



**HENRY BOOT PLC**

**2025 LONG TERM INCENTIVE PLAN**

**ADOPTED BY THE BOARD ON [INSERT DATE]**

**APPROVED BY SHAREHOLDERS ON [INSERT DATE]**

**EXPIRY DATE: [INSERT DATE]**



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## 1. Interpretation

### 1.1 In this Plan, unless otherwise stated, the words and expressions below have the following meanings.

**Acceptance Notice:** a document, in the form prescribed by the Remuneration Committee from time to time, in which the Award Holder confirms that they accept these rules and the terms of their Award, which may take the form of wording on an online portal.

**Award:** a Conditional Share Award or an Option.

**Award Certificate:** a document (which may be displayed on an online portal) setting out the terms of an Award (being the rules of the Plan and such additional terms or conditions as the Remuneration Committee may specify).

**Award Holder:** an individual who holds an Award (or their personal representatives) and where the context so permits or requires shall include a former Award Holder.

**Bad Leaver:** an Award Holder who ceases to be an Employee and is not a Good Leaver.

**Board:** the board of directors of the Company.

**Business Day:** a day other than a Saturday, Sunday or public holiday in England.

**Change of Control:** a person (either alone or together with persons Acting in Concert (as defined in the City Code on Takeovers and Mergers) with them) (the "**Acquiror**") acquires Control of the Company.

**Clawback Amount:** an amount of value determined in accordance with rule 9.

**Closed Period:** has the same meaning as in UK MAR.

**Company:** Henry Boot PLC incorporated and registered in England & Wales with number 00160996.

**Conditional Share Award:** a conditional right to acquire for no cost a specified number of Shares on the Vesting Date, subject to the rules of the Plan.

**Control:** has the meaning given to it in section 995 of the Income Tax Act 2007.

**Dealing Day:** a day on which the London Stock Exchange is open for business.

**Dealing Restrictions:** restrictions imposed by the Company, UK MAR, the UK Listing Rules or any applicable laws, codes or regulations which impose restrictions on dealing in shares and other securities.

**Dividend Equivalent:** has the meaning set out in rule 5.

**Employee:** any individual who is an employee (including an executive director) of a Group Company.

**Employer Company:** the Award Holder's employer or former employer.

**Employees' Share Scheme:** has the meaning given to it by section 1166 of the Companies Act 2006.

**Exercise Date:** in relation to an Option, the date on which it is validly exercised.

**Exercise Notice:** a document that the Award Holder must complete and return (together with any other documents or payments required under the Plan) to the Company in order to exercise an Option.

**Exercise Price:** the price (if any) at which each Share subject to an Option may be acquired on the exercise of that Option.

**Good Leaver:** an Award Holder who ceases to be an Employee due to any of the following reasons:

- a) death;

- b) injury, ill health or disability (in each case evidenced to the satisfaction of the Remuneration Committee);
- c) retirement with the agreement of the Remuneration Committee;
- d) redundancy (within the meaning of section 139 of the Employment Rights Act 1996 or applicable non-UK equivalent);
- e) their Employer Company ceasing to be a Group Company, or
- f) the transfer of the business that employs the Award Holder to a person that is not a Group Company,

or in any other circumstances determined by the Remuneration Committee in its absolute discretion.

**Grant Date:** the date on which an Award is or was granted.

**Group:** the Company, any subsidiary of the Company, the Company's holding company, if any (each within the meaning of section 1159 of the Companies Act 2006) and any subsidiary of the Company's holding company, each from time to time (and **Group Company** shall mean any member of the Group from time to time).

**Holding Period:** the period that starts on the Vesting Date and ends on the first to occur of (a) the second anniversary of the Vesting Date or (b) the fifth anniversary of the Grant Date (or such other period, if any, as the Remuneration Committee may specify in the Award Certificate).

**ITEPA 2003:** the Income Tax (Earnings and Pensions) Act 2003.

**Listed:** means that any Shares are admitted to the Official List (with consequent admission to trading on the Main Market of the London Stock Exchange).

**Market Value:** means the market value of a Share as determined by the Remuneration Committee (acting fairly and reasonably), normally based on the closing middle market quotation (being the mid-point between the closing 'buy' and 'sell' prices, as derived from the daily official list) for a Share on the Dealing Day immediately preceding the relevant date or the average of the closing middle market quotations for a period not exceeding the five consecutive Dealing Days immediately preceding the relevant date (in all cases, excluding any Dealing Days that fall in a Closed Period).

**NICs:** National Insurance contributions or equivalent social security contributions in any other relevant jurisdiction.

**Option:** a conditional right to acquire a specified number of Shares (for no payment or, where an Exercise Price is specified in the relevant Award Certificate, upon payment of that Exercise Price) subject to the rules of the Plan, granted in the form of an option.

**Ordinary Vesting Date:** the later of (a) the Performance Measurement Date (if any, or, where the Award has multiple Performance Measurement Dates, the final Performance Measurement Date) and (b) the first Dealing Day following the end of the Vesting Period, or where, in either case, that date falls in a Closed Period, the first Dealing Day following the end of that Closed Period (such that Awards granted to executive directors of the Company will, unless the applicable Directors' Remuneration Policy provides otherwise, normally Vest on the third anniversary of the Grant Date).

