherwise defined in these rules have the meanings given by the Deed, or if not defined in the Deed, by Schedule 2.

4.1.2 References to:

- (i) any statutory provision are to that provision as amended or re-enacted from time to time (and any regulations made under it);
- (ii) rules and Parts are to, unless the context requires otherwise, rules and Parts of the Plan;
- (iii) clauses are to clauses of the Deed; and
- (iv) words in the singular will, unless the context requires otherwise, include the plural and vice versa.

PART 2
OPERATION OF THE PLAN AND ELIGIBILITY

5. Operation of the Plan

5.1 Making Awards

The Board, may, in its absolute discretion, decide when (if at all) Awards are to be made under the Plan to Eligible Employees and, if so, the type of Awards and the basis on which Awards are to be made.

5.2 Restrictions on making Awards

The Board must ensure:

- (i) that the limit in rule 32 is not exceeded; and
- (ii) that the Plan is not operated at any time, or in any circumstances, when to do so would breach any Dealing Restrictions.

6. Eligibility

6.1 General

6.1.1 Subject to the following provisions of rule 6, individuals are eligible to receive an Award if at the relevant time they satisfy all of the following conditions:

- (i) they are employees of an Employer on the Relevant Date;
- (ii) they have been employees of a Qualifying Company at all times during any Qualifying Period; and
- (iii) on the Relevant Date their earnings from the Employer are (or would be if there were any) general earnings to which section 15 of ITEPA applies.

6.1.2 Subject to the following provisions of rule 6, individuals are also eligible to receive an Award if at the relevant time:

- (i) they satisfy rules 6.1.1(i) and (ii); and
- (ii) the Board nominates them to receive an Award.

6.2 Participation in more than one Schedule 2 SIP in the same Tax Year

6.2.1 Individuals must not receive an Award of Free, Partnership or Matching Shares if they are at the same time to participate in an award of shares (or would have done so but for the failure to meet a Performance Target) under any other Schedule 2 SIP established by the Company or a Connected Company of the Company.

- 6.2.2 If an individual has participated in a Tax Year in an award of shares under another Schedule 2 SIP established by the Company or a Connected Company of the Company, then that plan and this Plan must be treated as a single plan for the purposes of rules 11 and 15.1.

7. Participation on the same terms

7.1 General rule

The Company must invite every Eligible Employee to participate in an Award on the same terms, and those who do participate must actually do so on the same terms.

7.2 Varying size of Awards

- 7.2.1 An Award of Free Shares may, however, be made by reference to an Eligible Employee's remuneration, length of service and number of hours worked. Where an Award of Free Shares is by reference to more than one of these factors:

- (i) each factor must give rise to a separate entitlement related to the level of remuneration, length of service or (as the case may be) hours worked; and
- (ii) the total entitlement must be the sum of those separate entitlements.

- 7.2.2 An Award of Free Shares may also be made on the basis of Performance Targets in accordance with rule 10.

PART 3 FREE SHARES

8. Application of Part 3 – Free Shares

Part 3 applies if the Board decides to make Awards of Free Shares on any occasion.

9. Participation in awards of Free Shares

9.1 Basis of participation

The Board must decide the Allocation Basis. It must be consistent with rule 7 and this Part 3.

9.2 Invitation to participate

The Company must invite each Eligible Employee to receive an Award of Free Shares. The invitation must:

- (i) explain the Allocation Basis;
- (ii) if the Allocation Basis involves Performance Targets, satisfy rule 10.4;
- (iii) state the Holding Period;
- (iv) state the circumstances, if any, in which Free Shares may be forfeited in accordance with rule 30;
- (v) if the Eligible Employee has not previously entered into a Free Share Agreement which would cover the proposed Award, either:
 - (a) offer the opportunity to enter into such an agreement and state the period, being not less than 14 days, within which the Eligible Employee must enter into the agreement, failing which the invitation will be deemed to have been declined; or
 - (b) provide that the Eligible Employee will automatically enter into a Free Share Agreement with the Company, on terms and conditions specified in the invitation, unless the Eligible Employee elects not to receive an Award within such period as the Company may set, being not less than 25 days from the date of the invitation; and
- (vi) if the Eligible Employee has previously entered into a Free Share Agreement which would cover the proposed Award, state the period, being not less than 25 days, within which the Eligible Employee may elect not to receive an Award.

9.3 Free Share Agreement

An Eligible Employee who wishes to receive an Award of Free Shares must enter into a Free Share Agreement (which may be in one or more documents) or, in the circumstances referred

to in rule 9.2(v)(b), will automatically enter into a Free Share Agreement, which must bind the Eligible Employee in contract with the Company:

- (i) to permit the Free Shares to remain the hands of the Trustee; and
- (ii) not to assign, charge or otherwise dispose of the beneficial interest in the Free Shares, throughout the Holding Period except as mentioned in the Free Share Agreement and in rule 33.

9.4 Length of Holding Period for Free Shares

The Holding Period:

- (i) must not be less than three years, nor more than five years, beginning with the Award Date;
- (ii) must be the same for all Awards of Free Shares made at the same time; and
- (iii) may not be increased once an Award has been granted.

9.5 Trustee must transfer Free Shares

Subject to rules 30 and 37, the Trustee must transfer a Participant's Free Shares to the Participant (or as the Participant may direct) when the Participant ceases to be in Relevant Employment.

10. Allocation on the basis of performance

10.1 General

The Board may decide that the Allocation Basis will be determined by reference to Performance Targets. If Performance Targets are used, they must apply to all Eligible Employees in respect of an Award.

10.2 Performance Targets

10.2.1 Performance Targets must:

- (i) be based on fair and objective criteria relating to the business results of the individual, team, division or business, measured over such period as the Board may decide; and
- (ii) be set for performance units of one or more employees.

10.2.2 For these purposes, an employee may not be a member of more than one performance unit.

10.3 Method of allocation

Where the Allocation Basis uses Performance Targets, the number of Free Shares in any Award must be calculated by one or other of the following two methods. The same method must be used for all Participants in relation to that Award.

Method 1

The requirements of this method are:

- (i) at least 20% of the Free Shares must be awarded without reference to performance and in accordance with rule 7;
- (ii) the remaining Free Shares must be awarded by reference to performance; and
- (iii) the highest number of Free Shares that may be awarded to an individual by reference to performance in any period must not be more than four times the highest number of Free Shares awarded to an individual at the same time without reference to performance.

