



12.05 Mark-up of 2020 LTIP Rules to show proposed 2023 amendments
6 September 2023 Remuneration Committee meeting

RULES OF THE
RICARDO PLC 2020 LONG TERM INCENTIVE PLAN

(Approved by the shareholders of the Company in general meeting on 12 November 2020 and adopted by the Board of Directors of the Company with effect from 25 November 2020 and amended by the Remuneration Committee of the Board of Directors of the Company with effect from [insert date], which amendment was approved by the shareholders of the Company in general meeting on [insert date])

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RULES OF THE RICARDO PLC 2020 LONG TERM INCENTIVE PLAN

1. Interpretation

1.1 In these Rules and the Schedule the following expressions have the following meanings unless inconsistent with the context:

"Allocated"	has the meaning given in Rule 8.4;
"Award"	a Retention Award or a Performance Award;
"Award Certificate"	a certificate provided to a Participant pursuant to Rule 3.3;
"Board"	the board of directors for the time being of the Company or the directors present at a duly convened meeting of the directors or a duly appointed committee thereof at which a quorum is present;
"Clawback"	has the meaning given in Rule 18.4;
"Committee"	the remuneration committee of the Board or, on and after the occurrence of a Rule 17 Event, the remuneration committee of the Board as constituted immediately before such event occurs;
"Company"	Ricardo PLC (registered number 00222915);
"Conditional Award"	a conditional right to acquire Shares subject to the Rules made on terms that the Participant has no legal and/or beneficial interest in the Shares comprised in such Conditional Award until they have been Released following Vesting;
"Control"	the meaning given to that expression by section 995 of the Income Tax Act 2007 (and "Controlled" shall be construed accordingly);
"Date of Adoption"	the date on which the Plan's adoption by the Board becomes effective;
"Date of Approval"	the date on which the Plan is first approved by the Company in general meeting;
"Date of Grant"	in respect of an Award, the date upon which that Award is granted by the Company pursuant to Rule 3.3;
"Dealing Day"	a day on which the London Stock Exchange is open for the transaction of business;
"Directors' Remuneration Policy"	has the meaning given in section 422A(6) of the Companies Act 2006;
"Discretionary Share Scheme"	an Employees' Share Scheme in which participation is solely at the discretion of the Board or Committee;
"Eligible Employee"	any person who is an employee or executive director of any company which is at the relevant date a member of the Group;
"Employees' Share Scheme"	the meaning given by section 1166 of the Companies Act 2006;
"Employer's NIC"	has the meaning given in Rule 11.4.2;
"Exercise Price"	the price per Share payable on the exercise of an Award that is a Nominal Value Option, being a price equal to the nominal value of a Share as at the Date of Grant (subject to any subsequent adjustment pursuant to Rule 19);
"Financial Year"	a financial year of the Company within the meaning of section 390 of the Companies Act 2006;

"Group"	the Company and all of the Subsidiaries for the time being or, where the context so requires, any one or more of them (and "Group Company" shall be construed accordingly);
"Holding Period"	where applicable to an Award (or part thereof), means the period starting on the Vesting Date and ending on the earliest of the dates specified in Rule 4.6;
"Holding Period Expiry Date"	the date on which the Holding Period relating to an Award (or part thereof) expires pursuant to these Rules;
"Issue or Reorganisation"	any capitalisation issue or rights issue or rights offer or any other variation in the share capital of the Company including (without limitation) any consolidation, subdivision or reduction of capital of the Company or any other event which may affect the share capital of the Company or a demerger of the Company;
"Listing Rules"	the Listing Rules published by the UK Listing Authority (as amended from time to time);
"London Stock Exchange"	the London Stock Exchange plc or its successor;
"Malus"	has the meaning given in Rule 18.3;
"Market Abuse Regulation"	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse;
"Market Value"	in relation to a Share on any day means an amount equal to the middle-market quotation for a Share (as derived from the London Stock Exchange Daily Official List) on the Dealing Day immediately preceding that day (or, if the Committee so determines, the average of such middle-market quotations for the five Dealing Days immediately preceding that day);
"NIC"	national insurance contributions;
"Nil Cost Option"	a right to acquire Shares for no consideration subject to the Rules;
"Nominal Value Option"	a right to acquire Shares at the Exercise Price subject to the Rules;
"Normal Vesting Date"	in relation to an Award, the date specified by the Committee at or prior to the Date of Grant on which, save as otherwise specified in the Rules, it will Vest PROVIDED THAT in the case of an Award granted to an Eligible Employee who is an executive director of the Company, its Normal Vesting Date shall not be earlier than the third anniversary of the Date of Grant;
"Notification Date"	in relation to an Award that is an Option, the date on which the Committee notifies the relevant Participant of the Vesting of that Option in accordance with Rule 10.1.2;
"Option"	a Nil Cost Option or a Nominal Value Option;
"Participant"	a person who has been granted an Award and, where the context so requires, the legal personal representative(s) of such person (and "Participants" shall be construed accordingly);
"Performance Award"	a Conditional Award or an Option granted (or to be granted) by the Company to an Eligible Employee in pursuance of the Plan on terms that the Vesting of such Conditional Award or Option is (subject as otherwise provided herein) conditional upon: <ul style="list-style-type: none"> (i) the Performance Condition being met; and (ii) the relevant Participant remaining a director or

	employee of a Group Company until Vesting;
"Performance Condition"	in relation to a Performance Award, the performance condition (or performance conditions) as determined by the Committee in its absolute discretion pursuant to Rules 4.3 and 4.4;
"Performance Period"	in relation to a Performance Award, and subject as otherwise provided in these Rules and the applicable Performance Condition, such period as the Committee may determine at the Date of Grant, and in the absence of any such determination, a period of three consecutive Financial Years commencing on the first day of the Financial Year in which the Date of Grant of such Performance Award occurs PROVIDED THAT, in the case of an Award granted to an Eligible Employee who is an executive director of the Company, the Performance Period shall be not less than three years;
"Permitted Grant Period"	<p>the period of 42 days commencing on:</p> <ul style="list-style-type: none"> (i) the Dealing Day after the day on which the Company makes an announcement of its results for any period; (ii) the Date of Adoption; (iii) the date on which the Company's members in general meeting approve by resolution a change to its Directors' Remuneration Policy; (iv) any day on which the Committee resolves that exceptional circumstances exist which justify the grant of Awards; (v) any day on which any change to any relevant legislation, regulation or government directive affecting Employees' Share Schemes is proposed or made; and (vi) in respect of an Eligible Employee, the date on which that Eligible Employee first becomes employed by a Group Company, <p>PROVIDED THAT if, by reason of any Share Dealing Restrictions, the Company is prevented from granting Awards under the Plan during the periods specified above, the relevant Permitted Grant Period shall be 42 days commencing on the Dealing Day after the relevant restriction is lifted;</p>
"Plan"	the Ricardo PLC 2020 Long Term Incentive Plan established by the adoption of these Rules as an Employees' Share Scheme and as from time to time amended in accordance with the provisions hereof;
"Release"	<p>in relation to:</p> <ul style="list-style-type: none"> (i) a Conditional Award – the transfer to the Participant (or his nominee) of some or all of the Shares comprised in the Conditional Award in accordance with these Rules; and (ii) an Option – the transfer to the Participant (or his nominee) of the Shares comprised in the Option (or part thereof) following the exercise of such Option (or part thereof) pursuant to these Rules, <p>(and "Released" shall be construed accordingly);</p>
"Retention Award"	a Conditional Award or an Option granted (or to be granted) by the Company to an Eligible Employee in pursuance of the

	Plan on terms that the Vesting of such Conditional Award or Option is (subject as otherwise provided herein) conditional upon the relevant Participant remaining a director or employee of a Group Company until Vesting;
"Rule 17 Event"	any of the events specified in Rules 17.1.1 to 17.1.5 (inclusive) PROVIDED THAT, in the circumstances specified in Rule 17.1.5, the Rule 17 Event shall be treated as having occurred on such date as the Committee may reasonably specify at the time it makes its determination for the purposes of that Rule;
"Rules"	these rules as from time to time amended;
"Schedule"	the schedule annexed to these Rules;
"Share Dealing Restrictions"	restrictions on dealing in Shares imposed by: <ul style="list-style-type: none"> (i) the Market Abuse Regulation; or (ii) any other law or regulation with the force of law; or (iii) the Listing Rules; or (iv) any other share dealing procedure, agreement, arrangements, condition, contract or code adopted or entered into by the Company;
"Shares"	fully paid ordinary shares in the capital of the Company;
"Subsidiary"	any company which is for the time being both: <ul style="list-style-type: none"> (a) Controlled by the Company; and (b) a subsidiary of the Company within the meaning of section 1159 of the Companies Act 2006 PROVIDED THAT for the purpose of that section a company shall be deemed to be a member of another when its shares in the other company are registered in the name of another person either in connection with the taking of security or as a nominee;
"Tax Liability"	all taxes, duties and/or social security or NIC or any other amounts (including any amounts which a Participant has lawfully agreed or elected to bear) which the Company, any other Group Company and/or the Trustee would be required to account for to HM Revenue & Customs or any other taxation authority (whether in the UK or otherwise) for or in respect of a Participant resulting from the grant, Vesting or exercise of an Award or the Release of any Shares;
"Treasury Shares"	the same meaning as in section 724(5) of the Companies Act 2006;
"Trustee"	the trustee or trustees for the time being of The Ricardo Long Term Incentive Plan or any other employee benefit trust established by the Company and which the Committee has determined shall operate in conjunction with the Plan or, where the context so permits, the nominee(s) of such trustee or trustees;
"UK Listing Authority"	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000, including, where the context so permits, any committee, employee, officer or servant to whom any function of the UK Listing Authority may for the time being be delegated;
"Vest"	in relation to: <ul style="list-style-type: none"> (i) a Conditional Award – means, subject to the operation of any applicable Holding Period(s), the

crystallisation of a Participant's entitlement to receive some or all of the Shares comprised in that Conditional Award in accordance with these Rules; and

- (ii) an Option – means, subject to the operation of any applicable Holding Period(s), the crystallisation of a Participant's right to exercise such Option in respect of some or all of the Shares over which it subsists in accordance with these Rules,

(and "**Vests**", "**Vesting**" and "**Vested**" shall be construed accordingly); and

"Vesting Date"

in relation to any Award, the date on which such Award Vests pursuant to these Rules.