**Performance Condition:** a condition set under rule 3 to which the Vesting of the Award (or part thereof) is subject.

**Performance Measurement Date:** the date on which the Remuneration Committee determines the extent to which any Performance Condition(s) to which the Vesting of the Award (or part thereof) is subject has/have been satisfied. An Award may have more than one Performance Measurement Date.

**Performance Period:** the period over which performance is measured to determine the extent to which any Performance Condition(s) has/have been achieved, which in respect of Awards granted with Performance Conditions to executive directors of the Company shall normally be three years (unless the applicable Directors' Remuneration Policy provides otherwise).

**Plan:** the Employees' Share Scheme constituted and governed by these rules, as amended from time to time.

**Relevant Number:** has the meaning given in rule 17.1 (and, where applied to an event which is not a Change of Control, references in rule 17.1 to a Change of Control shall be read as references to that event).

**Remuneration Committee:** the remuneration committee of the Board, as designated by the Board from time to time.

**Scheme of Arrangement:** a compromise or arrangement under either section 899 or section 901F of the Companies Act 2006.

**Share:** a fully paid ordinary share of £0.10 nominal value (subject to rule 18) in the capital of the Company.

**Tax Authority:** HMRC (or any successor authority) or, where relevant, its equivalent in another jurisdiction.

**Tax Liability:** any liability of a Group Company (or any other person) to account to a Tax Authority for (i) any income tax and employee (but not, unless the Award Certificate provides otherwise, employer) NICs, non-UK equivalents, and similar charges or levies, for which an Award Holder is or would be liable in respect of or in connection with their Award(s), and (ii) any related penalties or interest.

**UK MAR:** the retained EU law version of the Market Abuse Regulation (Regulation (EU) 596/2014) which applies in the UK.

**Vest:** means

- a) in relation to an Option, that it becomes exercisable, and
- b) in relation to a Conditional Share Award, that the Award Holder becomes entitled to have the relevant Shares issued or transferred to them,

in each case, in accordance with these rules, and “**Vesting**”, “**Vested**” and “**Unvested**” shall have a corresponding meaning.

**Vesting Date:** is the date on which the Award Vests in accordance with these rules.

**Vesting Period:** the period specified in the Award Certificate, which in respect of Awards granted to executive directors of the Company will normally be no less than three years beginning with the Grant Date (unless the applicable Directors' Remuneration Policy provides otherwise).

- 1.2 Unless the context otherwise requires, (a) words in the singular shall include the plural and in the plural shall include the singular and (b) a reference to one gender shall include a reference to the other genders.
- 1.3 A reference to a statute or statutory provision includes a reference to it as from time to time consolidated, modified, re-enacted or replaced, and to all subordinate legislation made under it. A reference to “written” includes email.
- 1.4 Any words following the terms including, include, for example or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.

## **2. Grant of Awards**

- 2.1 The Remuneration Committee may authorise the grant of an Award by the Company to any Employee in accordance with these Plan rules.

2.2 Awards may only be granted:

- (a) within the period of 42 days commencing on (i) the date the Plan was approved by the Company's shareholders, (ii) the Dealing Day immediately after the day on which the Company announces its results for any period and/or (iii) the Dealing Day immediately after the day on which Dealing Restrictions which stopped the grant of Awards in the relevant period are lifted, or
- (b) at any other time when, in the opinion of the Remuneration Committee, exceptional circumstances justify the grant of an Award,

and no Awards may be granted (i) during a Closed Period, (ii) where Dealing Restrictions prevent the grant of Awards, or (iii) on or after the tenth anniversary of the date the Plan was approved by the Company's shareholders.

2.3 Awards shall be granted by deed or by such other contractually enforceable method as the Remuneration Committee may decide. The Remuneration Committee will send an Award Holder an Award Certificate on or shortly after the Grant Date of their Award, or ensure that the Award Certificate is available to the Award Holder through an online portal.

**3. Performance Conditions**

3.1 The Remuneration Committee may specify one or more Performance Conditions to which the Vesting of the Award is subject. Awards granted to executive directors of the Company will normally be subject to one or more Performance Conditions (save to the extent the applicable Directors' Remuneration Policy provides otherwise).

3.2 The Remuneration Committee, acting reasonably, may vary any Performance Condition if an event occurs which causes the Remuneration Committee to consider that it would be appropriate to do so, provided they consider the varied condition to be not materially more difficult to satisfy than the original Performance Condition was at the Grant Date (save for changes in accordance with rule 21.1(b)) and not materially easier to satisfy than the original Performance Condition was at the Grant Date (and a condition varied under this rule shall be deemed not to be an amendment to the advantage of Employees or Award Holders for the purposes of rule 21.1(a)).