Method 2

The requirements of this method are:

- (i) some or all of the Free Shares must be awarded by reference to performance;
- (ii) the Award of Free Shares to all Eligible Employees who are members of the same performance unit must be on the same terms in accordance with rule 7; and
- (iii) all Performance Targets must be “consistent targets” within the meaning given by paragraph 42(6) of Schedule 2.

For these purposes, Free Shares awarded in respect of each performance unit are treated as separate Awards of Free Shares.

10.4 Information on Performance Targets

10.4.1 As soon as reasonably practicable, the Company must:

- (i) tell each Eligible Employee participating in the Award of the Performance Targets and measures which will be used to determine the number or value of Free Shares, if any, which may be awarded to the Eligible Employee; and
- (ii) tell all Eligible Employees, in general terms, of the Performance Targets and measures which will be used to determine the number or value of Free Shares to be awarded to every Eligible Employee participating in the Award.

10.4.2 The Company may exclude from the notification under rule 10.4.1(ii) any information the disclosure of which the Company reasonably considers would prejudice commercial confidentiality.

11. Maximum Annual Award

The Market Value (on the Award Date) of the Free Shares awarded to a Participant in any Tax Year must not exceed £3,600 or such other limit as may be permitted by paragraph 35 of Schedule 2 from time to time.

12. Awards of Free Shares

12.1 Payment of Employer contributions

Each Employer must, at the request of the Company, make a contribution to the Trustee for the benefit of those of the Eligible Employees who are employed by it and who are entitled to an Award of Free Shares. The amount of the contribution, and the timing of it, must be determined in accordance with the Allocation Basis.

12.2 Acquisition of Free Shares

The Trustee must as far as possible use the whole of the contributions received by it to buy or subscribe for Shares in accordance with rule 31.

12.3 Awards of Free Shares

The Trustee must make the Award of Free Shares to each Eligible Employee who is entitled to the Award. The Award must be made on one date in accordance with the Allocation Basis.

12.4 Notification

As soon as practicable after Free Shares have been awarded to a Participant, the Trustee must give the Participant notice of:

- (i) the number and description of the Free Shares awarded to the Participant on that occasion;
- (ii) if the Free Shares are subject to any Restriction, details of the Restriction;
- (iii) the Award Date;
- (iv) their Market Value on the Award Date; and
- (v) the Holding Period applicable to them.

PART 4

PARTNERSHIP SHARES

13. Application of Part 4 – Partnership Shares

Part 4 applies if the Board decides to make Awards of Partnership Shares on any occasion.

14. Participation in Awards of Partnership Shares

14.1 Invitation to participate

14.1.1 Subject to the rest of this rule 14, the Company must invite each Eligible Employee to receive an Award of Partnership Shares unless the Eligible Employee has previously entered into a Partnership Share Agreement which covers the proposed Award.

14.1.2 The invitation must offer the opportunity to enter into such a Partnership Share Agreement and state the period, being not less than 14 days, within which the Eligible Employee must enter into the agreement, failing which the invitation will be deemed to have been declined. If appropriate, the invitation must contain the additional information mentioned in rule 14.2.

14.2 Partnership Share Agreement

14.2.1 An Eligible Employee who wishes to receive an Award of Partnership Shares must enter into a Partnership Share Agreement (which may be in one or more documents) which must:

- (i) authorise the Participant's Employer to deduct Partnership Share Money from the Participant's Salary;
- (ii) require the Company to arrange for Partnership Shares to be acquired for the Participant in accordance with the Plan; and
- (iii) contain a notice in a prescribed form containing prescribed information as to the possible effect of deductions from Salary under the Plan on an Eligible Employee's entitlement to social security benefits, statutory sick pay and statutory maternity pay and for these purposes "prescribed" means prescribed by regulations made by HMRC.

14.2.2 The Partnership Share Agreement must also state, or where the Partnership Share Agreement is to be entered into in advance of, and with the intention of being applicable to, future Awards, contain an undertaking from the Company that the invitation issued under rule 14.1 will state:

- (i) the minimum and maximum deductions of Partnership Share Money to be paid by the Eligible Employee and the intervals at which those deductions of Partnership Share Money are to be paid, subject to any variation agreed between the Participant and the Company;

- (ii) whether there will be an Accumulation Period and, if so, when that period will begin and end;
- (iii) the circumstances, if any, in which the Accumulation Period will come to an end; and
- (iv) the limit, if any, which the Board has set under rule 16.

14.2.3 The Partnership Share Agreement may provide that, where an Accumulation Period comes to an end on the happening of a specified event, the Partnership Share Money deducted from a Participant's Salary in that period must be paid over to that Participant as soon as practicable instead of being used to buy Shares.

14.3 Accumulation Period

If the Board specifies an Accumulation Period:

- (i) the period may not exceed 12 months;
- (ii) the first period may not begin later than the date on which the first deduction is made; and
- (iii) the period must be the same for all individuals who are eligible to participate in the same Award.

15. Deductions from Salary

15.1 Maximum deductions of Partnership Share Money

15.1.1 The Board may from time to time specify:

- (i) a maximum annual deduction of Partnership Share Money; and/or
- (ii) a maximum monthly deduction of Partnership Share Money,

that a Participant may pay. The maximum annual deduction of Partnership Share Money may not be greater than £1,800 or such other amount as may be permitted by paragraph 46 of Schedule 2 from time to time. The maximum annual or monthly deductions of Partnership Share Money must be the same for all Awards of Partnership Shares to be made in response to, or applicable to, invitations issued on the same occasion. If the Participant is not paid monthly, the monthly limit must be calculated proportionately.

15.1.2 The maximum amount which can be deducted from a Participant's Salary in any Tax Year may not exceed 10% of the Participant's Salary for that Tax Year.

15.1.3 If the amount deducted exceeds any of these limits, the Participant's Employer must repay the excess to the Participant as soon as practicable, after the deduction of income tax under PAYE and NICs.

15.2 Minimum deduction of Partnership Share Money

The Board may from time to time specify a minimum deduction of Partnership Share Money that a Participant may pay. It may not be greater than £10 (or such other amount as may be permitted by paragraph 47 of Schedule 2 from time to time) and it must be the same for all Awards of Partnership Shares to be made in response to, or applicable to, invitations issued on the same occasion.