- 1.2 References to statutory provisions shall, where the context so admits or requires, be construed as including references to the corresponding provisions of any earlier statute (whether repealed or not) directly or indirectly amended, consolidated, extended or replaced by such provisions, or re-enacted in such provisions, and of any subsequent statute in force at any relevant time directly or indirectly amending, consolidating, extending, replacing or re-enacting the same, and shall include any orders, regulations, instruments or other subordinate legislation made under the relevant statute.
- 1.3 Any reference to a "Rule" is a reference to one of these Rules.
- 1.4 Where the context so admits the singular includes the plural and each gender includes the other gender.

2. Authority of Committee

With effect from the Date of Adoption, the Committee is empowered to grant Awards to Eligible Employees in accordance with these Rules.

3. Grant of Awards

Grant procedure

- 3.1 Subject to the restrictions set out in Rules 6, 7 and 8 the Committee may, if in its absolute discretion it so decides, resolve to grant Performance Awards and/or Retention Awards to such one or more of the Eligible Employees as it may from time to time select.
- 3.2 Subject as otherwise provided in these Rules, the Committee shall have an absolute discretion in determining (*inter alia*):
 - 3.2.1 the Eligible Employees to be granted Awards;
 - 3.2.2 the number of Shares to be comprised in each Award;
 - 3.2.3 the aggregate Market Value of the Shares comprised in each Award;
 - 3.2.4 the Normal Vesting Date applicable to each Award;
 - 3.2.5 whether an Award is a Performance Award or a Retention Award;
 - 3.2.6 in the case of a Performance Award, the terms of the applicable Performance Condition and the Performance Period;
 - 3.2.7 whether a Holding Period (or Holding Periods) will be applied to an Award and the date on which such Holding Period(s) will ordinarily expire;
 - 3.2.8 whether the Award is a Conditional Award or an Option; and
 - 3.2.9 in the case of an Award that is an Option, whether it is a Nil Cost Option or a Nominal Value Option.
- 3.3 Awards shall be granted by deed executed by the Company. As soon as reasonably practicable after such grant, the Company shall provide each Participant with an Award Certificate which shall be in such form as the Committee may from time to time determine, specifying (*inter alia*) the following:
 - 3.3.1 the Date of Grant of the Award;
 - 3.3.2 the Normal Vesting Date applicable to the Award;

- 3.3.3 the number of Shares comprised in the Award;
- 3.3.4 the aggregate Market Value of the Shares comprised in the Award as at the Date of Grant;
- 3.3.5 whether the Award is a Performance Award or a Retention Award;
- 3.3.6 (in the case of a Performance Award) the terms of the applicable Performance Condition and the Performance Period;
- 3.3.7 whether the Award is a Conditional Award or an Option;
- 3.3.8 in the case of an Award that is an Option, whether it is a Nil Cost Option or a Nominal Value Option;
- 3.3.9 any earlier lapse date specified by the Committee in respect of an Award that is an Option pursuant to Rule 14.1.1;
- 3.3.10 whether, and to what extent, the provisions of Rule 5 apply to the Award; and
- 3.3.11 details of the Holding Period(s) (if any) applicable to the Award.

Phantom Awards

- 3.4 The Committee may, at the Date of Grant, determine that an Award shall instead be constituted as a right of the Participant to acquire a cash sum calculated by reference to a notional number of Shares which, in the case of a Conditional Award, on Vesting (or, in the case of an Award that is subject to a Holding Period, on the expiry of such Holding Period) and, in the case of an Option, on exercise, delivers an amount equal to the Relevant Market Value (as that term is defined below) of the number of notional Shares in respect of which the relevant Award has Vested (or, in the case of an Award that is subject to a Holding Period, that would otherwise have been Released at the expiry of such Holding Period) or has been exercised (as the case may be). For the purposes of this Rule 3.4, "**Relevant Market Value**" shall mean the Market Value of the Shares on the date on which the Conditional Award Vests (or where it is subject to a Holding Period, on the date on which such Holding Period expires), or, in the case of an Option, the difference between the Market Value of the Shares on the date on which the Option is exercised and the aggregate Exercise Price (if any) payable to acquire those Shares.
- 3.5 An Award granted in accordance with Rule 3.4 shall be granted subject to the terms of the Plan, which shall be interpreted in such manner as the Committee reasonably determines is necessary to give effect to Rule 3.4.

Replacement Award Certificates

- 3.6 In the event of any Participant losing his Award Certificate, or otherwise failing to provide evidence to the satisfaction of the Committee of the grant of an Award, the Company shall, as soon as reasonably practicable after receipt of notice of such loss or failure together, if it so requires, with an indemnity from the Participant in respect of any liability of the Company arising as a consequence of such loss or failure (in such form as the Committee may request), provide the Participant with a duplicate of such Award Certificate and any reference in these Rules to an Award Certificate shall include a reference to such a duplicate.

Personal nature of Awards

- 3.7 Subject to the rights of a deceased Participant's legal personal representative(s) to receive any Shares or exercise an Option following the Vesting of an Award free from any restrictions, an Award shall be personal to the Participant to whom it is granted and shall not be transferable, assignable, charged, pledged or otherwise encumbered and any purported transfer, assignation, charge, disposal or dealing with the rights and/or interests of the Participant under the Plan shall render the Award void.

Other restrictions applicable to Awards

- 3.8 The Committee may determine that any Award shall be granted subject to such additional and/or modified terms and conditions relating to its grant, Vesting, exercise and/or Release as may be necessary (i) to comply with or take account of any securities, exchange control or tax laws, regulations or changes in legislation or practice of any territory which may have application to the relevant Eligible Employee, Participant or Group Company or (ii) to implement or take account of any the provisions of Rule 18.
- 3.9 In exercising its discretion under Rule 3.8, the Committee may:

- 3.9.1 require a Participant to make such declarations or take such other action (if any) as may be required for the purpose of any securities, tax or other laws of any territory which may be applicable to him at the Date of Grant or on Vesting, exercise and/or Release;
 - 3.9.2 specify that, where an Award is subject to a Holding Period, it will be implemented by means of an arrangement in terms of which the relevant Shares that have Vested (other than those which are sold to satisfy any liability to tax or employee social security contributions arising on such Vesting) will be issued or transferred to a nominee or trustee designated by the Committee and held on the Participant's behalf until the expiry of the Holding Period; and
 - 3.9.3 adopt any other supplemental rules or procedures governing the grant, Vesting, exercise and/or Release of the Awards as may be required for the purpose of any securities, tax or other laws of any territory which may be applicable to an Eligible Employee or Participant including (without prejudice to the generality of the foregoing) taking such steps as may be necessary so as to ensure that any withholding tax or social security or similar payments required to be paid or administered by the Company, any other Group Company or the Trustee (as the case may be) in connection with such Awards is paid or administered in accordance with the applicable laws or rules.
- 3.10 Where the Committee exercises its discretion under Rule 3.8 in the manner specified in Rule 3.9.2:
- 3.10.1 the terms of the nominee or trustee arrangement shall be as specified by the Committee from time to time; and
 - 3.10.2 the terms of the Plan relating to the operation of the Holding Period shall be interpreted in such manner as the Committee reasonably determines is necessary to give effect to Rule 3.9.2.

Overseas taxation

- 3.11 Irrespective of any other provision of the Plan, the Committee may amend the Plan and the terms of any Awards as it considers necessary or desirable to take account of, or to mitigate or comply with, relevant overseas tax, securities or exchange control laws.

4. Conditions attaching to Awards

Employment and performance conditions

- 4.1 Each and every Award shall be made on terms that, save as provided in Rule 15, the Vesting of Shares comprised in the Award is dependent upon the relevant Participant being a director or employee of a Group Company until the Vesting Date.
- 4.2 In addition, each and every Performance Award shall be made on terms that, save as provided in Rule 17, the Vesting of Shares comprised in the Performance Award is dependent upon the satisfaction of a Performance Condition over the duration of the Performance Period.
- 4.3 Any Performance Condition to which a Performance Award is subject and the determination of the start and end of the applicable Performance Period shall relate to the performance of the Group, the Company or any other member of the Group or the relevant Participant (as the case may be) judged according to such criteria as the Committee shall specify on the Date of Grant.
- 4.4 If in relation to a Performance Award there occurs any event or events which causes the Committee to consider that:
 - 4.4.1 an amended Performance Condition would be a fairer measure of the performance of the Group, the Company, any other Group Company or the relevant Participant (as the case may be); or
 - 4.4.2 an amended Performance Condition would provide a more effective incentive to the relevant Participant,

the Committee may amend the Performance Condition in such manner as it in its absolute discretion determines PROVIDED THAT the amended Performance Condition, in the opinion of the Committee, is neither materially easier nor more difficult to achieve than the original Performance Condition as envisaged by the Committee at the Date of Grant of the relevant

Performance Award. Any such amendment shall be binding on the relevant Participant. The Committee shall, within 30 days of amending the Performance Condition, give the Participant details of the amended Performance Condition.

Holding Periods

4.5 The Committee may decide on or before the grant of an Award that, save where otherwise provided in these Rules:

4.5.1 it will be subject to a single Holding Period following its Vesting; or

4.5.2 different parts of such Award will be subject to different (or no) Holding Periods.

