

Clarkson PLC

2023 LONG TERM INCENTIVE PLAN

Approved by shareholders of the Company on [11] [May] 2023

Adopted by the board of the Company on 1 March 2023

The Plan is a discretionary benefit offered by the Clarkson group for the benefit of its employees and former employees where relevant. Its main purpose is to increase the interest of participants in Clarkson's long term business goals and performance through share ownership. The Plan is an incentive for participants future performance and commitment to the goals of the Clarkson group.

Shares purchased or received under the Plan, any cash received under the Plan and any gains obtained under the Plan are **not** part of salary for any purpose except to any extent required by statute.

The Plan is being offered for the first time in 2023 in selected countries and the remuneration committee of the board of Clarkson PLC shall have the right to decide, in its sole discretion, whether or not further awards will be granted in the future and to which employees those awards will be granted.

The detailed rules of the Plan are set out overleaf.



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1. DEFINITIONS AND INTERPRETATION

1.1 In the Plan, unless the context otherwise requires:

"Award" means a Performance Award or a Deferred Award (including a Bonus Related Deferred Award) in the form of an Option, a Conditional Award or a Restricted Shares Award;

"Board" means the board of directors of the Company or a duly authorised committee of the Board or a duly authorised person;

"Bonus" means a bonus awarded under a discretionary bonus arrangement operated by a Participating Company;

"Bonus Related Deferred Award" means a Deferred Award which represents all or a proportion of a Bonus;

"Clawback" means an obligation to repay the amounts referred to in Rule 13.3;

"Committee" means the remuneration committee of the Board or, on and after the occurrence of a corporate event described in Rule 11 (*Takeovers and other corporate events*), the remuneration committee of the Board as constituted immediately before such event occurs;

"Company" means Clarkson PLC (registered in England and Wales with registered number 01190238);

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

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

"Deemed Grant Date" means a deemed Grant Date determined by the Committee in relation to such Deferred Award as it decides and which applies for the purposes of Rules 4.6(ii) (*Individual limit*), 5.2 (*Timing of Vesting: Normal Vesting Date of Deferred Awards*) and Rule 6.4 (*Dividend Equivalent applying to Conditional Awards and Options*) only;

"Deferred Award" means an Award not granted subject to a Performance Condition and designated as a Deferred Award by the Committee under Rule 3.2 (*Type of Award*) and including, where the context requires, a Bonus Related Deferred Award;

"Dividend Equivalent" means a benefit calculated by reference to dividends paid on Shares as described in Rule 6.4;

"Early Vesting Date" means either:

(a) the later of:

(i) the date of cessation of employment or office of a Participant in the circumstances referred to in Rules 10.1, 10.2, 10.5, 10.6 and 10.7; and

(ii) early determination of any Performance Condition relating to such cessation; or

(b) the date of the relevant event in Rule 11.1 (*General offers*) or Rule 11.2 (*Schemes of arrangement and winding up*) or the date of Vesting referred to in Rule 11.3 (*Demergers and similar events*);

"Exercise Period" means the period referred to in Rule 6.1 during which an Option may be exercised;

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

"Group Member" means:

- (a) a Participating Company or a body corporate which is the Company's holding company (within the meaning of section 1159 of the Companies Act 2006) or a Subsidiary of the Company's holding company;
- (b) a body corporate which is a subsidiary undertaking (within the meaning of section 1162 of the Companies Act 2006) of a body corporate within paragraph (a) above and has been designated by the Board for this purpose; and
- (c) any other body corporate in relation to which a body corporate within paragraph (a) or (b) above is able (whether directly or indirectly) to exercise 20% or more of its equity voting rights and has been designated by the Board for this purpose;

"Holding Period" if applicable, means such period or periods as the Committee may specify under Rule 3.1 (*Terms of grant*) during which a Participant (or former Participant as relevant) agrees not to sell, transfer, assign or dispose of their Net Vested Shares on terms agreed with the Committee (in accordance with Rules 6.5 to 6.7 of the Plan);

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

"Listing Rules" means the Listing Rules published by the Financial Conduct Authority;

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

"Net Vested Shares" means the Vested Shares acquired or received by a Participant on or following the Vesting of a Conditional Award or on the exercise of an Option, in each case during the Holding Period, less:

- (a) if the Participant's Tax Liability is satisfied other than by way of sale of Vested Shares, the number of Shares that have an aggregate market value on the date of Vesting (in the case of Conditional Awards) or exercise (in the case of Options) equal to the Participant's Tax Liability due and arising on the Vesting or exercise of the Award (as relevant); or
- (b) if Vested Shares are sold to satisfy the Participant's Tax Liability due on the Vesting or exercise of an Award (as relevant), such number of Vested Shares so sold;

"Normal Vesting Date" means (1) in respect of a Performance Award the third anniversary of the Grant Date (except where a different date is specified by the Committee under Rule 3.1 (*Terms of grant*)) or (2) in respect of a Deferred Award, the date on which a Deferred Award Vests under Rule 5.2 (*Timing of Vesting: Normal Vesting Date of Deferred Awards*);

"Option" means a conditional right to acquire Shares which is designated as an option by the Committee under Rule 3.2 (*Type of Award*);

"Option Price" means the amount, if any, payable on the exercise of an Option;

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

"Participating Company" means the Company or any Subsidiary of the Company;

"Performance Award" means an Award granted subject to a Performance Condition and designated as a Performance Award by the Committee under Rule 3.2 (*Type of Award*);

"Performance Condition" means a condition (or conditions) related to performance which is (or are) specified by the Committee under Rule 3.1 (*Terms of grant*);

"Plan" means the Clarkson PLC 2023 Long Term Incentive Plan as amended from time to time;

"Recruitment Related" means agreed in relation to the recruitment of the relevant executive director of the Company and in respect of which regard was had to remuneration arrangements forfeited in connection with cessation of previous employment;

"Restricted Shares" means Shares comprised in a Restricted Shares Award which are subject to certain restrictions and forfeiture under the Plan;

"Restricted Shares Award" means the transfer of the beneficial interest in Restricted Shares to a Participant and the subsequent holding of that interest in accordance with the Plan;

"Rule" means a rule of the Plan;

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

"Subsidiary" means a body corporate which is a subsidiary (within the meaning of section 1159 of the Companies Act 2006);

"Tax Liability" means any amount of tax or social security contributions for which a Participant would or may be liable and for which any Group Member or former Group Member would or may be obliged to (or would or may suffer a disadvantage if it were not to) account to any relevant authority;

"Vest" means:

- (a) in relation to an Option, it becoming exercisable;
- (b) in relation to a Conditional Award, a Participant becoming entitled to have Shares transferred to him (or his nominee) subject to the Rules;
- (c) in relation to a Restricted Shares Award, the restrictions imposed on the Restricted Shares under the Plan ceasing to apply

and **Vesting** shall be construed accordingly;

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

"Vesting Period" means the period following the Grant Date and ending on the Normal Vesting Date of a Performance Award.

- 1.2 Any reference in the Plan to any enactment includes a reference to that enactment as from time to time modified, extended or re-enacted.
- 1.3 Where the context admits, a reference to the singular includes the plural and a reference to the male includes the female.
- 1.4 Expressions in italics, headings and any footnotes are for guidance only and do not form part of the Plan.
- 2. **ELIGIBILITY**

Subject to the exception noted below an individual is eligible to be granted an Award (of any type) at the discretion of the Committee only if he is an employee (including an executive director) of a Participating Company.

A Bonus Related Deferred Award may also be granted at the discretion of the Committee to an individual who has ceased to be an employee (including an executive director) of a Participating Company.

3. GRANT OF AWARDS

3.1 Terms of grant

Subject to Rule 3.5 (*Timing of grant*), Rule 3.6 (*Approvals and consents*) and Rule 4 (*Limits*), the Committee may resolve to grant an Award on:

- (a) the terms set out in the Plan; and
- (b) such additional terms (whether a Performance Condition and/or a Holding Period and/or any other terms) as the Committee may specify

to any person who is eligible to be granted an Award under Rule 2 (*Eligibility*).

A Performance Award (other one that is Recruitment Related) made to an individual who on the Grant Date is an executive director of the Company must be subject to a Holding Period which, unless the Committee specifies otherwise for such Award, shall commence on the date on which such Award Vests and subject to Rule 6.7 (*Expiry of the Holding Period*) end not earlier than the fifth anniversary of the Grant Date.