16. Limit of available Shares

16.1 Board may set a limit

16.1.1 The Board may set an overall maximum on the number of Shares that may be awarded as Partnership Shares. The limit may be a limit applying only to Awards made at the same time or a limit applying to all Awards or both.

16.1.2 The Board may also set an individual limit on the number of Shares that may be awarded as Partnership Shares; the individual limit must be the same for all Awards made at the same time.

16.1.3 The Company must tell each Participant of any limits set by the Board under this rule 16.1:

- (i) if there is an Accumulation Period, before the beginning of that period; and
- (ii) if there is no Accumulation Period, before the first deduction of Partnership Share Money relating to the Award.

16.2 Scaling down

16.2.1 If the Company receives applications for Partnership Shares exceeding the overall maximum set under rule 16.1, then applications will be scaled down in the following order until the excess is eliminated:

- (i) first, the excess of the monthly deductions of Partnership Share Money chosen by each applicant over the minimum specified by the Board under rule 15.2 will be reduced pro rata;
- (ii) secondly, all monthly deductions of Partnership Share Money will be reduced to the minimum specified by the Board under rule 15.2; and
- (iii) thirdly, applications will be selected by lot based on the minimum specified by the Board under rule 15.2.

16.2.2 Each application is deemed to have been modified or withdrawn in accordance with these provisions. The Company must tell each applicant of the change.

17. Collection and payment of Participants' deductions of Partnership Share Money

17.1 Collection of deductions of Partnership Share Money

In accordance with the terms of a Participant's Partnership Share Agreement, the Participant's Employer must deduct the Partnership Share Money due from each payment of Salary and, as soon as practicable afterwards, pay it to the Trustee.

17.2 Stopping Partnership Share Money deductions

A Participant may at any time give written notice to their Employer to stop Partnership Share Money deductions. Unless a later date is specified in the notice, the Employer must stop the deductions within 30 days of receiving the notice.

17.3 Resuming Partnership Share Money deductions

17.3.1 A Participant who has stopped Partnership Share Money deductions may subsequently give a written notice to the Participant's Employer to re-start deductions but the Participant may not make up any Partnership Share Money deductions that have been missed. A Participant may not re-start Partnership Share Money deductions more than once in any Accumulation Period.

17.3.2 Unless a later date is specified in the notice, the Employer must, on receiving a notice, re-start Partnership Share Money deductions no later than the date of the first deduction due under the Partnership Share Agreement more than 30 days after receipt of the notice.

17.4 Varying Partnership Share Money deductions

17.4.1 A Participant may give written notice to their Employer to vary the amount of Partnership Share Money deductions, subject to the limits specified in rules 15 and 16.

17.4.2 If the Board agrees, the Employer must so vary the Participant's deductions of Partnership Share Money within 30 days of receiving the notice.

18. Application of Partnership Share Money

18.1 Trustee to hold money

The Trustee must hold any Partnership Share Money received by it on behalf of the relevant Participant until such time as the Trustee either:

- (i) applies it to buy Partnership Shares on the Participant's behalf; or
- (ii) pays it to the Participant as mentioned in rules 19.4 and 20.

18.2 Money to be held in an account

18.2.1 The Trustee must keep any Partnership Share Money in an account (interest bearing or otherwise) with:

- (i) a person falling within section 991(2)(b) of the Income Tax Act 2007;
- (ii) a building society; or
- (iii) a firm falling within section 991(2)(c) of the Income Tax Act 2007,

until it is either used to buy Partnership Shares or, in accordance with the Plan, returned to the Participant from whose Salary it was deducted.

18.2.2 The Trustee must account to a Participant for any interest earned by the Trustee on the Participant's Partnership Share Money.

18.2.3 A Trustee which is a bank or building society will, notwithstanding any benefit which may accrue to it as a result, itself be entitled to hold Partnership Share Money in a designated account in its capacity as a bank or building society and not be obliged to account for any resultant profit.

19. Acquisition of Partnership Shares

19.1 No Accumulation Period

19.1.1 This rule 19.1 applies if there is not an Accumulation Period. The Trustee must use the Partnership Share Money to buy Shares on behalf of the Participants on the Acquisition Date in accordance with rule 31.

19.1.2 The number of Shares awarded to each Participant must be determined in accordance with the Market Value of the Shares on the Acquisition Date but may not exceed any individual limit set in accordance with rule 16.

19.2 Accumulation Period

19.2.1 This rule 19.2 applies if there is an Accumulation Period. The Trustee must use the Partnership Share Money deducted in the Accumulation Period to buy Shares on behalf of the Participants on the Acquisition Date in accordance with rule 31. This is subject to rule 20.

19.2.2 The number of Shares awarded to each Participant must be determined in accordance with one of sub-paragraphs (3), (3A) and (3B) of paragraph 52 of Schedule 2, but may not exceed any individual limit set in accordance with rule 16. The Partnership Share Agreement must specify which one of those sub-paragraphs is to apply for the purposes of that Partnership Share Agreement.

19.2.3 If a transaction happens during the Accumulation Period which results in a new holding of shares being equated for the purposes of capital gains tax with any of the Shares to

be acquired under the Partnership Share Agreement, the Participant may agree that the Partnership Share Agreement will have effect after the time of that transaction as if it were an agreement for the purchase of shares comprised in the new holding.

19.3 Notification

As soon as practicable after Partnership Shares have been acquired on behalf of a Participant, the Trustee must give the Participant notice of:

- (i) the number and description of the Partnership Shares awarded to the Participant on that occasion;
- (ii) if the Partnership Shares are subject to any Restriction, details of the Restriction;
- (iii) the amount of Partnership Share Money applied by the Trustee in buying those Partnership Shares;
- (iv) the Acquisition Date; and
- (v) the Market Value in accordance with which the number of Partnership Shares was determined.

19.4 Surplus Partnership Share Money

Any surplus Partnership Share Money not used to buy Shares may:

- (i) if there is an Accumulation Period, be carried forward to the next Accumulation Period; and
- (ii) if there is no Accumulation Period, be carried forward and added to the amount of the next deduction

but in each case only with the agreement of the Participant. In any other case, the Trustee must pay the Participant the surplus money, after deduction of income tax under PAYE and NICs, as soon as practicable after the Award of Partnership Shares.