Where an Award is granted on terms that separate parts thereof will be subject to different Holding Periods, any references in these Rules to an Award being subject a Holding Period will, where the context so requires, be construed as being a reference to the part of that Award to which such Holding Period relates.

4.6 Unless it has previously been disapplied in accordance with any other provision of these Rules, a Holding Period applicable to an Award will commence on the Vesting Date of that Award and expire on the earliest of:

4.6.1 the date specified by the Committee on or before the Date of Grant of the Award in question;

4.6.2 the date on which a Rule 17 Event occurs;

4.6.3 such date as may specified by the Committee in accordance with Rule 16.1; and

4.6.4 where, following the Vesting Date of the Award, the Committee determines in its sole discretion that exceptional circumstances have arisen in relation to the Participant in question, such other date as the Committee may at that time specify.

5. Dividend Payments

5.1 On or prior to the Date of Grant of an Award, the Committee may determine that the provisions of (i) Rule 5.2; (ii) either Rule 5.3 or 5.4; and/or (iii) either Rule 5.5 or 5.7 shall apply to that Award.

5.2 Where this Rule applies to an Award then, on each occasion that the Company pays a dividend on its Shares during the period commencing on the Date of Grant and ending on the Dealing Day immediately preceding the Vesting Date, the number of Shares comprised in that Award shall immediately be increased by the number of Shares specified in the following formula:

$$A = \frac{(B \times C)}{D}$$

Where:

A = the number of additional Shares to be comprised in the Award (rounded down to the nearest whole Share);

B = the number of Shares comprised in the Award immediately prior to the payment of the dividend in question;

C = the amount (per Share) of the relevant dividend; and

D = the Market Value of a Share on the day immediately following the date on which that dividend is paid.

5.3 Where this Rule applies to an Award then, in circumstances where:

5.3.1 the Company has announced prior to the Vesting Date that it intends to pay a dividend on its Shares (including where the payment of such dividend is conditional on the subsequent approval of the members of the Company in general meeting);

5.3.2 the record date for the dividend falls on or after the Date of Grant of the Award and on or prior to the Dealing Day immediately preceding the Vesting Date; and

5.3.3 the payment date for that dividend falls on or after the Vesting Date,

the number of Shares comprised in that Award shall, unless the Committee in its discretion determines otherwise, be increased by the number of Shares specified in the following formula, such increase to take effect on the record date for the relevant dividend:

$$E = \frac{(F \times G)}{H}$$

Where:

- E = the number of additional Shares to be comprised in the Award (rounded down to the nearest whole Share);
- F = the number of Shares comprised in the Award immediately prior to the record date of the dividend in question;
- G = the amount (per Share) of the relevant dividend; and
- H = the Market Value of a Share on the day immediately following the record date in respect of that dividend.

5.4 In circumstances where:

- 5.4.1 the Company has announced prior to the Vesting Date that it intends to pay a dividend on its Shares (including where the payment of such dividend is conditional on the subsequent approval of the members of the Company in general meeting);
- 5.4.2 the record date for the dividend falls on or after the Date of Grant of the Award and on or prior to the Dealing Day immediately preceding the Vesting Date (the "**Record Date**");
- 5.4.3 the payment date for that dividend falls on or after the Vesting Date (the "**Payment Date**"); and
- 5.4.4 Rule 5.3 does not apply to the Award,

then, unless the Committee in its absolute discretion determines otherwise, on or as reasonably practicable following the Payment Date, the relevant Participant shall be entitled to be paid a cash sum, 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, equal in value to the dividend that would have been paid on the Shares in respect of which that Award Vests had he been the registered holder of those Shares on the Record Date.

- 5.5 Save where the Committee determines otherwise at any time prior to the Vesting Date of an Award or the provisions of Rule 5.7 apply, where an Award is subject to a Holding Period, the number of Shares Released to the relevant Participant following the expiry of such Holding Period shall be increased in accordance with Rule 5.6 to take account of the dividends that would have been paid on the Vested Shares had they been held by the Participant throughout the Holding Period.
- 5.6 Where this Rule applies to an Award then, on each occasion that the Company pays a dividend on its Shares during the period commencing on the Vesting Date and ending on the Dealing Day immediately preceding the Holding Period Expiry Date, the number of Shares comprised in that Award shall immediately be increased by the number of Shares specified in the formula contained in Rule 5.2.
- 5.7 At any time prior to the Vesting Date of an Award the Committee may determine that the provisions of Rule 5.5 shall not apply to an Award and instead, on or as soon as reasonably practicable after the Holding Period Expiry Date, the relevant Participant shall be entitled to be paid a cash sum, 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, equal in value to the dividends that would have been paid on the Shares in respect of which that Award Vests had he been the registered holder of those Shares between the Vesting Date and the Holding Period Expiry Date.
- 5.8 Where the circumstances described in Rule 5.4.1 to 5.4.3 occur, (with, for the purposes of this Rule 5.8, references to the "Vesting Date" in such Rules instead being to the "Holding Period Expiry Date"), unless the Committee determines otherwise:

- 5.8.1 and unless Rule 5.8.2 applies to the Award, on or as reasonably practicable following the Payment Date, the relevant Participant shall be entitled to be paid a cash sum, 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, equal in value to the dividend that would have been paid on the Shares that were subject to the Holding Period in question had he been the registered holder of those Shares on the Record Date; and
- 5.8.2 where the Committee determines at any time prior to the Holding Period Expiry Date that the provisions of this Rule 5.8.2 will apply, the number of Shares Released to the relevant Participant following the expiry of such Holding Period shall immediately be increased by the number of Shares specified in the formula contained in Rule 5.3.
- 5.9 For the avoidance of doubt, no provision within this Rule 5 shall be capable of being operated in a manner which results in a Participant receiving, in relation to an Award, more than one benefit from the same dividend.

6. Restrictions and limitations - general

- 6.1 The Committee shall not grant an Award to any Eligible Employee except during a Permitted Grant Period.
- 6.2 No Award will be granted to a Participant:
- 6.2.1 who is not, at the proposed Date of Grant, an Eligible Employee; or
- 6.2.2 who, at the proposed Date of Grant, has either given or received a notice of termination of employment; or
- 6.2.3 at a time when such grant would be in breach of any Share Dealing Restrictions.
- 6.3 No Retention Award shall be granted to an Eligible Employee who, at the Date of Grant, is an executive director of the Company.
- 6.4 No Award shall be granted more than ten years after the Date of Approval.
- 6.5 No Award may be granted in excess of the limits in Rules 7 and 8. If the Committee attempts to grant an Award which causes any of those limits to be exceeded, that Award will be limited and take effect from its Date of Grant so that no such excess arises.
- 6.6 No Award may be granted to an executive director of the Company that does not comply with the Company's Directors' Remuneration Policy then in force.

7. Restrictions and limitations – individual limit

- 7.1 ~~The maximum~~ No Award shall be granted to an Eligible Employee which would, at the Date of Grant, cause the total Market Value of Shares over which ~~Awards may be~~ they have been granted ~~to any Eligible Employee during any Financial Year is 150% of his salary (as defined in Rule 7.3) unless Rule 7.2 applies.~~
- ~~7.2~~ If, during Awards in respect of a single Financial Year, to exceed the ~~Committee determines, in its sole discretion, that exceptional circumstances exist in relation~~ limit applicable to the Plan set out in the Company ~~or an Eligible Employee (including, for the avoidance of doubt, on his/her recruitment) then Awards over Shares having a total Market Value of up to 250% of his salary (as defined in Rule 7.3) may be granted to that Eligible Employee during the Financial Year in question's~~ Directors' Remuneration Policy then in force.
- 7.2 ~~7.3~~ For the purposes of ~~Rules 7.1 and 7.2:~~
- ~~7.3.1~~ an Eligible Employee's "salary" shall be taken to be his base salary (excluding bonuses and benefits in kind), expressed as an annual rate payable by the Group to him on the Date of Grant (or such earlier date as the Committee shall determine);
- ~~7.3.2~~ where a payment of salary is made in a currency other than sterling, the payment shall be treated as equal to the equivalent amount of sterling determined by using any rate of exchange which the Committee may reasonably select; and ~~7.3.3 Rule 7.1,~~ the Market Value of the Shares over which an Award is granted shall be calculated as at the Date of Grant of such Award as determined by the Committee for the purposes of Rule ~~3.33.3.4.~~ 3.33.4.

8. Source of Shares and Company dilution limits

Source of Shares

8.1 Unless specified to the contrary by the Committee at the Date of Grant, an Award may be satisfied:

- 8.1.1 by the allotment of new Shares; and/or
- 8.1.2 by the transfer of Treasury Shares; and/or
- 8.1.3 by the transfer of Shares (other than the transfer of Treasury Shares).

The Committee may decide to change the way in which it is intended that an Award may be satisfied after it has been granted, having regard to the remaining provisions of this Rule 8.

Company dilution limits

8.2 The maximum number of Shares which may on any day be Allocated under this Plan, when added to the number of Shares which have been Allocated in the immediately preceding period of 10 years under the Plan or under any other Employees' Share Scheme adopted by the Company, shall not exceed ten per cent (10%) of the Company's issued ordinary share capital immediately prior to that day.

8.3 The maximum number of Shares which may on any day be Allocated under this Plan, when added to the number of Shares which have been Allocated in the immediately preceding period of 10 years under the Plan or under any other Discretionary Share Scheme adopted by the Company, shall not exceed five per cent (5%) of the Company's issued ordinary share capital immediately prior to that day.