**4. Adjustment to Vesting of Awards**

The Remuneration Committee may adjust the extent to which an Award (or part thereof) Vests if it considers that the extent to which the Award would otherwise Vest is not a fair reflection of the performance of the Company or any relevant Group Company or division, the Award Holder's performance and conduct, and/or the wider stakeholder experience (including but not limited to where any of the circumstances in rule 8.1 occur).

**5. Dividend Equivalents**

The Remuneration Committee may specify that Dividend Equivalents apply to the Award. A Dividend Equivalent is a right to receive a payment (in cash or shares) on or around the Vesting Date or, in respect of an Option, the Exercise Date, calculated on any basis chosen by the Remuneration Committee to reflect dividends which the Award Holder would have received had they held the relevant Shares (being those acquired pursuant to the Award) from the Grant Date until the Vesting Date of the relevant Award (or, where the Award is an Option which is subject to a Holding Period, from the Grant Date until the earlier of (i) the Exercise Date or (ii) the date of the last day of the Holding Period).

## **6. Limits**

- 6.1 An Award may not be granted to the extent the grant would result in the total number of Shares capable of being issued in respect of that Award, when aggregated with the number of Shares issued, or capable of being issued, in respect of all awards under any Employees' Share Scheme (including the Plan) granted on that day or in the 10 years preceding the proposed Grant Date exceeding 10% of the Company's ordinary share capital then in issue.

In this rule:

- (a) Shares (i) subject to an award (or part thereof) which lapsed or otherwise became incapable of vesting or exercise, or (ii) which may be acquired pursuant to awards which the Remuneration Committee decides are to be satisfied otherwise than by Shares being issued (or are granted on such terms) shall not be taken into account;
  - (b) references to the issue of Shares shall include the transfer of treasury shares for as long as institutional investor guidelines require them to count toward dilution limits, and
  - (c) the Remuneration Committee may make such adjustments to the method of assessing the limit as it considers appropriate in the event of any variation of the Company's share capital.
- 6.2 No Employee may be granted an Award which would result in the Market Value of Awards made to that Employee in respect of any financial year of the Company exceeding 200% of the Employee's basic annual salary as at the proposed Grant Date (or, where applicable, the relevant percentage of salary limit set out in the Directors' Remuneration Policy which the Company has in place at that time). The 'Market Value of Awards' means the aggregate Market Value of Shares subject to Awards measured as at the Grant Date of the relevant Award. Any Awards surrendered for nil consideration before the Vesting Date shall not count towards this limit.
- 6.3 If an Award is purportedly granted in breach of any of the above limits, the Remuneration Committee may take any action it considers necessary to restore compliance. An amended Award will be treated as if it had been granted on the adjusted terms on the Grant Date.

## **7. Vesting Date**

- 7.1 Subject to the rules of the Plan, an Award will Vest (save to the extent lapsed or already Vested pursuant to another rule of the Plan) on its Ordinary Vesting Date (where the Award is subject to Performance Condition(s), to the extent those Performance Condition(s) have been met).
- 7.2 Unless the Remuneration Committee decides otherwise, where an Award Holder's Award would Vest at a time Dealing Restrictions prevent them selling Shares, their Award will instead Vest when such Dealing Restrictions cease to apply.
- 7.3 Notwithstanding any other rule of this Plan, an Award shall not Vest, and an Award Holder may not exercise an Option, at any time while an investigation into the Award Holder's conduct is ongoing. An Award which this rule prevented from Vesting (and an Option which the Award Holder was prevented from exercising) due to this rule shall Vest on (and an Option which has already Vested may be exercised from) the date of the conclusion of the investigation, save to the extent the malus provisions apply or if the Award Holder becomes a Bad Leaver.

## **8. Circumstances in which malus and clawback can apply**

- 8.1 This rule 8.1 applies in relation to an Award if the Remuneration Committee determines that any of the following circumstances (the "**Relevant Circumstances**") exist:

- (a) there has been a materially adverse misstatement or misrepresentation of any part of the Company's financial statements or the results of any Group Company;
- (b) there has been an error in (i) determining the size and nature of the Award, or in the Award documentation, or (ii) assessing the extent to which any Performance Condition was met, or such determination or assessment was based on inaccurate or misleading information or assumptions;
- (c) the Company has reasonable evidence of fraud, gross misconduct, dishonesty or other behaviour which would have entitled the Award Holder's employer to summarily dismiss them;
- (d) the Award Holder has acted in any manner which in the opinion of the Remuneration Committee (i) has resulted, or is likely to result, in any Group Company suffering serious reputational damage, and/or (ii) is materially adverse to the interests of any Group Company;
- (e) the Remuneration Committee determines that a Group Company or business unit that employs or employed the Award Holder, or for which the Award Holder is or was (in whole or as to a material part) responsible, has suffered a corporate failure, material financial downturn, material failure of risk management or the occurrence of an event which is, in the opinion of the Remuneration Committee, a serious health and safety event, in each case which is due (in whole or in part) to the actions or omissions of the Award Holder, or
- (f) the Award Holder was a Good Leaver by reason of retirement with the agreement of the Remuneration Committee but becomes employed in a paid executive role (as determined by the Remuneration Committee), other than by a Group Company.