20. Repayment of Partnership Share Money

20.1 Ceasing to be in Relevant Employment

20.1.1 Where a Participant ceases to be in Relevant Employment:

- (i) if there is an Accumulation Period, during an Accumulation Period; and
- (ii) subject to rule 20.1.2, if there is no Accumulation Period, prior to the next deduction of Partnership Share Money,

the Trustee may not use the Participant's Partnership Share Money to buy Shares for the Participant but must as soon as practicable afterwards pay the Partnership Share Money to the Participant, after deduction of income tax under PAYE and NICs.

20.1.2 Where:

- (i) there is no Accumulation Period and a Participant ceases to be in Relevant Employment after a deduction of Partnership Share Money but before the Shares relating to such deduction have been awarded; or
- (ii) there is an Accumulation Period and a Participant ceases to be in Relevant Employment after the end of the Accumulation Period but before the Shares relating to that Accumulation Period have been awarded,

the Participant will be treated as ceasing to be in Relevant Employment immediately after the Shares are awarded to the Participant.

20.2 Withdrawal from Partnership Share Agreement

20.2.1 A Participant may at any time give written notice to the Company to withdraw from the Participant's Partnership Share Agreement. Unless a later date is specified in the notice, a notice of withdrawal will take effect 30 days after it is received by the Company.

20.2.2 Where a Participant withdraws from a Partnership Share Agreement, the Trustee must as soon as practicable afterwards pay the Participant the Participant's Partnership Share Money, after deduction of income tax under PAYE and NICs.

20.3 Plan ceasing to be a Schedule 2 SIP or termination

20.3.1 If the Plan is not to be a Schedule 2 SIP by virtue of paragraph 81H or 81I of Schedule 2, the Trustee must, as soon as practicable after the relevant day, pay to the Participants any Partnership Share Money held on behalf of them, after deduction of income tax under PAYE and NICs. For this purpose, the relevant day has the meaning given in sub-paragraphs 56(2A) or (2B) of Schedule 2.

20.3.2 If a Termination Notice is given under rule 45, the Trustee must as soon as practicable pay to the Participants any Partnership Share Money held on behalf of them, after deduction of income tax under PAYE and NICs.

21. Transfer of Partnership Shares

21.1 No forfeiture

Partnership Shares may not be subject to any provision for forfeiture.

21.2 Voluntary withdrawal

A Participant may at any time give written notice to the Trustee to withdraw any or all of the Participant's Partnership Shares from the Plan in which case the Trustee must, subject to rule

37. transfer those Partnership Shares to the Participant (or as the Participant may direct) as soon as practicable afterwards.

21.3 Compulsory transfer

Subject to rule 37, the Trustee must transfer a Participant's Partnership Shares to the Participant (or as the Participant may direct) if the Participant ceases to be in Relevant Employment.

PART 5 MATCHING SHARES

22. Application of Part 5 – Matching Shares

Part 5 applies if the Board decides to make Awards of Matching Shares on any occasion.

23. Participation in Awards of Matching Shares

23.1 Partnership Share Agreement

23.1.1 In addition to the matters specified in rule 14.2, the Partnership Share Agreement must bind the Eligible Employee in contract with the Company:

- (i) to permit the Matching Shares to remain the hands of the Trustee; and
- (ii) not to assign, charge or otherwise dispose of the beneficial interest in the Matching Shares,

throughout the Holding Period except as mentioned in the Partnership Share Agreement and in rule 33. The Partnership Share Agreement must:

- (iii) set out the ratio (which may not exceed 2:1 or such other limit as may be permitted by paragraph 60 of Schedule 2 from time to time) of Matching Shares to Partnership Shares;
- (iv) state the circumstances and manner in which the ratio may be changed by the Board and require the Participant to be notified of any change before the Partnership Shares are bought;
- (v) state the circumstances, if any, in which Matching Shares may be forfeited in accordance with rule 30; and
- (vi) state the Holding Period.

23.1.2 Alternatively, where the Partnership Share Agreement is to be entered into in advance of, and with the intention of being applicable to, future Awards of Matching Shares, it must contain an undertaking from the Company that this information will be contained in the invitation issued under rule 14.1.

23.2 Entry into Partnership Share Agreement

In order to receive Matching Shares, the Eligible Employee must enter into a Partnership Share Agreement (which may be in one or more documents) in relation to the Partnership Shares in respect of which Matching Shares are to be awarded.

23.3 Length of Holding Period for Matching Shares

The Holding Period:

- (i) must not be less than three years, nor more than five years, beginning with the Award Date;
- (ii) must be the same for all Awards of Matching Shares made at the same time; and
- (iii) may not be increased once an Award has been granted.

23.4 Trustee must transfer Matching Shares

Subject to rules 30 and 37, the Trustee must transfer a Participant's Matching Shares to the Participant (or as the Participant may direct) when the Participant ceases to be in Relevant Employment.

24. Awards of Matching Shares

24.1 Payment of Employer contributions

Each Employer must, at the request of the Company, make a contribution to the Trustee for the benefit of those of the Participants who are employed by it and who are entitled to an Award of Matching Shares. The contribution must be sufficient, and made in time, to allow the Trustee to acquire the Matching Shares.

24.2 Acquisition of Matching Shares

The Trustee must:

- (i) use the whole of the contributions received by it to buy Shares in accordance with rule 31;
- (ii) ensure that the Matching Shares are of the same class and carry the same rights as the Partnership Shares to which they relate;
- (iii) award the Matching Shares on the same day as the Partnership Shares to which they relate are acquired on behalf of the Participant; and
- (iv) award the Matching Shares to all Participants who are entitled to the Award on exactly the same basis.

24.3 Notification

As soon as practicable after Matching Shares have been awarded to a Participant, the Trustee must give the Participant notice of:

- (i) the number and description of the Matching Shares awarded to the Participant on that occasion;

- (ii) if the Matching Shares are subject to any Restriction, details of the Restriction;
- (iii) the Award Date;
- (iv) their Market Value on the Award Date; and
- (v) the Holding Period applicable to them.

PART 6
REINVESTMENT OF CASH DIVIDENDS

25. Reinvestment of cash dividends

25.1 General

25.1.1 The Board may direct:

- (i) that the Trustee must use some or all of the cash dividends received in respect of Participants' Plan Shares to buy Dividend Shares for them; or
- (ii) that all dividends will be paid in cash to the Participants entitled to them as soon as practicable after receipt; or
- (iii) that Participants should have a choice between these alternatives.

25.1.2 The Board may from time to time make a new direction or modify a previous direction under this rule 25, in which case it must give written notice of the change to the Trustee and all Participants.