8.4 For the purposes of Rules 8.2 and 8.3:

8.4.1 Shares are "Allocated":

- (i) when an option, conditional award or other contractual right to acquire unissued Shares or Treasury Shares is granted; and
- (ii) where Shares are issued or Treasury Shares are transferred otherwise than pursuant to an option, conditional award or other contractual right to acquire Shares, when those Shares are issued or Treasury Shares transferred;

8.4.2 any Shares which have been issued or which may be issued (or any Shares transferred out of treasury or which may be transferred out of treasury) to the Trustee to satisfy the exercise of any option, conditional award or other contractual right granted under any Employees' Share Scheme adopted by the Company shall be counted as Allocated unless they are already treated as Allocated under this Rule; and

8.4.3 for the avoidance of doubt, existing Shares other than Treasury Shares that are transferred or over which options, conditional awards or other contractual rights are granted shall not count as "Allocated".

8.5 For the purposes of the limits contained in Rules 8.2 and 8.3:

8.5.1 where:

- (i) any option, conditional award or other contractual right to acquire unissued Shares or Treasury Shares is released or lapses (whether in whole or in part); or
- (ii) after the grant of an option, conditional award or other contractual right the Committee either determines that it shall be satisfied by the transfer of existing Shares (other than Shares transferred out of treasury) or determines that it shall be satisfied in cash,

the unissued Shares or Treasury Shares which consequently cease to be subject to the option, conditional award or other contractual right from time to time or absolutely (as appropriate) shall not count as "Allocated";

8.5.2 the number of Shares Allocated in respect of an option, conditional award or other contractual right shall be such number as the Committee shall reasonably determine from time to time; and

- 8.5.3 the Committee may adjust the aggregate number of Shares already issued in respect of an option, conditional award or other contractual right in each case to reflect any subsequent Issue or Reorganisation in such manner as it determines is fair and reasonable.
- 8.6 Treasury Shares shall cease to count as "Allocated" for the purposes of Rules 8.2 and 8.3 if, in the opinion of the Committee, institutional investor guidelines cease to require such Shares to be so counted.

9. Vesting of Awards

Determination of Performance Conditions applicable to Performance Awards

- 9.1 As soon as reasonably practicable after the expiry of the Performance Period applicable to a Performance Award (or, where more than one Performance Period is applicable to a Performance Award, as soon as reasonably practicable after the last to expire of such Performance Periods), the Committee shall determine whether the relevant Performance Condition has been satisfied and shall, subject to Rules 15.3 and 18 determine the extent (if any) to which that Performance Award shall Vest in accordance with the remaining provisions of this Rule 9.

Time at which Vesting occurs

- 9.2 Subject to Rules 9.3, 9.5, 12.5 and 18, an Award shall Vest on the later of:
 - 9.2.1 its Normal Vesting Date; and
 - 9.2.2 in the case of a Performance Award, the date of the determination by the Committee pursuant to Rule 9.1.
- 9.3 Where the provisions of Rule 15.2 apply to an Award then, subject only to Rule 12.5:
 - 9.3.1 in the case of a Retention Award, it shall Vest on the date specified in Rule 15.2; and
 - 9.3.2 in the case of a Performance Award, it shall Vest immediately on the date of the applicable determination by the Committee pursuant to Rule 9.1.

Other provisions

- 9.4 If, in consequence of a determination by the Committee pursuant to Rule 9.1, an Award Vests (or will Vest) in respect of some, but not all, of the number of Shares over which it subsists, it shall thereupon lapse in respect of the balance of Shares over which it was held.
- 9.5 Where, prior to the Vesting of an Award, a Rule 17 Event occurs, it shall, subject only to Rule 12.5, Vest on the date specified in Rule 17.
- 9.6 Any determination by the Committee pursuant to Rule 9.1 shall be final and binding on the relevant Participant who shall have no claim of any nature (whether in law or in equity or otherwise) against the Company, any other Group Company or the Trustee in respect of such determination.

10. Consequences of Vesting

- 10.1 When an Award Vests:
 - 10.1.1 in relation to an Award that is a Conditional Award, the Committee shall, subject to Rules 11, 12.1, 12.5, 13 and 18, procure that the relevant Shares are Released within 30 days of:
 - (i) the Vesting Date (in the case of a Conditional Award that is not subject to any Holding Period(s)); and
 - (ii) the applicable Holding Period Expiry Date (in all other cases).
 - 10.1.2 in relation to an Award that is an Option, as soon as reasonably practicable after its Vesting, the Committee shall notify the Participant of such Vesting and the Participant shall be entitled to exercise his Option in accordance with the remaining provisions of this Rule 10.
- 10.2 Subject to Rules 11.3, 11.4, 12.5 and 18, an Option which has Vested may be exercised at any time after the earlier of:

- 10.2.1 the Notification Date (in the case of an Option that is not subject to any Holding Period(s)); and
- 10.2.2 the applicable Holding Period Expiry Date (in all other cases).
- 10.3 An Award that is an Option, which has Vested and become exercisable in accordance with Rule 10.2, may be exercised in whole or in part by the Participant sending a notice to the Company Secretary, as agent for the Committee. The notice shall be given in such form or manner not inconsistent with these Rules as the Committee may determine and shall be accompanied by payment of any aggregate Exercise Prices (which, in the case of a Nil Cost Option, can include a nominal £1 being the consideration for the Shares comprised in such Option) or, if the Committee so permits, an undertaking to pay such aggregate Exercise Prices. Such notice shall be effective on the date of its receipt by the Company Secretary and such date will constitute the date of exercise of the Option.
- 10.4 Where an Award that is an Option is exercised only in part, the balance shall remain exercisable on the same terms as originally applied to the whole Option and a new Award Certificate shall be issued accordingly by the Company as soon as practicable after the partial exercise.
- 10.5 Following the exercise of an Award that is an Option in accordance with Rule 10.3 the Committee shall, subject to Rules 11, 12.1, 12.5 and 13, procure that the relevant Shares are Released within 30 days of the date of exercise.

11. Taxation and social security

- 11.1 Save as provided in Rule 11.6, any liability of a Participant to taxes, duties and/or social security or NIC or any other amounts (including any amounts which a Participant has lawfully agreed or elected to bear) in respect of an Award shall be for the account of the relevant Participant.
- 11.2 Each Participant indemnifies the Company and every other Group Company and the Trustee against any tax claim of whatever nature or any other liability or obligation incurred by the Company or any other Group Company or the Trustee which relates to his or her Tax Liability.
- 11.3 The Release of Shares subject to an Award shall be conditional on the Participant complying with arrangements specified by the Company for the payment of all Tax Liabilities (including without limitation the deduction of tax at source).
- 11.4 The Board may, at its discretion, determine that the Release of Shares subject to an Award shall be conditional on the Participant entering into:
 - 11.4.1 an election (a "**Restricted Securities Election**") under the terms of section 431(1) of the Income Tax (Earnings and Pensions) Act 2003; and/or
 - 11.4.2 an election pursuant to paragraph 3B of Schedule 1 of the Social Security Contributions and Benefits Act 1992 or such other agreement as may be necessary to assume the liability for any secondary Class 1 NIC ("**Employer's NIC**") arising in connection with the Award.
- 11.5 The Company may at its discretion make arrangements for the sale of some or all of the Shares to be Released to satisfy such Tax Liability.
- 11.6 The Company shall pay or procure that the Trustee (or other transferor (as appropriate)) pays the stamp duty (if any) on the transfer of issued Shares.

12. Additional provisions relating to the Release of Shares

- 12.1 The Release of all Shares (and the issue of a definitive share certificate or such other acknowledgement of shareholding as may be prescribed by the Committee from time to time) will be subject to all (if any) necessary consents of HM Treasury or other authorities under enactments or regulations for the time being in force and it shall be the responsibility of the Participant to comply with any requirements to be fulfilled in order to obtain or obviate the necessity for any such consent.
- 12.2 Subject to Rule 5, Shares which have been Released shall be transferred or issued (as the case may be) without the benefit of any rights attaching to the Shares by reference to a record date preceding the date of Release. Subject to Rule 11, Shares will be transferred or issued (as the case may be) free from any liens, charges or encumbrances.

- 12.3 The Company shall ensure that it has made arrangements (with the Trustee or otherwise) to procure the transfer of sufficient issued Shares or Treasury Shares or the allotment of sufficient new Shares to satisfy in full all Shares which are to be Released.
- 12.4 If and so long as Shares are listed on the London Stock Exchange, the Company shall apply for listing of any Shares issued in connection with the Plan as soon as practicable after the allotment thereof (if it has not already done so).
- 12.5 If, pursuant to any other provision of these Rules, the Vesting or exercise of an Award, the Release of Shares and/or the sale, pursuant to Rule 11.5, of any Shares following such Release would otherwise occur at a time when Share Dealing Restrictions apply to the relevant Participant, such Vesting or exercise, Release and sale will be deferred:
 - 12.5.1 in the case of such Vesting or exercise, until the first Dealing Day immediately following the date on which that Share Dealing Restriction ceases to apply to the Participant in question; and
 - 12.5.2 in the case of such Release and sale, until as soon as reasonably practicable thereafter.

13. Cash Alternative

- 13.1 At any time before any Shares have been Released in accordance with Rule 10.1.1 or 10.5 (as appropriate) in relation to an Award, the Committee may determine that, in substitution of the relevant Participant's right to acquire such number of those Shares as the Committee may decide (but in full and final satisfaction of that right), he shall be paid by way of additional employment income a sum equal to the cash equivalent (as defined in Rule 13.2 below) of that number of Shares in accordance with the following provisions of this Rule 13.
- 13.2 For the purposes of this Rule, the "**cash equivalent**" of a Share in respect of which a determination has been made by the Committee pursuant to Rule 13.1 shall be:
 - 13.2.1 in the case of a Conditional Award, its Market Value on the date on which it would otherwise have been Released to the relevant Participant in accordance with Rule 10.1.1; and
 - 13.2.2 in the case of an Option, the difference between its Market Value on the date on which that Option is exercised and the aggregate Exercise Price (if any).
- 13.3 Any amount payable to a Participant following a determination by the Committee pursuant to Rule 13.1 shall be paid by or on behalf of the Company on or as soon as reasonably practicable after the date on which the Shares to which the payment in question relates would otherwise have been Released to the relevant Participant in accordance with Rule 10.1.1 or 10.5 (as appropriate).
- 13.4 If the Committee has determined pursuant to Rule 13.1 that a Participant shall be paid a sum in substitution for his right to acquire any number of Shares on the exercise of a Nominal Value Option, then, if the Participant has paid the aggregate Exercise Prices for such Shares, the Company shall return, or procure the return, to him of the amount so paid as quickly as reasonably practicable.
- 13.5 There shall be deducted from any cash equivalent payable under this Rule 13 such amount (on account of tax or similar duties) as may be required by law or as the Committee may reasonably consider to be necessary or desirable.
- 13.6 This Rule 13 shall not apply in relation to an Award made to a Participant in any jurisdiction where the presence of this Rule 13 would cause:
 - 13.6.1 the grant of the Award to be unlawful or for it to fall outside any applicable securities law exclusion or exemption that would otherwise apply; or
 - 13.6.2 adverse tax or social security contribution consequences for the Participant or any Group Company, as determined by the Board.