A Deferred Award (other one that is Recruitment Related) made to an individual who on the Grant Date (or Deemed Grant Date as relevant) is an executive director of the Company can only be a Bonus Related Deferred Award.

On or before the Grant Date, the Committee shall determine:

- (i) the Award's Normal Vesting Date and, if relevant, the last day on which an Option may be exercised if not the tenth anniversary of its Grant Date; and
- (ii) the applicability or not of Rule 13.1 (*Applicability of Clawback*) to the Award.

3.2 Type of Award

On or before the Grant Date, the Committee shall determine whether an Award shall be an Option, a Conditional Award or a Restricted Shares Award and in each case whether it is a Performance Award or a Deferred Award.

If the Committee does not specify the type of an Award on or before the Grant Date then:

- (a) any Performance Award shall be an Option with a nil Option Price; and
- (b) any Deferred Award shall be a Restricted Shares Award.

If a Deferred Award is a Bonus Related Deferred Award that designation shall be recorded and communicated by the Company at such time and in such manner as the Company considers appropriate.

3.3 Method of grant

An Award shall be granted by deed executed by the Company.

If an Award is an Option, the Committee shall determine the Option Price (if any) on or before

the Grant Date provided that the Committee may reduce or waive such Option Price on or prior to the exercise of the Option.

3.4 Method of satisfying Awards

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

- (a) by the issue of new Shares; and/or
- (b) by the transfer of treasury Shares; and/or
- (c) 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 granted as an Option or a Conditional Award may be satisfied after it has been granted, having regard to the provisions of Rule 4 (*Limits*).

3.5 Timing of grant

Subject to Rule 3.6 (*Approvals and consents*), an Award may only be granted:

- (a) within the period of 6 weeks beginning with:
 - (i) the date on which the Plan is approved by the shareholders of the Company; or
 - (ii) the dealing day after the date on which the Company announces its results for any period; or
- (b) at any other time when the Committee considers that circumstances are sufficiently exceptional to justify its grant

but an Award may not be granted after [10] [May] 2033 (that is, the expiry of the period of 10 years beginning with the date on which the Plan is approved by the shareholders of the Company).

3.6 Approvals and consents

The grant of any Award shall be subject to obtaining any approval or consent required under the Listing Rules, any relevant share dealing code of the Company, the City Code on Takeovers and Mergers, or any other relevant UK or overseas regulation or enactment.

3.7 Non-transferability and bankruptcy

An Award granted to any person:

- (a) shall not be transferred, assigned, charged or otherwise disposed of (except on his death to his personal representatives) and shall lapse immediately on any attempt to do so; and
- (b) shall lapse immediately if he is declared bankrupt.

3.8 Post grant corrections to Awards

At any time prior to the expiry of the period of six months following the Grant Date of an Award the Committee may cancel an Award or adjust the number of Shares in respect of which an Award relates and/or amend the terms of an Award to such extent as it considers appropriate to have regard to errors made in respect of the grant of the Award (for example wrong reference salary errors and/or eligibility errors). Any such adjustments shall have effect on the date of the relevant determination(s) by the Committee.

4. **LIMITS**

4.1 **5 per cent. in 10 years limit**

An Award shall not be granted in any calendar year if, at the time of its proposed Grant Date, it would cause the number of Shares allocated (as defined in Rule 4.3) in the period of 10 calendar years ending with that calendar year under the Plan and under any other executive share plan adopted by the Company to exceed such number as represents 5 per cent. of the ordinary share capital of the Company in issue at that time.

4.2 **10 per cent. in 10 years limit**

An Award shall not be granted in any calendar year if, at the time of its proposed Grant Date, it would cause the number of Shares allocated (as defined in Rule 4.3) in the period of 10 calendar years ending with that calendar year under the Plan and under any other employee share plan adopted by the Company to exceed such number as represents 10 per cent. of the ordinary share capital of the Company in issue at that time.