8.2 In this rule 8.2, "Relevant Date" means the Grant Date in respect of an Unvested Award, and the Vesting Date in respect of a Vested Award. This rule 8.2 applies in relation to an Award if (a) the Remuneration Committee determines that if it had been, on or before the Relevant Date, fully aware of the existence of the Relevant Circumstances, or (b) where the Relevant Circumstances occurred after the Relevant Date, the Remuneration Committee determines that if the Relevant Circumstances had occurred (and it had been fully aware of their existence) on or before the Relevant Date, then the Award would have been granted over a smaller number of Shares (or would not have been granted) or would have Vested to a lesser extent (or not Vested at all).

8.3 If rules 8.1 and 8.2 apply, the Remuneration Committee may decide to apply rule 9 in relation to an Award at any time between the Award's Grant Date and the second anniversary of its Vesting Date (save that where an investigation into whether this rule 8 and rule 9 should be applied has started before the end of this period, the Remuneration Committee may, acting fairly and reasonably, determine the provisions of this rule 8 and rule 9 may be applied to the Award until such time as the Remuneration Committee determines following the conclusion of the investigation).

## **9. Operation of malus and clawback**

9.1 If the Remuneration Committee decides to apply this rule 9, they may determine to reduce the number of Shares (including to nil) subject to any part of an Award which has not Vested (or, in the case of an Option, any part which has not been exercised), and/or determine a Clawback Amount in relation to an Award (or relevant part) which has Vested (or, in the case of an Option, been exercised).

9.2 The Clawback Amount shall be such amount as the Remuneration Committee considers to be fair and reasonable, but shall not be more than the greater of (i) the Market Value of the Shares on the date the Award Holder acquired them and (ii) the Market Value of the Shares on the date of the determination under rule 9.1, plus (in either case) any Dividend Equivalents paid to the Award Holder and minus any Exercise Price paid (or, where the Award has been satisfied in cash, not more than the gross cash amount received).



- 9.3 The Award Holder shall use his or her best endeavors to obtain from the Tax Authority repayment of (or credit for) any Tax Liability paid on the Award Holder's behalf in relation to the Award (the "**Tax Refund**") as soon as reasonably practicable after being notified of the Clawback Amount. If no such repayment or credit is possible, the Remuneration Committee may decide to reduce the Clawback Amount to take account of this amount (save where the calculation of the Clawback Amount already took into account any Tax Liability paid).
- 9.4 The Company may obtain recovery of the Clawback Amount from the Award Holder in any (or any combination) of the following ways:
- (a) by reducing the number of Shares under, or cancelling, any (i) Unvested Awards, (ii) unexercised Options (or part thereof), or (iii) Awards which have Vested, and Options (or part thereof) which have been exercised, but in respect of which the Shares have not yet been issued or transferred to the Award Holder ("**Subsisting Awards**");
  - (b) by reducing or cancelling any cash bonus payable to the Award Holder by any Group Company;
  - (c) by reducing or cancelling any award granted or to be granted to the Award Holder under any cash-based or share-based incentive scheme or bonus scheme operated by any Group Company (other than any tax-advantaged scheme established under schedules 2 to 5 (inclusive) of ITEPA 2003);
  - (d) by requiring the Award Holder to transfer (or procure the transfer of) Shares, for no consideration, to such party as the Company may direct, or
  - (e) by requiring the Award Holder to make a cash payment equal to the Clawback Amount to a Group Company within 30 days of a written demand by the Company (save that, unless the Remuneration Committee decides otherwise, the part of the Clawback Amount comprising the Tax Refund shall be payable within 30 days of the Award Holder's receipt of the Tax Refund) and by accepting an Award, the Award Holder consents to (i) such payment being made and the Company receiving such payment and, (ii) if the Award Holder fails to make the payment in full within this period, their Employer Company making appropriate deductions from any salary or other payment due to the Award Holder.
- 9.5 If the Award Holder participates in another incentive scheme (cash-based or share-based) or bonus scheme operated by a Group Company, and that other scheme contains a provision that has a similar effect to this rule 9, the Remuneration Committee may give effect to that provision by reducing the number of Shares under, or cancelling, any Subsisting Awards.

## **10. Exercise of Options**

- 10.1 An Award Holder may (and may only) exercise an Option in the period beginning with the Vesting Date and ending on the date the Option lapses in accordance with these rules, and provided such exercise is not contrary to any Dealing Restrictions.
- 10.2 An Award Holder may only exercise an Option to the extent that it has Vested and any other condition stated in the Award Certificate is satisfied.
- 10.3 An Option may only be exercised over the entire number of Shares in respect of which it has Vested or such lower number as is agreed with the Remuneration Committee.
- 10.4 The Award Holder shall exercise an Option by giving an Exercise Notice to the Company or by exercising in accordance with the instructions displayed on an online portal. Any application to exercise an Option shall (unless otherwise agreed with the Remuneration Committee) be taken to be

an application to exercise the Option in respect of the maximum number of Shares over which the Option can be exercised at that time.