14. Lapse of Awards

- 14.1 An Award (or, where applicable, the relevant part thereof) shall lapse and cease to exist upon the earliest of:
 - 14.1.1 the tenth anniversary of its Date of Grant (or such earlier date specified by the Committee at the Date of Grant);

- 14.1.2 in the case of a Performance Award, the date specified in Rule 9.4;
 - 14.1.3 the Participant ceasing to be a director or employee of a Group Company before the Vesting of any Shares comprised in the Award, otherwise than in circumstances where Rule 15 applies;
 - 14.1.4 where applicable, any of the dates specified in Rules 15, 16 and 17;
 - 14.1.5 subject as provided in Rule 17, an order being made for the commencement of the winding-up of the Company;
 - 14.1.6 a bankruptcy order (or overseas equivalent) being made in respect of the Participant; and
 - 14.1.7 the Participant being deprived of the legal or beneficial ownership of the Award by operation of law, or doing or omitting to do anything which causes him to be so deprived.
- 14.2 A Participant shall not be treated for the purposes of these Rules 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 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.

15. Cessation of employment before the Vesting Date

General provisions

- 15.1 If a Participant ceases to be a director or employee of a Group Company before the Vesting of any Shares comprised in an Award by reason of:
- 15.1.1 death;
 - 15.1.2 illness, injury or disability (evidenced to the satisfaction of the Committee);
 - 15.1.3 redundancy (within the meaning of the Employment Rights Act 1996);
 - 15.1.4 retirement;
 - 15.1.5 the company by which he is for the time being employed ceasing to be Controlled by the Company or a sale by such company of its assets and undertaking in circumstances to which the Transfer of Undertakings (Protection of Employment) Regulations 2006 apply to transfer his employment to a purchaser from such company; or
 - 15.1.6 any other reason as determined by the Committee in its absolute discretion, (*i.e. a "good leaver" reason*) then the Award will not lapse by reason of such cessation and, unless the Committee determines that the provisions of Rule 15.2 shall apply, it will Vest (subject to Rule 15.3) in accordance with the provisions of Rule 9 as if there had been no cessation of employment or office holding.

Committee discretion to accelerate Vesting

- 15.2 If, before the Vesting Date of an Award, the Participant ceases to be a director or employee of a Group Company in any of the circumstances set out in Rules 15.1.1 to 15.1.6 (inclusive) (*death, illness, redundancy, retirement, employing company leaving the Group / TUPE transfer, Committee discretion*) and the Committee determines, at its sole discretion, that the provisions of this Rule 15.2 shall apply then on the later of:
- 15.2.1 the date of such cessation;
 - 15.2.2 the date of the Committee's determination; and
 - 15.2.3 such other date (if any) as the Committee may, in its discretion, specify (not being a date that is later than the Normal Vesting Date applicable to that Award),
- the following provisions will apply to that Award:
- 15.2.4 in the case of a Retention Award, it will Vest immediately; and
 - 15.2.5 in the case of a Performance Award, the Performance Period applicable thereto will end immediately and the provisions of Rule 9 relating to the Vesting of that Award will apply,
- subject in both cases to the provisions of Rule 15.3.

Pro-rata reduction of the Shares comprised in Awards

- 15.3 Where a Participant ceases to be a director or employee of a Group Company before the Vesting of his Award in any of the circumstances set out in Rule 15.1, the number of Shares to Vest (if any) shall, unless and to the extent that the Committee in its absolute discretion determines otherwise, be reduced in accordance with the provisions of Rule 15.4.
- 15.4 In determining the number of Shares to Vest when Rule 15.3 applies, the Committee shall apply the following formula:

$$I = \left(\frac{J}{K} \right) \times L$$

Where:

- I = the number of Shares (if any) to Vest rounded down to the nearest whole number;
- J = the number of days between the Date of Grant and the day on which the Participant ceased to be a director or employee of a Group Company (both days inclusive);
- K = the number of days between the Date of Grant and the Normal Vesting Date applicable to that Award (both dates inclusive); and
- L = the number of Shares (if any) that would have Vested in respect of the relevant Award had such Participant not ceased to be a director or employee of a Group Company.

Lapse date of Options and continued application of Holding Periods

- 15.5 Where the provisions of Rules 15.1 or 15.2 apply to an Award that is an Option, that Award will, to the extent unexercised, lapse six months (or such longer period as the Committee may specify) after the date on which it first becomes exercisable in accordance with these Rules PROVIDED THAT, if different parts of the Award become exercisable at different times, the six month (or longer) period referred to in this Rule shall begin on the last date on which any part of the Award first becomes so exercisable.
- 15.6 If the provisions of Rules 15.1 or 15.2 apply to an Award that was granted on terms that it would be subject to a Holding Period (or Holding Periods) following Vesting then, save where the Committee at its sole discretion determines otherwise prior to its Vesting Date, such Holding Period(s) shall continue to operate.

16. Cessation of employment after the Vesting Date

Awards that are subject to a Holding Period

- 16.1 If, at any time during which an Award is subject to a Holding Period, the Participant ceases to be a director or employee of a Group Company then, such Holding Period shall subsist and shall expire either (i) in accordance with these Rules as if there had been no cessation of office or employment; or (ii) on such earlier date (if any) as the Committee may at its sole discretion specify.
- 16.2 If the provisions of Rule 16.1 apply to an Award that is an Option, that Award will, to the extent unexercised, lapse six months (or such longer period as the Committee may specify) after the date on which it first becomes exercisable in accordance with these Rules PROVIDED THAT, if different parts of the Award become exercisable at different times, the six month (or longer) period referred to in this Rule shall begin on the last date on which any part of the Award first becomes so exercisable.

Lapse date of Options not subject to a Holding Period

- 16.3 If, at the time a Participant ceases to be a director or employee of a Group Company, he holds a Vested Option that is not subject to a Holding Period, that Award will, to the extent unexercised, lapse six months (or such longer period as the Committee may specify) after the date of such cessation.

17. Change of Control and Liquidation

Vesting of Awards on the occurrence of a Rule 17 Event

- 17.1 If, prior to the Vesting Date of an Award:

- 17.1.1 a general offer is made to acquire the whole or part of the issued ordinary share capital of the Company (or such part thereof as is not then owned by the offeror or any company Controlled by the offeror and/or any persons acting in concert with the offeror) as a result of which the offeror (or any such companies and/or persons as aforesaid) gains Control of the Company; or
- 17.1.2 a person becomes bound or entitled to acquire Shares under sections 979 to 982 or 983 to 985 (inclusive) of the Companies Act 2006; or
- 17.1.3 under Part 26 of the Companies Act 2006 the Court sanctions a compromise or arrangement in connection with the acquisition of Shares; or
- 17.1.4 a resolution is passed by the Company for the voluntary winding up of the Company (except for the purposes of a compromise or arrangement sanctioned by the Court under section 899 of the Companies Act 2006); or
- 17.1.5 the Committee determines that the Company is or is expected to be affected by any demerger, dividend in specie, super dividend or other transaction which, in the opinion of the Committee, would affect the current or future value of that Award,

(in each case, a "**Rule 17 Event**") then, save as specified in Rule 17.4:

- 17.1.6 the Committee shall, as soon as reasonably practicable following that event, determine the number of Shares in respect of which such Award shall Vest having regard to such factors as it deems appropriate, which may include (without limitation):
 - (i) (in the case of a Performance Award), the extent to which any outstanding Performance Conditions have been satisfied as at the date of Rule 17 Event in question;
 - (ii) (in the case of a Performance Award), the underlying financial performance of the Company in the period since the Date of Grant of the Award;
 - (iii) the particular circumstances of the Rule 17 Event;
 - (iv) the proportion of the period between the Date of Grant of the Award and its Normal Vesting Date that had expired at the date of such Rule 17 Event; and/or
 - (v) the overall interests of the Company's shareholders;
- 17.1.7 such Vesting shall occur immediately on completion of that determination; and
- 17.1.8 if the Award was granted on terms that it would be subject to any Holding Period(s) following Vesting, such Holding Period(s) will be disapplied.

- 17.2 If, in consequence of a determination by the Committee pursuant to Rule 17.1.6, an Award (or part thereof) Vests in respect of some but not all of the number of Shares over which it subsists, it shall thereupon lapse in respect of the balance of Shares over which it was held.

Lapse of Awards following a Rule 17 Event

- 17.3 Awards will lapse at the end of the period of four weeks (or such longer period as the Committee may determine) following the occurrence of a Rule 17 Event, save where they have lapsed prior to that date in accordance with these Rules.