25.1.3 A direction given to the Trustee under rule 25.1.1(i) or (iii) must set out the information required by paragraph 62(1A) of Schedule 2.

25.2 Free Share and Partnership Share Agreements

The Free Share Agreement or the Partnership Share Agreement must bind the Eligible Employee in contract with the Company:

- (i) to permit the Participant's Dividend Shares to remain in the hands of the Trustee; and
- (ii) not to assign, charge or otherwise dispose of the beneficial interest in the Participant's Dividend Shares,

throughout the Holding Period except as mentioned in the agreements and in rule 33.

25.3 Trustee must transfer Dividend Shares

Subject to rule 37, the Trustee must transfer a Participant's Dividend Shares to the Participant (or as the Participant may direct) when the Participant ceases to be in Relevant Employment.

26. General requirements for Dividend Shares

Dividend Shares must be:

- (i) Shares of the same class and carrying the same rights as the Shares in respect of which the dividend is paid; and
- (ii) Shares which are not subject to any provision for forfeiture.

27. Acquisition of Dividend Shares

27.1 General

To the extent required by the Partnership Share Agreement, the Trustee must use the cash dividends received by it in respect of a Participant's Plan Shares to buy Dividend Shares on behalf of the Participant on the Acquisition Date in accordance with rule 31. Otherwise, the Trustee will account to the Participant for any such cash dividends as soon as practicable. In exercising its powers in relation to the acquisition of Dividend Shares, the Trustee must treat Participants fairly and equally.

27.2 Number of Dividend Shares

The number of Dividend Shares acquired on behalf of each Participant must be determined in accordance with the Market Value on the Acquisition Date.

28. Certain amounts not reinvested to be carried forward

28.1 Carry-over amounts

Any amount that is not reinvested because the amount of the cash dividend to which the Participant is entitled is not sufficient to acquire a Share may be retained by the Trustee in such manner as the Trustee may determine so as to be separately identifiable and carried forward to be added to the amount of the next cash dividend.

28.2 Repayment

The Trustee must as soon as practicable pay to the Participant any amount retained under rule 28 if:

- (i) the Participant ceases to be in Relevant Employment; or
- (ii) a Termination Notice is given under rule 45.

29. Notification

As soon as practicable after Dividend Shares have been awarded to a Participant, the Trustee must give the Participant notice of:

- (i) the number and description of the Dividend Shares awarded to the Participant on that occasion;
- (ii) if the Dividend Shares are subject to any Restriction, details of the Restriction;
- (iii) the Acquisition Date;
- (iv) their Market Value on the Acquisition Date;
- (v) the Holding Period applicable to them; and

- (vi) any amount not reinvested and carried forward for the acquisition of further Dividend Shares.

PART 7 FORFEITURE

30. Forfeiture

30.1 Application

30.1.1 If the Board so decides on or before the Award Date of Free or Matching Shares, some or all of the Free or Matching Shares may be made subject to forfeiture provisions, other than if the Participant ceases to be in Relevant Employment because of:

- (i) death;
- (ii) injury;
- (iii) disability;
- (iv) redundancy within the meaning of the Employment Rights Act 1996;
- (v) retirement;
- (vi) a relevant transfer within the meaning of the Transfer of Undertakings (Protection of Employment) Regulations 2006;
- (vii) if the Relevant Employment is with an Associated Company of the Company, that company ceasing to be an Associated Company of the Company, by reason of a change of control (as determined in accordance with sections 450 and 451 of the Corporation Tax Act 2010); and
- (viii) the transfer of the business or a part of the business by which the Participant holds Relevant Employment to a person other than an Employer and/or an Associated Company of the Company where the transfer is not a relevant transfer within the meaning of the Transfer of Undertakings (Protection of Employment) Regulations 2006.

30.1.2 Unless the Board determines otherwise on or before the Award Date of Free or Matching Shares, any forfeiture provision imposed under rule 30.1.1 will not apply to Free or Matching Shares on or following the acquisition of Control of the Company by a third party, other than in circumstances where that party is a company and the shareholders of the acquiring company immediately after the acquisition are substantially the same as those of the Company immediately before the acquisition.

30.1.3 Unless the Board determines otherwise on or before the Award Date of Matching Shares, any forfeiture provision imposed under rule 30.1.1 will not apply to Matching Shares on the withdrawal from the Plan of the Partnership Shares to which those Matching Shares relate, where such withdrawal occurs on or following the acquisition of Control of the Company by a third party, other than in circumstances where that party is a company and the shareholders of the acquiring company immediately after the

acquisition are substantially the same as those of the Company immediately before the acquisition.

30.1.4 The same forfeiture provisions must apply in relation to all Free or Matching Shares included in all Awards made at the same time, and forfeiture may only take place within such period determined by the Board and specified in the Free Share Agreement or Partnership Share Agreement not exceeding three years of the Free Shares or Matching Shares being awarded.

30.1.5 Partnership Shares and Dividend Shares may not be made subject to any provision for forfeiture.

30.2 Consequences of forfeiture

If a Participant's Shares are forfeited, the Participant will cease to be beneficially entitled to the Shares and have no right to or in respect of them and those Shares will be held by the Trustee as Surplus Assets.

PART 8 GENERAL

31. Acquisition of Shares

31.1 General

Rule 31 applies whenever Shares are to be acquired under the Plan.

31.2 Method of acquisition

The Board must decide whether the Trustee is to acquire Shares:

- (i) by subscription at a price determined in accordance with rule 31.4; or
- (ii) by purchase; or
- (iii) partly by subscription and partly by purchase.

31.3 Trustee may use surplus Shares

References in this Plan to the Trustee acquiring Shares include the Trustee transferring to a Participant the beneficial interest in surplus Shares already held by the Trustee. Any monies which the Trustee would otherwise have used to buy the Shares must be held by the Trustee as Surplus Assets.

31.4 Subscription price

Subject to it being not less than the nominal value of a Share, the subscription price will be:

- (i) in the case of Free and Matching Shares, such amount as the Board may decide;
- (ii) in the case of Dividend Shares, the Market Value on the Acquisition Date; and
- (iii) in the case of Partnership Shares, the Market Value on the Acquisition Date or, where rule 19.2 applies, the Market Value as specified in the Partnership Share Agreement in accordance with one of sub-paragraphs (3), (3A) or (3B) of paragraph 52 of Schedule 2.