- 10.5 The Exercise Notice (or the application to exercise the Option given through an online portal) shall be accompanied by the payment of the Exercise Price (if any) and the Tax Liability, unless the Award Holder has entered into binding alternative arrangements to secure the payment of those amounts which are satisfactory to the Remuneration Committee.

## **11. Settlement of Awards**

- 11.1 Subject to rule 12, within 30 days after the Vesting of a Conditional Share Award, or the valid exercise of an Option, the Company shall issue, or procure the transfer of, Shares to the Award Holder or, if the Remuneration Committee so decides, a nominee for the Award Holder (and where Dealing Restrictions prevent them from so doing, shall do so as soon as practicable after those Dealing Restrictions cease to apply) in full and final satisfaction of their rights under the Award (or where an Option is exercised in part, their rights under the relevant part).
- 11.2 No Award Holder shall have any interest in the Shares subject to an Award prior to the Award Holder (or their nominee) being registered as the holder of such Shares.

## **12. Alternative methods of settlement of Awards**

- 12.1 Instead of delivering the number of Shares in respect of which an Option is exercised, the Company may settle the exercise of an Option with an Exercise Price by:
- (a) save where this would cause any adverse securities laws, exchange control, tax or social security issues for the Award Holder, making a cash payment to the Award Holder equal to the amount by which the Market Value of a Share on the date of exercise of the Option exceeds the Exercise Price, multiplied by the number of Shares in respect of which the Option is being exercised (the “Gain”), or
  - (b) arranging for the transfer or issue of Shares to the Award Holder with a Market Value equal to the Gain (rounded down to the nearest whole Share), for which the Award Holder shall not be required to make payment.
- 12.2 Instead of delivering the number of Shares subject to an Option without an Exercise Price or a Conditional Share Award, the Company may (save where this would cause any adverse securities laws, exchange control, tax or social security issues for the Award Holder) settle the Award by making a cash payment to the Award Holder equal to the Market Value of the Shares in respect of which the Award has Vested (or in the case of an Option, been exercised).

## **13. Holding Period**

- 13.1 During any applicable Holding Period, the Award Holder may not transfer, assign, charge or otherwise encumber or dispose of their beneficial or (save where their Shares are held by a nominee) legal interest in Shares acquired under the relevant Award (together, the “Held Shares”) except:
- (a) in order to raise sufficient funds to pay a Tax Liability in relation to the Held Shares;
  - (b) in order to raise sufficient funds to pay the Exercise Price of the Option pursuant to which they acquired the Held Shares;
  - (c) to the extent necessary to comply with rule 9, or where rule 17 applies, or
  - (d) with the permission of the Remuneration Committee.

- 13.2 An Award Holder who breaches or attempts to breach rule 13.1 shall, unless the Remuneration Committee determines otherwise, immediately cease to have any beneficial interest in the Held Shares and will immediately transfer or procure their transfer for nil consideration to such person as the Remuneration Committee may direct.
- 13.3 If Shares are acquired by an Award Holder pursuant to an Award during a Holding Period, it is a term of the acquisition of those Shares that the Award Holder will (within 21 days of a request by the Remuneration Committee) execute any documentation and take any action which the Remuneration Committee considers necessary or desirable to enforce the Holding Period.

#### **14. Lapse of Awards**

- 14.1 Subject to rule 14.2, in addition to any lapse provisions elsewhere in the rules, an Award shall lapse on the earliest of the following:
- (a) save in respect of the transmission of an Award to an Award Holder's personal representatives on the Award Holder's death, the Award Holder attempts to transfer, assign, encumber, dispose of, or create any charge or other security interest over, an Award (or any right arising under it);
  - (b) the Vesting Date, to the extent the Award does not Vest;
  - (c) in respect of Options, any lapse date specified in the Award Certificate (which shall not be later than the tenth anniversary of the Grant Date) and if no lapse date is specified, the Option shall lapse on the tenth anniversary of the Grant Date, unless it lapses earlier in accordance with these rules;
  - (d) when required by and to the extent necessary to give effect to any reduction or cancellation under rule 9;
  - (e) the date the Award Holder becomes a Good Leaver, to the extent the Award does not continue under rule 15.1;
  - (f) where rule 15.2 applies, on the earliest of the dates specified in that rule, to the extent the Award does not Vest;
  - (g) in respect of Options, to the extent unexercised, at the end of the applicable period under rule 15.3;
  - (h) the date the Award Holder becomes a Bad Leaver;
  - (i) where rule 17 applies, the relevant time specified for the lapse of the Award under that rule;
  - (j) if the Remuneration Committee so determines under rule 18.1;
  - (k) unless the Remuneration Committee decides otherwise, the deadline specified in the Acceptance Notice, if the Award Holder has not, before such deadline, returned a completed copy of the Acceptance Notice to the person to whom the notice states that it must be returned (or evidenced their acceptance of their Award in another manner acceptable to the Remuneration Committee, such as through an online portal);
  - (l) if the Award Holder becomes bankrupt;
  - (m) unless the Remuneration Committee decides otherwise, the Award Holder, having been a Good Leaver by reason of retirement with the agreement of the Remuneration Committee, becomes employed in a paid executive role (other than by a Group Company);
  - (n) unless the Remuneration Committee decides otherwise, the Award Holder materially breaches any non-competition, non-disclosure, non-solicitation or confidentiality agreement with any Group Company (including rule 23), and/or

- (o) the passing of an effective resolution, or the making of an order by the Court, for the insolvent winding-up of the Company.