Grant of replacement Awards

- 17.4 Prior to the occurrence of any Rule 17 Event, the Committee in its discretion may require any Participant to relinquish his rights under his Award (the "**Old Award**") in consideration of the grant to him of new rights (the "**Replacement Award**") which, in the opinion of the Committee acting fairly and reasonably, are equivalent to the Old Award but which relate to shares in a different company.
- 17.5 Where, in accordance with Rule 17.4, the Committee determines that an Old Award should be released and a Replacement Award granted:
 - 17.5.1 the Old Award shall not Vest under these Rules by virtue of the occurrence of the Rule 17 Event in question;
 - 17.5.2 the relevant Rule 17 Event shall not result in the application of the provisions of Rule 4.6.2; and
 - 17.5.3 if the relevant Participant refuses to relinquish his rights under his Old Award in consideration of the grant to him of the Replacement Award as required by the

Committee, that Old Award shall lapse on the occurrence of the Rule 17 Event in question.

18. Malus and Clawback

Applicability of this Rule

- 18.1 This Rule 18 shall apply to all Awards unless and until the Company is subject to a Rule 17 Event and Awards are not exchanged for Replacement Awards under Rule 17.4.

Malus before Vesting

- 18.2 The Committee may decide at any time before the Vesting Date of an Award held by a Participant (the "**relevant individual**"), that the number of Shares subject to the Award shall be reduced (including, if appropriate, reduced to zero) if:
- 18.2.1 it forms the view that the Company materially misstated its financial results for whatever reason and that such misstatement resulted either directly or indirectly in that Award having been granted over a higher number of Shares than would have been the case had that misstatement not been made; or
 - 18.2.2 it forms the view that the number of Shares over which the Award was granted was based on any other kind of error or on the basis of any information or assumption that the Committee subsequently discovers to have been inaccurate or misleading for any reason and which resulted either directly or indirectly in the Award having been granted over a higher number of Shares than would otherwise have been the case; or
 - 18.2.3 it forms the view that the Company or the Group has or is likely to suffer significant reputational damage as a result, either directly or indirectly, of an act or omission by the relevant individual on or prior to the Vesting Date which is likely, in the opinion of the Committee, to affect or have affected the performance of the Company or the Group; or
 - 18.2.4 it forms the view that the relevant individuals' employment with the Group could have been summarily terminated by reason of gross misconduct.
- 18.3 Any reduction of an Award pursuant to Rule 18.2 ("**Malus**") shall take effect immediately prior to the Award Vesting unless the Committee determines that it shall take effect at such earlier time as it decides.

Clawback following Vesting

- 18.4 The Committee may decide at any time before the second anniversary of the end of the Performance Period applicable to a Performance Award, or, if multiple Performance Periods apply to an Award, the end of the latest Performance Period to expire (in the case of a Performance Award) or before the second anniversary of the Vesting Date applicable to a Retention Award (in the case of a Retention Award) that the individual to whom that Award was granted (the "**relevant individual**") shall be subject to an obligation to return the value referred to in Rule 18.5 using the method(s) prescribed in Rules 18.8 and/or 18.9 ("**Clawback**") if:
- 18.4.1 (in relation to a Performance Award) the Committee forms the view that the Company materially misstated its financial results for whatever reason and that such misstatement resulted either directly or indirectly in that Award Vesting to a greater degree than would have been the case had that misstatement not been made; or
 - 18.4.2 (in relation to a Performance Award) the Committee forms the view that in assessing any Performance Condition and/or any other condition imposed on the Award such assessment was based on an error, or on inaccurate or misleading information or assumptions and that such error, information or assumptions resulted either directly or indirectly in that Award Vesting to a greater degree than would otherwise have been the case; or
 - 18.4.3 (in relation to a Performance Award or a Retention Award) the relevant individual ceases to be a director or employee of a Group Company as a result of gross misconduct on the part of that individual or the Committee is of the view that the

relevant individual's employment with the Group could have been summarily terminated by reason of gross misconduct; or

- 18.4.4 (in the case of a Performance Award or a Retention Award), it discovered that the Company or the Group has suffered significant reputational damage as a result, either directly or indirectly, of an act or omission by the relevant individual on or prior to the date on which the Award in question Vested which was unknown to the Committee on the Vesting Date but which, if it had been known, is likely, in the opinion of the Committee, to have affected the performance of the Company or the Group such that the Award would have Vested in respect of a lower number of Shares than would otherwise have been the case but for that act or omission.

Amount to be subject to Malus / Clawback

- 18.5 Where Rule 18.2 (*Malus*) and/or 18.4 (*Clawback*) applies, the Committee shall determine the amount to be subject to Malus and/or Clawback on such basis as it decides PROVIDED THAT:
- 18.5.1 where Rule 18.2.1, 18.2.2, 18.4.1 and/or 18.4.2 applies, such amount will, unless the Committee otherwise specifies, be all or part of the additional value which the Committee considers has been granted to, Vested and/or received by the relevant individual as referred to in those Rules; and
- 18.5.2 if the relevant individual is required to repay all or part of such additional value pursuant to Rule 18.9 then the Committee may consider whether that amount should take into account any income tax and NICs (or overseas equivalent) paid by the relevant individual and any possibility of him reclaiming such income tax and NICs (or overseas equivalent).

Satisfaction of the Malus / Clawback

- 18.6 Where Rule 18.2 applies, the Malus shall be satisfied as set out in that Rule.
- 18.7 Where Rule 18.4 applies, the Clawback shall be satisfied as set out in Rules 18.8 and/or 18.9.
- 18.8 The Committee may reduce (including, if appropriate, reducing to zero) any of the following elements of remuneration of the relevant individual:
- 18.8.1 the amount of any future bonus which would, but for the operation of the Clawback, be payable to the relevant individual under any bonus plan operated by any Group Company; and/or
- 18.8.2 the extent to which any subsisting Awards held by the relevant individual Vests notwithstanding the extent to which any Performance Condition and/or any other condition imposed on any such Award has been satisfied; and/or
- 18.8.3 the number of Shares that are Released on the expiry of the Holding Period(s) applicable to any subsisting Conditional Award, notwithstanding the extent to which that Award has previously Vested;
- 18.8.4 the number of Shares subject to any Vested but unexercised Option;
- 18.8.5 the extent to which any rights to acquire Shares granted to the relevant individual under any Employees' Share Scheme (other than the Plan and any tax-advantaged share plan that is intended to comply with any of Schedules 2 to 5 of the Income Tax (Earnings and Pensions) Act 2003 (a "**Tax-Advantaged Share Plan**")) operated by any Group Company vest or become exercisable notwithstanding the extent to which any conditions imposed on such rights to acquire Shares have been satisfied; and/or
- 18.8.6 the number of Shares subject to any vested but unexercised right to acquire Shares granted to the relevant individual under any Employees' Share Scheme (other than the Plan and any Tax-Advantaged Share Plan) operated by any Group Company.
- 18.9 The Committee may require the relevant individual to pay to such Group Company as the Committee may direct, and on such terms as the Committee may direct (including, but without limitation, on terms that the relevant amount is to be deducted from the relevant individual's salary or from any other payment to be made to the relevant individual by any Group Company), such amount as is required for the Clawback to be satisfied in full.

Timing of effect of Clawback

- 18.10 Any reduction made pursuant to Rule 18.8.2 and/or 18.8.5 shall take effect immediately prior to the Award Vesting or the right vesting or becoming exercisable (as applicable) unless the Committee decides on a different time for such reduction to take effect.
- 18.11 Any reduction made pursuant to Rules 18.8.3, 18.8.4 and/or 18.8.6 shall take effect at such time as the Committee decides.

Reduction in Awards to give effect to clawback provisions in other plans

- 18.12 The Committee may decide at any time to reduce the number of Shares subject to an Award (including, if appropriate, reducing to zero) to give effect to a clawback provision of any form contained in any incentive plan (other than the Plan) or any bonus plan operated by any Group Company. The value of the reduction shall be in accordance with the terms of the clawback provision in the relevant plan or, in the absence of any such term, on such basis as the Committee, acting fairly and reasonably, decides is appropriate.

19. Adjustment of Awards

- 19.1 Upon the occurrence of an Issue or Reorganisation (other than one in respect of which the Committee has made a determination for the purposes of Rule 17.1.5):
- 19.1.1 the number and / or nominal value of Shares comprised in each Award; and
 - 19.1.2 subject to Rule 19.2, the Exercise Price in respect of any Award that is a Nominal Value Option,
- may be adjusted by the Committee in such manner as it, in its reasonably opinion, considers to be fair and appropriate.
- 19.2 Apart from pursuant to this Rule 19.2, no adjustment under Rule 19.1 above may have the effect of reducing the Exercise Price in respect of a Nominal Value Option to less than the nominal value of a Share. Where a Nominal Value Option subsists over both issued and unissued Shares, any such adjustment may only be made if the reduction of the Exercise Price of such Option over both issued and unissued Shares can be made to the same extent. Any such adjustment made to the Exercise Price of Options over unissued Shares shall only be made if and to the extent that the Board shall be authorised to capitalise from the reserves of the Company a sum equal to the amount by which the nominal value of the Shares in respect of which the Option is exercisable exceeds the adjusted Exercise Price and to apply such sum in paying up such amount on such Shares so that on exercise of any Option in respect of which such a reduction shall have been made the Board shall capitalise such sum (if any) and apply the same in paying up such amount as aforesaid.
- 19.3 Notice of any adjustments made pursuant to Rule 19.1 may be given to the Participants by the Committee.

20. Administration

- 20.1 The Committee shall have power from time to time to make and vary such regulations (not being inconsistent with these Rules) for the implementation and administration of the Plan as it thinks fit.
- 20.2 Any notice or other communication to be given by the Company to any Eligible Employee or Participant under or in connection with the Plan may be:
- 20.2.1 delivered by electronic means and it shall be deemed to have been received upon confirmation of such delivery (or, if no such confirmation is received, at 9am on the next Dealing Day after sending); or
 - 20.2.2 personally delivered or sent by ordinary post to his last known address and where a notice or communication is sent by post it shall be deemed to have been received 72 hours after the same was put into the post properly addressed and stamped.
- 20.3 Any notice given by an Eligible Employee or a Participant to the Company under or in connection with the Plan must be given in writing and shall be acted upon by the Company as soon as reasonably practicable after receipt provided that the Company may in its absolute discretion act on instructions given or purporting to be given by electronic means and shall not be responsible for any loss whatsoever occasioned by so acting. Any such notice shall be

properly given if sent by post (airmail if overseas) or delivered to the Company at its registered office.