4.3 **Meaning of "allocated"**

For the purposes of Rules 4.1 and 4.2:

- (a) Shares are allocated:
 - (i) when an option, award or other contractual right to acquire unissued Shares or treasury Shares is granted;
 - (ii) where Shares are issued or treasury Shares are transferred otherwise than pursuant to an option, award or other contractual right to acquire Shares, when those Shares are issued or treasury Shares transferred;
- (b) 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 any trustees to satisfy the exercise of any option, award or other contractual right granted under any employee share plan shall count as allocated unless they are already treated as allocated under this Rule.

4.4 **Post-grant events affecting numbers of "allocated" Shares**

For the purposes of Rule 4.3:

- (a) where:
 - (i) any option, 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, award or other contractual right the Committee determines that:
 - (aa) it shall be satisfied wholly or partly by the payment of cash on its vesting or exercise; or
 - (bb) it shall be satisfied wholly or partly by the transfer of existing Shares (other than Shares transferred out of treasury)

the unissued Shares or treasury Shares which consequently cease to be subject to the option, award or other contractual right shall not count as allocated; and

- (b) the number of Shares allocated in respect of an option, award or other contractual right

shall be such number as the Board shall reasonably determine from time to time.

4.5 **Changes to investor guidelines**

Treasury Shares shall cease to count as allocated Shares for the purposes of Rule 4.3 if institutional investor guidelines cease to require such Shares to be so counted.

4.6 **Individual limits**

The maximum total market value of Shares over which Performance Awards may be granted to any executive director of the Company during any financial year of the Company is 150% of his salary save that (i) such limit may be increased to 200% of salary if the Committee decides that exceptional circumstances apply and (ii) Performance Awards that are Recruitment Related may be ignored for the purposes of this paragraph.

There is no limit on the total market value of Shares over which Performance Awards that may be granted to others during any financial year of the Company.

There is no limit on the total market value of Shares over which Deferred Awards may be granted to any employee (including an executive director of the Company) during any financial year of the Company.

The number of Shares over which a Bonus Related Deferred Award is granted shall ordinarily be such number as determined as the result of dividing a reference value of a specified portion of Bonus being awarded as a Deferred Award by market value and rounding down to the nearest whole Share.

For the purpose of this Rule 4.6:

- (i) an employee's **salary** shall be taken to be his base salary (excluding benefits in kind), expressed as an annual rate payable by the Participating Companies to him on the Grant Date (or such earlier date as the Committee shall determine). 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
- (ii) the **market value** of the Shares over which an Award is to be granted shall be taken to be an amount equal to the middle-market quotation of such Shares (as derived from the London Stock Exchange Daily Official List) on the dealing day before the Grant Date (or, if appropriate, the Deemed Grant Date) or, if the Committee so determines, the average of the middle market quotations during a period determined by the Committee not exceeding the period of 5 dealing days ending with the dealing day before the Grant Date (or, if appropriate, the Deemed Grant Date) provided such dealing day(s) do not fall within any period when dealings in Shares are prohibited under the Company's share dealing code.

4.7 **Effect of limits**

Any Award shall be limited and take effect so that the limits in this Rule 4 are complied with.

4.8 **Restriction on use of unissued Shares and treasury Shares**

No Shares may be issued or treasury Shares transferred to satisfy the exercise of any Option or the Vesting of any Conditional Award to the extent that such issue or transfer would cause the number of Shares allocated (as defined in Rule 4.3 and adjusted under Rule 4.4) to exceed the limits in Rules 4.1 (*5 per cent. in 10 years limit*) and 4.2 (*10 per cent. in 10 years limit*) except where there is a variation of share capital of the Company which results in the number of Shares

so allocated exceeding such limits solely by virtue of that variation.

5. VESTING OF AWARDS

5.1 Timing of Vesting: Vesting Date of Performance Awards

Subject to Rule 5.4 (*Restrictions on Vesting: regulatory and tax issues*), a Performance Award shall Vest on the later of:

- (a) if any Performance Condition or any other condition has been imposed on the Vesting of the Award, the date on which the Committee determines whether or not such Performance Condition or other condition has been wholly or partly satisfied; and
- (b) the Normal Vesting Date

except where earlier Vesting occurs on an Early Vesting Date under Rule 10 (*Leavers*) or Rule 11 (*Takeovers and other corporate events*).