For the avoidance of doubt, references to an Award in this rule shall include the remainder of an Award after part has lapsed (for example, part of an Option may lapse on the Vesting Date because it does not Vest, then the remaining part may lapse because the Award Holder subsequently becomes a Bad Leaver).

- 14.2 If an Option cannot be exercised because of any Dealing Restrictions during the period of 30 days ending with the date it is due to lapse, the Remuneration Committee may change the date the Option lapses to such future date as the Remuneration Committee determines appropriate to permit the Option to be exercised within a short period after the Dealing Restrictions cease to apply (and on the expiry of such period, the Option will lapse).

## **15. Termination of employment (Vesting and exercise period)**

- 15.1 If an Award Holder becomes a Good Leaver, the number of Shares over which each Unvested Award they hold shall continue will (save to the extent the Remuneration Committee decides otherwise) be reduced to a number which represents the proportion of the applicable Performance Period (or in respect of Awards without Performance Conditions, the applicable Vesting Period) which has elapsed at the date they become a Good Leaver.
- 15.2 If the Award Holder becomes a Good Leaver before the Ordinary Vesting Date, the Award (after the application of rule 15.1) will Vest on the earliest of:
  - (a) the Ordinary Vesting Date, in respect of a number of Shares determined by the Remuneration Committee, taking account of the extent to which any Performance Condition(s) has/have been achieved;
  - (b) the date on which the Award Vests under rule 17, after the application of rule 17.1(a)(ii) (to the extent applicable) or under rule 18.1(a), and
  - (c) such earlier date as the Remuneration Committee may specify, in respect of a number of Shares determined by the Remuneration Committee, taking account of the extent to which any Performance Condition(s) has/have been achieved over the proportion of the Performance Period ending with that date (or would, in the opinion of the Remuneration Committee, have been achieved over the full Performance Period).
- 15.3 Subject to rules 14.1, 15.4, 17 and 18.1(a), if the Award Holder becomes a Good Leaver:
  - (a) before the Ordinary Vesting Date, they (or their personal representatives where they have died) may exercise any Option during the period of six months (or such longer period as the Remuneration Committee decides) beginning on the date it Vests under rule 15.2 above, and upon the expiry of that period it shall lapse, or
  - (b) on or after the Ordinary Vesting Date, they (or their personal representatives) may exercise any Option during the period of six months (or such longer period as the Remuneration Committee decides) beginning on the date they become a Good Leaver, and upon the expiry of that period it shall lapse.
- 15.4 Where an Option is subject to a Holding Period, the references to a period of six months in rule 15.3 above shall be read to be the later of the expiry of the relevant period of six months and the expiry of a period of 28 days after the end of the applicable Holding Period (or such longer period as the Remuneration Committee decides).

- 15.5 If an Award Holder becomes a Good Leaver by reason of death, any Holding Period which would otherwise apply to any Shares acquired pursuant to their Award by their personal representatives shall not apply.

## **16. Termination of employment (timing)**

- 16.1 Subject to rule 16.2, an Award Holder shall not be treated as ceasing to be an Employee until he or she no longer holds any office or employment with any Group Company. An Award Holder who ceases to be an Employee in circumstances where they retain a statutory right to return to work shall only be treated as having ceased to be an Employee from such time (if at all) as they cease to have such a right to return to work.
- 16.2 The Remuneration Committee may determine that an Award Holder will be treated as ceasing to be an Employee when he or she gives or receives notice of termination of his or her employment.

## **17. Takeovers and liquidations**

- 17.1 Subject to the rest of this rule 17, where a Change of Control occurs:
- (a) the Remuneration Committee will determine the number of Shares in respect of which all Unvested Awards will Vest (the “**Relevant Number**”) as follows:
    - (i) save to the extent, in respect of any Award (A) they decide otherwise or (B) the number of Shares subject to the Award has already been reduced under rule 15.1 (reduction of Awards held by Good Leavers), by reducing the number of Shares under each Award to a number which represents the proportion of the applicable Performance Period (or in respect of Awards without Performance Conditions, the applicable Vesting Period) which has elapsed at the date of the Change of Control, and
    - (ii) by taking account of (after the application of rule 17.1(a)(i) above, if applicable) the extent to which any applicable Performance Condition(s) has/have been achieved over the proportion of the Performance Period ending on the date of the Change of Control (or, where applicable, would in the opinion of the Remuneration Committee have been achieved over the full Performance Period), and
  - (b) all Unvested Awards shall Vest on the Change of Control in relation to the Relevant Number of Shares and lapse in relation to any balance.
- 17.2 Subject to the rest of this rule 17, Vested Options may be exercised following the Change of Control during a period set by the Remuneration Committee and all Options will lapse at the end of such period.
- 17.3 If the Remuneration Committee considers that a Change of Control is likely to occur, it may decide that all Awards shall Vest in relation to the Relevant Number of Shares and give Option holders the opportunity to submit an Exercise Notice (or to apply to exercise their Option through an online portal) within a period ending before the Acquiror obtains Control of the Company. If it does so:
- (a) the Vesting of Awards, and the exercise of Options in respect of which a valid Exercise Notice (or application to exercise through an online portal) has been received by the Company within the specified period, shall take effect immediately before the Change of Control (or, in the case of a Scheme of Arrangement, within the period beginning with the time the Court sanctions the Scheme of Arrangement and ending on the scheme record time);
  - (b) Options in respect of which a valid Exercise Notice (or application to exercise through an online portal) has not been received by the Company within the specified period shall