20.4 For the purposes of Rule 20.3:

20.4.1 any notice sent by post (airmail if overseas) shall be deemed have been received 72 hours after the same was put into the post properly addressed and stamped (or if sent by airmail from or to overseas on the fifth day following the day of posting); and

20.4.2 any notice sent by electronic communication shall be deemed to have been received upon confirmation of such delivery (or, if no such confirmation is received, at 9am on the next Dealing Day after sending).

20.5 Share certificates and other communications sent by post will be sent at the risk of the Eligible Employee or Participant concerned and neither the Company nor the Trustee shall have any liability whatsoever to any such person in respect of any notification, document, Share certificate or other communication so given, sent or made.

20.6 To the extent that any amount requires to be expressed in a currency other than pounds sterling for the purposes of the Plan, it shall be converted into such currency using such rate as the Board shall determine.

21. General

21.1 The decision of the Committee in any dispute or question concerning the construction or effect of the Plan or any other questions arising in connection with the Plan shall be final and conclusive.

21.2 The Plan shall terminate upon the earlier of (i) the tenth anniversary of the Date of Approval or (ii) the date on which the Board resolves to terminate the Plan, in which event no further Awards shall be granted but the provisions of the Plan shall continue in full force and effect in relation to Awards then subsisting.

21.3 Nothing in the Plan or in any instrument executed pursuant to it will confer on any person any right to continue in employment, nor will it affect the right of any Group Company to terminate the employment of any person without liability at any time with or without cause, nor will it impose upon the Board, the Committee or any other person any duty or liability whatsoever (whether in contract or otherwise) in connection with:

21.3.1 the lapsing of any Award pursuant to the Plan;

21.3.2 the failure or refusal to exercise any discretion under the Plan;

21.3.3 the interpretation of any provision of the Plan by the Committee; and / or

21.3.4 a Participant ceasing to hold office or employment for any reason whatever.

21.4 Awards shall not (except as may be required by taxation law) form part of the emoluments of individuals or count as wages or remuneration for pension or other purposes.

21.5 Any person who ceases to be an officer or employee with any Group Company as a result of the termination of his office or employment for any reason and however that termination occurs, whether lawfully or otherwise, shall not be entitled and shall be deemed irrevocably to have waived any entitlement by way of damages for dismissal or by way of compensation for loss of office or employment or otherwise to any sum, damages or other benefits to compensate that person for the loss or alteration of any rights, benefits or expectations in relation to any Award, the Plan or any instrument executed pursuant to it.

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

21.6.1 any company ceasing to be a Group Company; or

21.6.2 the transfer of any business from a Group Company to any person who is not a Group Company.

21.7 No Group Company shall be obliged to notify any Participant if an Award is due to lapse.

- 21.8 Nothing in the Plan shall be deemed to give any Eligible Employee any right to participate in the Plan. A Participant shall not have any right to be granted Awards, whether or not he has previously been granted any.
- 21.9 The costs of introducing and administering the Plan may be borne by the Group Companies in such proportions as the Committee shall determine.
- 21.10 Except as expressly provided by the Company, a person who is not a Participant has no right under the Contracts (Rights of Third Parties) Act 1999 to rely upon or enforce any provisions of this Plan, but this does not affect any right or remedy of a third party which exists or is available apart from that Act. No Participant may declare himself a trustee of his rights under this Plan for the benefit of any third parties.
- 21.11 The formation, existence, construction, performance, validity and all aspects whatsoever of this Plan and all Awards granted or purported to be granted hereunder (including non-contractual disputes or claims) shall be governed by the laws of England and Wales.
- 21.12 The courts of England and Wales shall have exclusive jurisdiction to settle any disputes (including non-contractual disputes or claims), which may arise out of or in connection with this Plan or any Awards granted or purported to be granted hereunder. The parties irrevocably agree to submit to that jurisdiction.

22. Amendments to these Rules

- 22.1 Subject as provided in the rest of this Rule 22, these Rules may be amended by resolution of the Committee from time to time in any manner.
- 22.2 Subject as provided in Rule 22.4, where any amendment to these Rules would materially abrogate or materially adversely affect the subsisting rights of Participants it will not be effective unless such amendment is made with the approval of at least 75% of the Participants whose subsisting rights would be so materially abrogated or materially adversely affected.
- 22.3 Subject as provided in Rule 22.4, no amendments shall be made to:
 - 22.3.1 the class of Eligible Employees;
 - 22.3.2 the maximum entitlement of any Participant;
 - 22.3.3 the limits on the number of Shares which are subject to the Plan;
 - 22.3.4 the basis for determining a Participant's entitlement to and the terms of Shares or cash to be provided under the Plan;
 - 22.3.5 the adjustment of Awards in the event of an Issue or Reorganisation; and
 - 22.3.6 this Rule 22,
 which are to the advantage of Participants (present or future) without the previous sanction of the Company in general meeting.
- 22.4 The Committee may make any minor amendments to the Rules without the approval of the Company in general meeting or the consent of Participants to:
 - 22.4.1 benefit the administration of the Plan; or
 - 22.4.2 comply with or take account of a change in legislation; or
 - 22.4.3 obtain or maintain favourable tax, exchange control or regulatory treatment of any Participant or Group Company.
- 22.5 No amendment shall be made which is to the disadvantage of, or places an obligation on, the Trustee without the prior written consent of the Trustee to such amendments.

23. Data protection

The Company, a Participant's employing company (if different) and the Trustee (who may be based outside the European Union) will, from time to time, collect, hold and process the Participant's personal information for the purposes of the administration of the Plan. The Company, the Participant's employing company or the Trustee (as the case may be) will not use such personal information for any purpose other than the administration of the Plan (which shall include the provision of related information to any potential purchaser of the Company) unless:

- 23.1 the relevant Participant's consent to that use is obtained;
- 23.2 it is necessary to perform a contract with the Participant;

- 23.3 it is necessary to comply with a legal obligation of the Company or a Participant's employing company (if different) or the Trustee; or
- 23.4 it is necessary for the legitimate interests of the Company, the Participant's employing company (if different) or the Trustee.

SCHEDULE

Part A – The US Sub Plan

1. Purpose and Interpretation

- 1.1 This Sub-Plan shall be used for all Participants who are, or may become prior to the Vesting of Awards, US taxpayers. In the event that a Participant becomes a US taxpayer after the grant of an Award, such Award may be modified in a manner consistent with this Sub-Plan.
- 1.2 The purpose of this Sub-Plan is to ensure that Awards made under the Plan comply with the requirements of §409A of Title 26 of the United States Code (the "**Internal Revenue Code**") and should be interpreted in a manner consistent with such requirements.
- 1.3 The rules contained within this Sub-Plan are to be read as a continuation of the Plan and only modify the Plan as it relates to Awards granted, or to be granted to Eligible Employees pursuant to this Sub-Plan. These rules do not apply to, or modify the Plan in respect of, any other Awards. In the event of any conflict between the rules of the Plan and this Sub-Plan, the latter will take precedence insofar as Awards granted pursuant to this Sub-Plan are concerned.
- 1.4 The Committee may amend any of the provisions of this Sub-Plan to take account of a change in US legislation, in particular in relation to §409A of the Internal Revenue Code.
- 1.5 This Sub-Plan is intended to ensure that all Awards granted under the Plan to a US taxpayer will be Conditional Awards and that no Options will be awarded under this Sub-Plan or the Plan to a US taxpayer and should be interpreted in a manner consistent with such intent.

2. Definitions

In relation to Awards granted pursuant to this Sub-Plan:

- 2.1 The following definitions in Rule 1.1 shall be replaced as set forth below:

"Participant"	a Grantee and, where the context so requires, any person to whom the Award has been assigned or transferred by will or by the laws of inheritance following the Grantee's death;
"Performance Award"	<p>a Conditional Award granted (or to be granted) by the Company to an Eligible Employee in pursuance of the Plan on terms that the Vesting of such Conditional Award is (subject as otherwise provided herein) conditional upon:</p> <ul style="list-style-type: none"> (i) the Performance Condition being met; and (ii) the relevant Participant remaining a director or employee of a Group Company until Vesting <p>and, where the context requires, references to a Performance Award shall be deemed to include references to any dividend equivalent shares or right or contingent right thereto arising under such Award under Rule 5;</p>
"Release"	the transfer to the Participant (or his nominee) of some or all of the Shares comprised in the Conditional Award in accordance with these Rules (and " Released " shall be construed accordingly);
"Retention Award"	a Conditional Award granted (or to be granted) by the Company to an Eligible Employee in pursuance of the Plan on terms that the Vesting of such Conditional Award is (subject as otherwise provided herein) conditional upon the relevant Participant remaining a director or employee of a Group Company until Vesting and, where the context requires, references to a Retention Award shall be deemed to include references to any dividend equivalent shares or right or contingent right thereto arising under such Award under Rule 5;

"Vest" means, subject to the operation of any applicable Holding Period(s), the crystallisation of a Participant's entitlement to receive some or all of the Shares comprised in that Conditional Award in accordance with these Rules (and **"Vests"**, **"Vesting"** and **"Vested"** shall be construed accordingly).

2.2 The definitions of **"Exercise Price"**, **"Nil Cost Option"**, **"Nominal Value Option"**, **"Notification Date"** and **"Option"** shall not apply so that for the avoidance of doubt, all Awards granted pursuant to this Sub-Plan shall be Conditional Awards.