5.2 Timing of Vesting: Normal Vesting Date of Deferred Awards

Subject to Rule 5.4 (*Restrictions on Vesting: regulatory and tax issues*), a Deferred Award shall Vest on such date as the Committee may specify on or before the Grant Date (or, if a Deemed Grant Date applies, on or before the deed of grant is executed by the Company) as the Normal Vesting Date except where earlier Vesting occurs on an Early Vesting Date under Rule 10 (*Leavers*) or Rule 11 (*Takeovers and other corporate events*).

5.3 Extent of Vesting

An Award shall only Vest to the extent:

- (a) that any Performance Condition is satisfied on the Normal Vesting Date or, if appropriate, the Early Vesting Date;
- (b) other than in relation to a Bonus Related Deferred Award, that the Committee is satisfied that the level of Vesting (indicated by any applicable Performance Condition under paragraph (a) above in the case of a Performance Award or otherwise in relation to a Deferred Award) is appropriate in all the circumstances and the Committee may reduce the level of Vesting to such lesser amount (including to zero) as it in its absolute discretion considers to be appropriate having regard to such factors as it considers relevant, including the performance of the Company, any individual or business (and such reduction may impact one or more Participants and not all Participants);
- (c) that any other term imposed on the Vesting of the Award permits;
- (d) in relation to Vesting of a Performance Award before the Normal Vesting Date, in accordance with Rules 10.9 and 11.5 (*Reduction in number of Vested Shares*); and
- (e) any operation of Clawback permits.

Where, under Rule 10 (*Leavers*) or Rule 11 (*Takeovers and other corporate events*), an Award would (subject to the satisfaction of any Performance Condition) Vest before the end of the full period over which performance would be measured under any Performance Condition then, unless provided to the contrary by the Performance Condition, the extent to which the Performance Condition has been satisfied in such circumstances shall be determined by the Committee on such reasonable basis as it decides.

5.4 **Restrictions on Vesting: regulatory and tax issues**

An Award shall not Vest unless and until the following conditions are satisfied:

- (a) the Vesting of the Award, and the issue or transfer of Shares after such Vesting, would be lawful in the relevant jurisdictions for that Award and in compliance with the Listing Rules, any relevant share dealing code of the Company, the City Code on Takeovers and Mergers and any other relevant UK or overseas regulation or enactment;
- (b) where an Award granted to a Participant who:
 - i. is a Chinese national and resident in China; and
 - ii. has ceased to be employed by a Group Member

Vests (whether at the Normal Vesting Date or pursuant to Rule 10.7 (*Awards granted to Participants who are Chinese nationals and resident in China*)), the Participant authorises the Company to sell or procure the sale of his full entitlement of Vested Shares within 90 days of his employment with the Group Member being terminated;

- (c) if, on the Vesting of the Award, a Tax Liability would arise by virtue of such Vesting and the Board decides that such Tax Liability shall not be satisfied by the sale of Shares pursuant to Rule 5.6 (*Payment of Tax Liability*) then the Participant must have entered into arrangements acceptable to the Board that the relevant Group Member will receive the amount of such Tax Liability;
- (d) the Participant has entered into such arrangements as the Committee requires (and where permitted in the relevant jurisdiction) to satisfy a Group Member's liability to social security contributions in respect of the Vesting of the Award; and
- (e) where the Committee requires, the Participant has entered into, or agreed to enter into, a valid election under Part 7 of ITEPA (*Employment income: elections to disapply tax charge on restricted securities*) or any similar arrangement in any overseas jurisdiction.

For the purposes of this Rule 5.4, references to Group Member include any former Group Member.

5.5 **Tax liability before Vesting**

If a Participant will, or is likely to, incur any Tax Liability before the Vesting of an Award then that Participant must enter into arrangements acceptable to any relevant Group Member to ensure that it receives the amount of such Tax Liability. If no such arrangement is made then the Participant shall be deemed to have authorised the Company to sell or procure the sale of sufficient of the Shares subject to his Award on his behalf to ensure that the relevant Group Member receives the amount required to discharge the Tax Liability and the number of Shares subject to his Award shall be reduced accordingly.

For the purposes of this Rule 5.5, references to Group Member include any former Group Member.