(unless the Remuneration Committee decides otherwise) lapse on the Change of Control (in the case of a Scheme of Arrangement, when it becomes effective), and

- (c) if the anticipated Change of Control does not occur, Awards shall continue on their terms (and the Vesting and/or exercise pursuant to this rule shall be deemed not to have occurred).

17.4 Subject to rule 17.3, if any person becomes bound or entitled to acquire Shares under sections 979 to 982 or 983 to 985 of the Companies Act 2006, all Awards shall Vest in relation to the Relevant Number of Shares and lapse in relation to any balance. Options may be exercised (in respect of not more than the Relevant Number of Shares) at any time when the person remains so bound or entitled and shall lapse five Business Days before the end of the period during which that person first becomes bound or entitled.

17.5 If a prospective Acquiror offers Award Holders the opportunity to exchange their Award for a right in relation to shares of another company ("**Replacement Awards**") then, notwithstanding any other provision of this rule 17, the Remuneration Committee (as constituted before the Change of Control) will determine the treatment of Awards, which may include deciding that the Awards shall not Vest and shall be automatically exchanged for Replacement Awards on the Change of Control, or giving each Award Holder the choice whether to accept a Replacement Award or have their Award Vest in the manner it would have Vested had a Replacement Award not been offered.

17.6 If the Acquiror is a company and its shareholders and the proportion of its shares held by each of them following completion of the Change of Control are substantially the same as the shareholders and their shareholdings in the Company immediately before the Change of Control, any outstanding Awards will be automatically exchanged for awards on similar terms over shares in the Acquiror, unless the Remuneration Committee decides that this rule 17.5 shall not apply. Where Awards are so exchanged, the Plan shall be interpreted in relation to any replacement awards as if references to the Company were references to the Acquiror.

17.7 All Awards shall Vest in relation to the Relevant Number of Shares (and Options may be exercised) on the passing of a resolution for the voluntary and solvent winding up of the Company and lapse in relation to any balance. Options will lapse when the winding up begins.

## **18. Variation of share capital**

18.1 Where there is a variation of share capital (including a capitalisation issue, rights issue, consolidation, subdivision or reduction of the share capital of the Company, a vendor placing with clawback, a vendor rights offer or a cash open offer) or extraordinary distribution (including a demerger or special dividend to shareholders), the Remuneration Committee may:

- (a) determine that Awards shall Vest in relation to the Relevant Number of Shares and Options may be exercised for a period set by the Remuneration Committee (which may also decide that Options will lapse at the end of such period), or
- (b) if the variation or distribution has materially affected the value of Awards, adjust the number and/or class of Shares subject to the Award, and the Exercise Price of an Option.

## **19. Tax liabilities**

19.1 Each Award Holder unconditionally and irrevocably agrees as a term of the grant of an Award to pay (or enter into arrangements to pay) the Tax Liability to the relevant Group Company, to indemnify and keep indemnified each relevant Group Company (and any other person who has or could have similar requirements to account to any Tax Authority in respect of the Award) in respect of any Tax Liability, and:

- (a) that the Company or Employer Company may (save where the Award Holder has paid an amount equal to the Tax Liability to their Employer Company in advance of their Award Vesting or, in respect of an Option, their exercise of that Option):
  - (i) retain and sell such number of Shares on behalf of the Award Holder as is necessary to meet the Tax Liability and any costs of such sale;
  - (ii) save where it would cause any adverse securities laws, exchange control, tax or social security issues for the Award Holder, settle part of the Award in cash that it sends to the Tax Authority in satisfaction of its obligations in respect of all or any part of the Tax Liability (net settlement), or
  - (iii) deduct the amount of any Tax Liability from any remuneration or termination payments made to the Award Holder, and
- (b) to enter into a valid joint election under section 431(1) of ITEPA 2003 in respect of the Shares to be acquired on the Vesting of the Award or exercise of the Option, if required to do so by the Company.