2.3 A new definition shall be inserted in Rule 1.1 as follows:

"Grantee" a person who has been granted an Award pursuant to this Sub-Plan;

3. Grant of Awards

In relation to Awards granted pursuant to this Sub-Plan:

3.1 Rules 3.2.8 and 3.2.9 shall not apply.

3.2 Rules 3.3.7, 3.3.8 and 3.3.9 shall not apply.

3.3 Rule 3.4 shall be replaced by the following:

"3.4 The Committee may, at the Date of Grant, determine that an Award shall instead be constituted as a right of the Participant to acquire a cash sum calculated by reference to a notional number of Shares which on Vesting (or, in the case of an Award that is subject to a Holding Period, on the expiry of such Holding Period) delivers an amount equal to the Relevant Market Value (as that term is defined below) of the number of notional Shares in respect of which the relevant Award has Vested (or, in the case of an Award that is subject to a Holding Period, that would otherwise be released on the expiry of such Holding Period). For the purposes of this Rule 3.4, **"Relevant Market Value"** shall mean the Market Value of the Shares on the date on which the Conditional Award Vests (or, where the Conditional Award is subject to a Holding Period, on the expiry of such Holding Period)."

3.4 Rule 3.7 shall be replaced by the following:

"3.7 Subject to the rights of any person to whom an Award has been assigned or transferred by will or by the laws of inheritance following the Grantee's death to receive any Shares following the Vesting of an Award free from any restrictions, an Award shall be personal to the Participant to whom it is granted and shall not be transferable, assignable, charged, pledged or otherwise encumbered and any purported transfer, assignation, charge, disposal or dealing with the rights and/or interests of the Participant under the Plan shall render the Award void."

3.5 Rule 3.8 shall be amended by deleting the word "exercise" where it appears in the second line of that Rule.

3.6 Rule 3.9.1 shall be amended by deleting the word "exercise" where it appears in the fourth line of that Rule.

3.7 Rule 3.9.3 shall be amended by deleting the word "exercise" where it appears in the second line of that Rule.

4. Restrictions and limitations – Company limits

For the avoidance of doubt, Rule 8 of the Plan shall apply to this Sub-Plan and for the purposes of any limits expressed therein include both Awards granted pursuant to the Plan and Awards granted pursuant to this Sub-Plan.

5. Consequences of Vesting

In relation to Awards granted pursuant to this Sub-Plan:

5.1 Rule 10.1 shall be replaced with the following:

"10.1 When an Award Vests, the Committee shall, subject to Rules 11, 12.1, 12.5, 13 and 18, procure that the relevant Shares are Released within 30 days of:

10.1.1 the Vesting Date (in the case of an Award that is not subject to any Holding Period(s)); and

10.1.2 the applicable Holding Period Expiry Date (in all other cases),
provided, however, that if the 30 day period overlaps two calendar years then the Shares shall be Released in the same calendar year as the Vesting Date or Holding Period Expiry Date (as applicable)."

5.2 Rule 10.2 shall be replaced with the following:

"10.2 In no circumstances shall the Shares to which a Participant is entitled on the Vesting of an Award be Released to him any later than 15 March following the end of the calendar year in which the later of (i) the Vesting Date and (ii) the Holding Period Expiry Date occurs."

5.3 Rules 10.3, 10.4 and 10.5 shall not apply.

5.4 **Rule 701 Compliance**

A new Rule 10.6 shall be inserted as follows:

"10.6 Unless in the opinion of counsel to the Company the issuance of securities pursuant to the Sub-Plan is exempt from the requirements of Rule 701 of the Securities Act 1933 ("**Rule 701**"), the Company must:

10.6.1 deliver to each Participant a copy of the rules of the Sub-Plan; and

10.6.2 if the aggregate value of the Shares issued under the Sub-Plan (or other compensatory plans of the Company) in any consecutive 12-month period exceeds \$5 million as calculated under the Rule 701, the Company shall deliver the following disclosure to each Participant a reasonable period of time before the issuance of Shares to the Participant under the rules of the Sub-Plan:

- (i) a summary of the material terms of the Sub-Plan;
- (ii) information about the risks associated with investment in the Shares; and
- (iii) financial statements required to be furnished under Rule 701, which must be as of a date no more than 180 days before the issuance of the Shares."

5.5 **Resale Limitations**

A new Rule 10.7 shall be inserted as follows:

"10.7 Securities issued pursuant to the Sub-Plan in reliance on Rule 701 are deemed to be "restricted securities" as defined in Rule 144 of the Securities Act of 1933. Resales of securities issued pursuant to the Sub-Plan in reliance on Rule 701 must be in compliance with the registration requirements of the Securities Act of 1933 or an exemption from those requirements."

5.6 **Investment Intent**

A new Rule 10.8 shall be inserted as follows:

"10.8 The Committee may require any person to whom an Award is granted, as a condition of such an Award Vesting to give written assurances in a substance and form satisfactory to the Committee to the effect that such person is acquiring the Shares subject to the Award for such person's own account for investment and not with any present intention of selling or otherwise distributing the same, and to such other effects as the Company deems necessary or appropriate in order to comply with federal and applicable state securities laws, or with covenants or representations made by the Company in connection with any public offering of its Shares."

5.7 **Regulatory Requirements**

A new Rule 10.9 shall be inserted as follows:

- "10.9 Each Award shall be subject to the requirement that if, at any time, counsel to the Company shall determine that the listing, registration or qualification of the Shares subject to such Award upon any securities exchange or under any state or federal law, or the consent or approval of any governmental or regulatory body, or that the disclosure of non-public information or the satisfaction of any other condition is necessary as a condition of, or in connection with, the issuance or purchase of Shares thereunder, such Award shall not Vest, in whole or in part, unless such listing, registration, qualification, consent or approval, or satisfaction of such condition shall have been effected or obtained on conditions acceptable to the Committee. Save as provided in Rule 12.4, nothing herein shall be deemed to require the Company to apply for or to obtain such listing, registration or qualification, or to satisfy such condition."

6. Taxation and social security

- 6.1 Rule 11.1 shall be replaced with the following:

"11.1 Save as provided in Rule 11.6, any liability of a Participant to income and employment taxation or employee's social security liabilities (or overseas equivalent) in respect of an Award shall be for the account of the relevant Participant."

- 6.2 Rule 11.4 shall not apply.

7. Additional provisions relating to the Release of Shares

Rule 12.5 shall be amended by deleting the word(s) "or exercise" where they appear in the first and fourth lines of that Rule and the first line of Rule 12.5.1.

8. Cash Alternative

In relation to Awards granted pursuant to this Sub-Plan:

- 8.1 Rule 13.1 shall be replaced with the following:

"13.1 At any time after a Conditional Award Vests, but before any Shares have been Released in accordance with Rule 10.1 in relation to an Award, the Committee may determine that, in substitution of the relevant Participant's right to receive such number of those Shares as the Committee may decide (but in full and final satisfaction of that right), he shall be paid by way of additional employment income a sum equal to the cash equivalent (as defined in Rule 13.2 below) of that number of Shares in accordance with the following provisions of this Rule 13."

- 8.2 Rule 13.2 shall be replaced with the following:

"13.2 For the purposes of this Rule, the "**cash equivalent**" of a Share in respect of which a determination has been made by the Committee pursuant to Rule 13.1 shall be its Market Value on the date on which it would otherwise have been Released to the relevant Participant in accordance with Rule 10.1."

- 8.3 Rule 13.3 shall be replaced with the following:

"13.3 If the Committee has determined pursuant to Rule 13.1 that a Participant shall be paid a sum in substitution for his right to receive any number of Shares on the Release of an Award then, within 30 days of the later of (i) the Vesting Date and (ii) the Holding Period Expiry Date, the Company shall pay to him or procure the payment to him of that sum in cash; provided, however, that if the 30 day period overlaps two calendar years that the cash payment shall be made in the same calendar year as the Vesting Date or date of expiry of the relevant Holding Period (as applicable)."

- 8.4 Rule 13.4 shall not apply.

9. Cessation of employment before Vesting

In relation to Awards granted pursuant to this Sub-Plan, Rules 15.5 and 15.6 shall not apply.

10. Cessation of employment after Vesting

In relation to Awards granted pursuant to this Sub-Plan, Rules 16.2 and 16.3 shall not apply.

11. Malus / Clawback

Rule 18.8.4 shall not apply.

12. Adjustment of Awards

In relation to Awards granted pursuant to this Sub-Plan:

12.1 Rule 19.1 shall be replaced with the following:

"19.1 Upon the occurrence of an Issue or Reorganisation (other than one in respect of which the Committee has made a determination for the purposes of Rule 17.1.5), the number and/or nominal value of Shares comprised in each Award may be adjusted by the Committee in such manner as it, in its reasonable opinion, considers to be fair and appropriate."

12.2 Rule 19.2 shall not apply.

13. General

In relation to Awards granted pursuant to this Sub-Plan:

13.1 Rule 21.11 shall be amended by adding the following words to the end of that Rule:

"; except that the rules applicable to Awards granted pursuant to the Sub-Plan shall be construed in accordance with United States tax law (where it applies to the Awards granted pursuant to this Sub-Plan) as it may be modified by any applicable tax treaties."

13.2 The Committee may, in its sole discretion and without the consent of any Grantee, modify any Award granted pursuant to the Sub-Plan to the extent necessary to avoid non-compliance with Section 409A of the Internal Revenue Code.

13.3 Any taxes, penalties, or interest imposed on a Grantee as a result of a failure to comply with Section 409A of the Internal Revenue Code or other tax rule shall solely be the Grantee's responsibility and the Company shall not be liable for any such costs or any act or omission with respect to the Plan or Sub-Plan that results in an Award becoming subject to taxes, penalties, or interest under Section 409A of the Internal Revenue Code.

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