31.5 Allotment of Shares

Any Shares issued to the Trustee must rank equally in all respects with other Shares then in issue except for rights which attach to Shares by reference to a record time or date prior to the time or date of issue.

31.6 Listing

If and so long as the Shares are traded on the London Stock Exchange, the Company will apply for listing of any Shares issued under the Plan as soon as reasonably practicable.

31.7 Shares carrying different rights

31.7.1 The Trustee must, in so far as is practicable, ensure that all Shares acquired for the purpose of making Awards at the same time are acquired either “ex dividend”, “ex rights” or “ex capitalisation” or, as the case may be, “cum dividend”, “cum rights” or “cum capitalisation”.

31.7.2 If the Trustee acquires Shares the rights in respect of which are not identical, the Trustee must allocate the Shares in respect of which the rights are not identical proportionately amongst all the Participants to whom Awards are made of those Shares.

32. Plan limit

32.1 Dilution limit

The number of Shares over which the Board may make Awards on any date will be limited so that it does not exceed the limit specified in rule 32.2. The limit specified in rule 32.2 only applies to Awards which are to be satisfied (directly or indirectly) by the issue of new Shares or the transfer of Treasury Shares.

32.2 10% in ten years

The limit is the number of Shares representing ten per cent. of the Company’s equity share capital on the Award Date or Acquisition Date less the aggregate of:

32.2.1 the number of Shares allocated in respect of awards granted within the previous ten years under any employee share scheme;

32.2.2 the number of Shares remaining to be allocated in respect of awards granted on the same date or within the previous ten years under any employee share scheme; and

32.2.3 the number of Shares allocated on the same date or within the previous ten years under any employee share scheme otherwise than in respect of an award.

32.3 Interpretation

For the purposes of this rule 32:

32.3.1 “**allocate**” means the issue of new Shares or the transfer of Treasury Shares in satisfaction (directly or indirectly) of a person’s right under an award;

32.3.2 an “**award**” means any right to acquire or receive Shares whether conditional or unconditional and whether or not for payment;

32.3.3 an “**employee share scheme**” means any employees’ share scheme (within the meaning given in section 1166 of the Companies Act 2006) for employees of the Group which has been adopted by the Company;

32.3.4 “**equity share capital**” has the meaning given in section 548 of the Companies Act 2006;

32.3.5 no account will be taken of Shares acquired by an employee or former employee (or the personal representatives of such a person) where the Shares are acquired for a price equal to their market value at or about the date of acquisition and the cost of those Shares is borne by (or by the estate of) the employee or former employee;

32.3.6 no account will be taken of awards which are relinquished or lapse;

32.3.7 subject to rule 32.3.8, no account will be taken of an award if and to the extent to which the Board considers that it will be satisfied by the transfer of existing Shares other than Treasury Shares or cash;

32.3.8 any Shares allocated or remaining to be allocated to the trustee of any trust established by a Group Member which were used or which are to be used to satisfy awards granted under an employee share scheme must be treated as having been allocated or as remaining to be allocated in respect of those awards unless the Shares were acquired by the trustee pursuant to a rights issue or other opportunity offered to the trustee in respect of the Shares;

32.3.9 account will only be taken of Treasury Shares for so long as this is required under institutional shareholder guidelines; and

32.3.10 where an award was granted in consideration of the release by an individual holding an award previously granted to that individual under an employee share scheme, then the earlier award will be ignored and the later award will be deemed to have been granted at the same time as the earlier award.

32.4 Multiple related awards

Where an individual is granted two awards on terms that the exercise, vesting or release of one will automatically result in a reduction to the extent to which the other may be exercised, vest or be released and vice versa, then for the purposes of this rule 32 it will only be necessary to take into account that number of Shares which could be acquired in respect of those awards having regard to those terms.

32.5 Adjustments for variation of share capital

The Board may adjust the limit specified in rule 32.2 in the event of a variation of the equity share capital of the Company.

33. Exceptions to the restrictions during the Holding Period

During the Holding Period a Participant may direct the Trustee:

- (i) to accept an offer for any of the Participant’s Plan Shares (the “**Original Shares**”) if the acceptance or agreement will result in a new holding being equated with the Original Shares for the purpose of capital gains tax;

- (ii) to accept an offer of a Qualifying Corporate Bond (whether alone or with other assets or cash or both) for the Participant's Plan Shares if the offer forms part of such a general offer as is mentioned in (iii);
- (iii) to accept an offer of cash, with or without other assets, for the Participant's Plan Shares if the offer forms part of a general offer which is made to holders of shares of the same class as the Participant's or of shares in the same company and which is made in the first instance on a condition such that if it is satisfied the person making the offer will have control of that company within the meaning of sections 450 and 451 of the Corporation Tax Act 2010;
- (iv) to agree to a transaction affecting the Participant's Plan Shares or such of them as are of a particular class, if the transaction would be entered into pursuant to a compromise, arrangement or scheme applicable to or affecting:
 - (a) all the ordinary share capital of the Company or, as the case may be, all the shares of the class in question; or
 - (b) all the shares, or all the shares of the class in question, which are held by a class of shareholders identified otherwise than by reference to their employment or their participation in a Schedule 2 SIP; or
- (v) if in the case of a takeover offer (within the meaning given by section 974 of the Companies Act 2006) there arises a right under section 983 of the Companies Act 2006 to require the offeror to acquire the Participant's Plan Shares, or such of them as are of a particular class, to exercise that right;
- (vi) as to how to act in respect of their Shares held by the Trustee, in the event of a rights issue, notwithstanding rule 35 below.

34. Company Reconstructions

34.1 Application of rule 34

Rule 34 applies if there occurs in relation to any of a Participant's Plan Shares (the "**Original Holding**"):

- (i) a transaction which results in a new holding (the "**New Holding**") being equated with the Original Holding for the purposes of capital gains tax; or
- (ii) a transaction which would have that result but for the fact that what would be the New Holding consists of or includes a Qualifying Corporate Bond.

34.2 Shares to be excluded from New Holding

If an issue of shares of any of the following description (in respect of which a charge to income tax arises) is made as part of a Company Reconstruction those shares will be treated for the purposes of rule 34 as not forming part of the New Holding:

- (i) redeemable shares or securities issued as mentioned in paragraph C or D in section 1000(1) of the Corporation Tax Act 2010;
- (ii) share capital issued in circumstances such that section 1022(3) of the Corporation Tax Act 2010 applies; or
- (iii) share capital to which section 410 of the Income Tax (Trading and Other Income) Act 2005 applies that is issued in a case where subsection (2) or (3) of that section applies.