5.6 **Payment of Tax Liability**

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

5.7 Investigation for a disciplinary matter

Notwithstanding any other provision of the Plan, if, at any time before an Award Vests, a Participant is the subject of an investigation into a disciplinary matter then the Committee in its absolute discretion, following consultation with the relevant Group Member, may determine that the Vesting of any Award shall be suspended until such time as the Committee (i) lifts such suspension, (ii) exercises its discretion to Vest the Award or (iii) exercises its discretion to reduce the Award by such extent as it considers appropriate or to determine that the Award shall be forfeit in full.

6. CONSEQUENCES OF VESTING

6.1 Options

An Option shall, subject to Rule 7.1 (*Restrictions on the exercise of an Option: regulatory and tax issues*), be exercisable in respect of Vested Shares during the period commencing on the date on which the Option Vests and ending on the day before the tenth anniversary of the Grant Date (or such shorter period as the Committee shall determine on or before the Grant Date) subject to it lapsing earlier under Rule 10 (*Leavers*) or Rule 11 (*Corporate events*).

6.2 Conditional Awards

On or as soon as reasonably practicable after the Vesting of a Conditional Award, the Board shall, subject to Rule 5.6 (*Payment of Tax Liability*) and any arrangement made under Rules 5.4(b), 5.4(c), 5.4(d) and 5.4(e) (*Restrictions on Vesting: regulatory and tax issues*), transfer or procure the transfer of the Vested Shares to the Participant (or a nominee for him).

6.3 Restricted Shares Award

On the Vesting of a Restricted Shares Award, the Vested Shares shall cease to be subject to the restrictions imposed on the Restricted Shares under the Plan (subject still to any Holding Period) and the Board shall, subject to Rule 5.6 (*Payment of Tax Liability*) and any arrangement made under Rules 5.4(b), 5.4(c), 5.4(d) and 5.4(e) (*Restrictions on Vesting: regulatory and tax issues*), transfer or procure the transfer of:

- (a) the legal title to the Vested Shares; and/or
- (b) any documents of title relating to the Vested Shares

to the Participant (or a nominee for him) on or as soon as reasonably practicable after Vesting.

6.4 Dividend equivalent applying to Conditional Awards and Options

Unless the Committee determines otherwise and subject to the possible variation in approach noted at the end of this Rule 6.4, a Participant (or his nominee) who holds an Award in the form of a Conditional Award or an Option shall be entitled to cash and/or Shares (as determined by the Committee) of a value determined by reference to the dividends that would have been paid on his Vested Shares in respect of dividend record dates occurring during the period between the Grant Date (or, if appropriate, the Deemed Grant Date) and the date of Vesting. In the case of a Vested but unexercised Option subject to a Holding Period, this shall also include any dividends that would have been paid in the period between Vesting and the earlier of the Option being exercised and the end of the Holding Period.

The Committee shall decide the basis on which the value of such dividends shall be calculated which may assume the reinvestment of dividends.

The Committee, acting fairly and reasonably, may decide to exclude the value of all or part of a special dividend or any other dividend from the amount of the Dividend Equivalent.

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

- (a) in the case of a cash payment, shall be subject to such deductions (on account of tax or similar liabilities) as may be required by law or as the Board may reasonably consider to be necessary or desirable;
- (b) in the case of a provision of Shares, Rule 5.4 (*Restrictions on Vesting: regulatory and tax issues*) and Rule 5.6 (*Payment of Tax Liability*) shall apply as if such provision was the Vesting of an Award.

For the avoidance of doubt, this Rule 6.4 shall not apply in the case of a Restricted Shares Award under which a Participant is entitled to receive dividends.

The terms of a Conditional Award (other than one granted to an individual who is an executive director of the Company on the relevant Grant Date or Deemed Grant Date) may include that Dividend Equivalents shall instead be paid out as a cash payment (subject to such deductions (on account of tax or similar liabilities) as may be required by law or as the Board may reasonably consider to be necessary or desirable) as soon as practicable after the payment of the relevant dividend notwithstanding the relevant subsisting Shares comprised within such Conditional Award not yet being Vested.