## **20. Relationship with Employment**

- 20.1 The Plan shall not (i) form any part of any person's contract of employment, (ii) confer on any person any rights (other than those constituting the Awards themselves) against any past or present Group Company or (iii) impose any liability on any Group Company (or their employees) in connection with the loss of an Award Holder's benefits under the Plan.
- 20.2 Award Holders and Employees shall have no rights (and by accepting their Award, an Award Holder waives any claim to such rights) to compensation or damages:
  - (a) in respect of the exercise or non-exercise of any discretion by the Remuneration Committee, and
  - (b) for any loss of any right or benefit or prospective right or benefit under the Plan which he or she might otherwise have enjoyed (including, without limitation, the lapse of Awards or part thereof by reason of his or her ceasing to be employed by any Group Company) where this loss arises (or is claimed to arise), in whole or in part, from ceasing to be an Employee (or being given notice to so cease) for any reason. This exclusion of liability shall apply however the cessation as an Employee (or the giving of notice) is caused, and however compensation or damages are claimed (including, but not limited to, wrongful or unfair dismissal, breach of contract or by way of compensation for loss of office or employment).
- 20.3 The Remuneration Committee may at any time discontinue the grant of Awards or decide in any year not to grant any Awards. The grant of an Award does not give any Award Holder any expectation or entitlement to any future grant of an Award notwithstanding that other grants are made in a particular year to other Employees. Awards are not pensionable.

## **21. Administration and amendment**

- 21.1 The Remuneration Committee shall administer and may amend the Plan and any Award from time to time, save that:
  - (a) while Shares are Listed, the Remuneration Committee may not make any amendment to the advantage of Employees or Award Holders if that amendment relates to:
    - (i) the definition of Employee;
    - (ii) rule 6 (limits);
    - (iii) the basis for determining an Award Holder's entitlement to, and the terms of, Shares or cash to be provided under the Plan;

- (iv) rule 18 (relating to the variation of share capital), or
- (v) the terms of this rule 21.1(a)

without the prior approval of the Company in general meeting (except for minor amendments to benefit the administration of the Plan, to take account of a change in legislation, or to obtain or maintain favourable tax, exchange control or regulatory treatment for Award Holders or for a Group Company), and

- (b) materially adverse amendments to an Award Holder's existing Award(s) may only be made (i) with the Award Holder's prior written consent; (ii) with the consent of Award Holders who hold Awards that would be affected ("**Affected Awards**") over at least 50% of the total number of Shares subject to the Affected Awards, or (iii) to enable any Group Company to comply with any relevant legal or regulatory requirement.

21.2 Any decision under these rules and whether to consider making such a decision shall be entirely at the discretion of the Remuneration Committee. The Remuneration Committee shall determine any question of interpretation and settle any dispute arising under the Plan, including determining whether anything is material. The Remuneration Committee's decision is final.

21.3 The Company shall at all times keep available sufficient authorised but unissued Shares to satisfy the Vesting (and in respect of Options, the exercise) in full of all Awards (other than those which will be satisfied by a transfer of Shares) for the time being remaining capable of Vesting (and in respect of Options, exercised) under this Plan.

21.4 The Remuneration Committee may establish sub-plans to operate in overseas territories (overseas sub-plans), provided that:

- (a) all overseas sub-plans are subject to the limitations set out in rule 6;
- (b) only Employees who are resident in (or otherwise subject to the tax laws of) the relevant territory are entitled to participate in any overseas sub-plan, and
- (c) no Employee has an entitlement to awards under any overseas sub-plan greater than the maximum entitlement of an Employee under the Plan.

Any overseas sub-plan must be governed by rules similar to the rules of the Plan, but modified to take account of applicable tax, social security, employment, company, exchange control, trust or securities (or any other relevant) law, regulation or practice.

## 22. Third party rights

22.1 A person who is not a party to an Award shall not have any rights under or in connection with it as a result of the Contracts (Rights of Third Parties) Act 1999 except where these rights arise under any rule of the Plan (or any document entered into pursuant to, or in connection with, the Plan) for any Group Company that is not a party to an Award (or any other person who has or could have similar requirements to account to any Tax Authority in respect of an Award).

22.2 The rights of the parties to an Award to surrender, terminate or rescind it, or agree any variation, waiver or settlement of it, are not subject to the consent of any person that is not a party to the Award as a result of the Contracts (Rights of Third Parties) Act 1999.

## 23. Confidentiality

Each Award Holder must keep the rules of the Plan and details of their Award (in each case save as publicly disclosed by the Company), the Acceptance Notice and the Award Certificate (the "**Plan Documents**") confidential, and must not disclose, or to permit the disclosure of, any of the terms of



the Plan Documents to any third party (save to the extent requested by the Company, a court of competent jurisdiction or any governmental authority, or expressly protected or required by law).

**24. Data Privacy**

For the purpose of operating the Plan, the relevant Group Company will collect and process information relating to Employees and Award Holders in accordance with the privacy notice available on request from the Company.

**25. Severability**

The invalidity or non-enforceability of one or more provisions of the Plan will not affect the validity or enforceability of the other provisions of the Plan, which will remain in full force and effect.

**26. Governing law and Jurisdiction**

26.1 The Plan and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.

26.2 Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising in respect of the Plan.