34.3 Consequences of a Company Reconstruction

34.3.1 Any reference in this Plan to a Participant's Plan Shares is to be construed, after the time of the Company Reconstruction, as being or, as the case may be, as including references to any New Shares.

34.3.2 For the purposes of the Plan:

- (i) a Company Reconstruction will be treated as not involving a disposal of Shares comprised in the Original Holding; and
- (ii) the date on which any New Shares are to be treated as having been awarded to the Participant will be that on which Corresponding Shares were so awarded.

34.4 Interpretation

In this rule 34:

- (i) **"Company Reconstruction"** means a transaction to which rule 34.1 applies;
- (ii) **"Corresponding Shares"** means, in relation to any New Shares, the Shares in respect of which the New Shares are issued or which the New Shares otherwise represent; and
- (iii) any reference in this rule to shares includes securities and rights of any description which form part of the New Holding for the purposes of Chapter 2 of Part 5 of the Taxation of Chargeable Gains Act 1992.

35. Rights issues

35.1 General

Any shares or securities allotted by virtue of rights arising under a rights issue will be treated as Plan Shares identical to the shares in respect of which the rights were conferred. They will be treated as if they were awarded to the Participant under the Plan in the same way and at the same time as those shares. For this purpose, references to rights arising under a rights issue are to rights to be allotted, on payment, other shares or securities or rights of any description in the same company.

35.2 Exceptions

Rule 35.1 does not apply:

- (i) to shares and securities allotted as the result of taking up a rights issue where the funds to exercise those rights were obtained otherwise than by virtue of the Trustee disposing of rights in accordance with this rule; or
- (ii) where the rights to a share issue attributed to Plan Shares are different from the rights attributed to other ordinary shares of the Company.

36. Allocation of shares and other assets

36.1 Allocation amongst Participants

36.1.1 This rule 36.1 applies if the Trustee becomes entitled to receive any shares, securities or other rights in respect of its holding of Participants' Plan Shares.

36.1.2 The Trustee must allocate such shares, securities or other rights amongst the Participants concerned on a proportionate basis. If the allocation gives rise to a fraction of a share, security or other right, the Trustee must:

- (i) round such aggregate allocation down to the next whole share, security or other right; and
- (ii) sell any remaining shares, securities or rights and, subject to rule 46.2, distribute the net proceeds (after expenses and taxation) to the Participants concerned in due proportion.

36.2 Allocation amongst a Participant's Free, Matching, Partnership and Dividend Shares

36.2.1 This rule 36.2 applies where the Trustee receives any New Shares in respect of its holding of a Participant's Plan Shares.

36.2.2 The Trustee must allocate the New Shares to that Participant on a proportionate basis by reference to the Participant's Free Shares, Matching Shares, Partnership Shares and Dividend Shares and to the relative times of the award of those Shares.

36.2.3 If the allocation gives rise to a fraction of a New Share, the Trustee must round the allocation up or down to the next whole New Share as it thinks fit.

37. Tax

37.1 PAYE obligations

37.1.1 Where a PAYE obligation arises because any of a Participant's Plan Shares cease to be subject to the Plan, the Trustee must meet that obligation by selling some or all of the Participant's Plan Shares unless the Participant pays to the Trustee a sum equal to the amount required to discharge the obligation.

37.1.2 For these purposes:

- (i) the reference to a PAYE obligation includes an obligation under sections 510 to 512 of ITEPA and any obligation to deduct NICs; and
- (ii) the reference to selling Shares includes the buying of the Shares by the Trustee for the purposes of the Plan.

37.1.3 The Trustee must keep the records necessary to enable it to carry out its PAYE obligations (including with respect to sections 510 to 514 of ITEPA) and the PAYE obligations of the Employers so far as they relate to the Plan.

37.2 Participant's income tax

37.2.1 Where the Trustee receives a sum of money which constitutes a Capital Receipt in respect of which a Participant is chargeable to income tax as employment income under ITEPA, the Trustee must pay to the Employer a sum equal to that on which income tax is so payable.

37.2.2 Where the Participant becomes liable to income tax under ITEPA or Chapter 3 or 4 of Part 5 of the Income Tax (Trading and Other Income) Act 2005 by reason of the Participant's participation in the Plan (including, without limitation, the Participant's Shares ceasing to be subject to the Plan), the Trustee must give the Participant written notice of any facts which are relevant to determining that liability.

37.2.3 Where any foreign cash dividend is received in respect of a Participant's Plan Shares, the Trustee must give the Participant written notice of the amount of any foreign tax deducted from the dividend before it was paid.

38. Voting rights

38.1 General

If required to do so by the Company, the Trustee, on receipt of reasonable notice from the Company of any relevant meeting and of full details of the resolutions proposed, will invite Participants to direct the Trustee on the exercise of any voting rights attaching to Plan Shares held by the Trustee on their behalf.

38.2 Conduct of Trustee

38.2.1 The Trustee is not obliged to seek directions from a Participant as to how to exercise the voting rights in respect of a Participant's Plan Shares. However, if the Trustee receives written directions from a Participant, the Trustee must exercise the voting rights in respect of that Participant's Plan Shares in accordance with those directions except that:

- (i) the Trustee will not do so on a show of hands unless all Participants have directed it to do so in the same way; and

- (ii) the Trustee may ignore and take no action in respect of directions received less than three working days prior to the date on which the voting rights in question may be exercised.

38.2.2 In the absence of any direction from the Participant, the Trustee must not exercise its voting rights. The Trustee will also not vote in respect of unallocated or unappropriated Shares or any Shares held under the Plan which are not registered in the Trustee's name. Where Shares held under the Plan are registered in the name of a nominee for the Trustee, the Trustee will, except as provided in 38.2.1 above, arrange for the directions of Participants to be carried out by the nominee.

38.2.3 The Trustee will not be obliged to attend any particular meeting and may exercise the voting rights either personally or by proxy.

39. Transfer

A Participant may not transfer, assign or otherwise dispose of an Award or any rights in respect of it. If the Participant does, whether voluntarily or involuntarily, then it will immediately lapse. This rule 39 does not apply to the transmission of an Award on the death of a Participant to the Participant's personal representatives.

40. Not pensionable

None of the benefits received under the Plan are pensionable, except that any pre-tax salary used to purchase Partnership Shares will continue to count towards pensionable salary.

41. Directions and notices

41.1 To the Company and the Trustee

41.1.1 A person may give notice to the Company or the Trustee by delivering it to, or sending it to the Company or, as the case may be, the Trustee, marked for the attention of the Company Secretary. The Company or the Trustee may make other arrangements to receive notices including (without limitation) facsimile or e-mail or other electronic means (including the internet and the intranet).

41.1.2 To be valid any direction to the Company or the Trustee in respect of a Participant's Plan Shares must be given by or on behalf of the Participant or any person in whom the beneficial interest in the Participant's Shares is for the time being vested and will only be effective when received by the Company or, as the case may be, the Trustee. The direction must be given in writing or by such other means as the Company or, as the case may be, the Trustee may decide including (without limitation) facsimile or e-mail (including the internet and the intranet).

41.1.3 Where a direction is duly given and received as mentioned in this rule, the Trustee must use its best endeavours to carry it out as soon as practicable after receipt and is not to incur any liability to any person for so doing.

41.2 To Eligible Employees and Participants

41.2.1 Any notice to an Eligible Employee or Participant may be given personally or through the internal post or by sending it by post, e-mail or facsimile to the address or number given by that person or by other electronic means including the internet or intranet.

41.2.2 Where a notice or document is sent to an Eligible Employee or Participant by post, it will be treated as being received 72 hours after it was put into the post properly addressed and stamped. In all other cases, the notice or document will be treated as received when it is given.

41.2.3 All notices and documents given or sent to Eligible Employees or Participants will be given or sent at the risk of the addressee. Neither the Company nor any of its Subsidiaries nor the Trustee has any liability in respect of any notice or document given or sent, nor any obligation to check that the addressee actually receives it.

42. Errors and omissions

If as a result of an error or omission Free, Partnership, Matching or Dividend Shares are not awarded to a Participant in accordance with the Plan, the Company, the Employer and the Trustee may, but without obligation so to do, do all such acts and things as may be agreed with HMRC to rectify the error or omission.

43. Relationship to contract of employment

The rights and obligations of any individual under the terms of that individual's office or employment with the Company or a Subsidiary will not be affected by that individual's participation in this Plan or any right which that individual may have to participate in it, and an individual who participates in it will waive all and any rights to compensation or damages in consequence of the termination of their office or employment for any reason whatsoever insofar as those rights arise or may arise from the individual ceasing to have rights under the Plan as a result of such termination.

Except as required by law, no money or money's worth any individual receives under the Plan will form part of the individual's remuneration for any purpose whatsoever.

43.1 Data protection

43.1.1 During the Participant's participation in the Plan, the Company will have access to and process, or authorise the processing of, personal data (as defined in the Data Protection Act 2018, the EU General Data Protection Regulation 5419/16 in such form as incorporated into the law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (as amended) and any regulations thereunder and/or any implementing legislation (together, the "**Data Protection Laws**")) held and controlled by any Group Member and relating to employees or customers of any Group Member, or other individuals. Each Group Member will comply with the terms of the Data Protection Laws, and the Company's data protection policies issued from time to time, in relation to such data.

43.1.2 Any Group Member and its employees and agents may from time to time hold, process and disclose Participants' personal data in accordance with the terms of the Company's employee privacy notice and data protection policy in force from time to time.

44. Amendments

44.1 Board's powers

Subject to the rest of this rule 44, the Board may at any time with the Trustee's consent amend the Plan in any way.

44.2 Shareholder approval

44.2.1 Subject to rule 44.2.2, the Company's shareholders must approve in advance by ordinary resolution any proposed amendment to the Plan to the advantage of present or future Participants, which relates to the following:

- (i) the persons to or for whom Shares may be provided under the Plan;
- (ii) the limit on the number of Shares which may be issued or transferred from treasury under the Plan;
- (iii) the maximum entitlement for any Participant;
- (iv) the basis for determining a Participant's entitlement to, and the terms of, Shares provided under the Plan;
- (v) the rights of a Participant in the event of a capitalisation issue, rights issue or open offer, sub-division or consolidation of shares or reduction of capital or any other variation of the equity share capital of the Company; or
- (vi) the terms of this rule 44.2.

44.2.2 The Board can amend the Plan and need not obtain the approval of the Company in general meeting for any minor amendments:

- (i) to benefit the administration of the Plan;
- (ii) to comply with or take account of the provisions of any proposed or existing legislation; or
- (iii) to obtain or maintain favourable tax, exchange control or regulatory treatment of any Group Member or any present or future Participant.

44.3 Power to amend - limitations

No amendment may be made which infringes the rule against perpetuities.

45. Ending the Plan

45.1 General

The Plan will end if the Company gives a notice (a “**Termination Notice**”) in accordance with rule 45.2. The Company will give a Termination Notice to expire on or before the end of the Trust Period. No further Shares may be awarded to individuals under the Plan following the Company issuing a Termination Notice.

45.2 Termination Notice

A copy of the Termination Notice must be given immediately to:

- (i) the Trustee; and
- (ii) each individual who has Plan Shares or who has entered a Partnership Share Agreement which was in force immediately before the notice was issued.

45.3 Life of Plan

No Awards of Free Shares, Partnership Shares, Matching Shares or Dividend Shares may be granted after the Expiry Date.

46. Miscellaneous

46.1 Shareholders’ documents

Neither the Trustee nor the Company is under any obligation to provide Participants with copies of the annual report and accounts or notices and circulars sent to the Company’s shareholders.

46.2 Small amounts

If any Capital Receipt to be distributed to a Participant is £3 or less, the Trustee may retain such amount and use it in meeting the costs and expenses of administering the Plan including the payment of its remuneration.

46.3 Overseas sub-plans

The Board may establish further sub-plans based on the Plan but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any Shares made available under such further sub-plans are treated as counting against the limit set in rule 32.

46.4 Contracts (Rights of Third Parties) Act 1999

No term of the Plan confers any benefit, right or expectation on a person who is not an Employee. No such third party has any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Plan. This does not affect any other right or remedy of a third

party that may exist. For the purposes of this rule 46.4, “**Employee**” means any employee of a Group Member.

46.5 Governing law and jurisdiction

English law governs the Plan and its construction. The courts of England and Wales will have exclusive jurisdiction in respect of disputes arising under or in connection with the Plan or any Award.