6.5 Holding Period: Restrictions on the sale, transfer, disposal and assignment of Net Vested Shares

Subject to Rule 6.6 (*Permitted transfers during the Holding Period*), each individual granted an Award subject to a Holding Period pursuant to Rule 3.1(b) agrees:

- (a) to hold any Net Vested Shares from that Award during the Holding Period applying to that Award in accordance with such terms and conditions that the Committee may impose and determine from time to time, which may include the Net Vested Shares being held by a nominee appointed by the Company on the individual's behalf;
- (b) not to sell, transfer, assign or dispose of any interest in the Net Vested Shares until the expiry of the Holding Period applying to that Award;
- (c) that if they acquire any further Shares by virtue of the holding of Net Vested Shares during the Holding Period, pursuant to a rights issue or similar event, those newly acquired Shares shall also be held subject to the terms Rules 6.5 to 6.7 as they apply to the original Net Vested Shares until the expiry of the Holding Period unless the Committee, in its discretion, determines otherwise; and
- (d) to enter into any other document required by the Committee from time to time to give effect to the restrictions under Rules 6.5 to 6.7 of the Plan.

6.6 Holding Period - Permitted transfers during the Holding Period

The Committee may, in its discretion, allow an individual to sell, transfer, assign or dispose of some or all of their Net Vested Shares before the end of the Holding Period, subject to:

- (a) any additional terms and conditions that the Committee may specify; and
- (b) any requirements of an approved remuneration policy that applies to the Company under Chapter 4A of Part 10 of the Companies Act 2006.

6.7 **Expiry of the Holding Period**

The Holding Period shall expire on the earlier of:

- (a) the end of the period specified by the Committee under Rule 3.1 (*Terms of grant*);
- (b) the date of the relevant event referred to in Rule 11.1 (*General offers*) or the date of the relevant event in Rule 11.2 (*Schemes of arrangement and winding up*) (excluding an internal reorganisation under Rule 11.4 (*Internal reorganisations*)) or a notification under Rule 11.3 (*Demergers and similar events*);
- (c) the death of the individual or his ceasing employment due to ill-health or death as envisaged by Rules 10.2, 10.4 and 10.11; or
- (d) such other date determined by the Committee, in its discretion.

Net Vested Shares shall cease to be subject to any restrictions once the Holding Period has expired.

7. **EXERCISE OF OPTIONS**

7.1 **Restrictions on the exercise of an Option: regulatory and tax issues**

An Option which has Vested may not be exercised unless the following conditions are satisfied:

- (a) the exercise of the Option and the issue or transfer of Shares after such exercise would be lawful in all relevant jurisdictions and in compliance with the Listing Rules, any relevant share dealing code of the Company, the City Code on Takeovers and Mergers and any other relevant UK or overseas regulation or enactment;
- (b) where an Option granted to a Participant who:
 - i. is a Chinese national and resident in China; and
 - ii. has ceased to be employed by a Group Member

Vests (whether at the Normal Vesting Date or pursuant to Rule 10.7 (*Awards granted to Participants who are Chinese nationals and resident in China*)), the Participant authorises the Company to sell or procure the sale of his full entitlement of Vested Shares within 90 days of his employment with the Group Member being terminated;

- (c) if, on the exercise of the Option, a Tax Liability would arise by virtue of such exercise and the Board decides that such Tax Liability shall not be satisfied by the sale of Shares pursuant to Rule 7.4 (*Payment of Tax Liability*) then the Participant must have entered into arrangements acceptable to the Board that the relevant Group Member shall receive the amount of such Tax Liability;
- (d) the Participant has entered into such arrangements as the Committee requires (and where permitted in the relevant jurisdiction) to satisfy a Group Member's liability to social security contributions in respect of the exercise of the Option; and
- (e) where the Committee requires, the Participant has entered into, or agreed to enter into, a valid election under Part 7 of ITEPA (*Employment income: elections to disapply tax charge on restricted securities*) or any similar arrangement in any overseas jurisdiction.

For the purposes of this Rule 7.1, references to Group Member include any former Group Member.

7.2 Exercise in whole or part

An Option may be exercised in full or in multiples of 1,000 Shares unless it is being exercised to the full extent outstanding.

7.3 Method of exercise

The exercise of any Option shall be effected in the form and manner prescribed by the Board. Unless the Board, acting fairly and reasonably determines otherwise, any notice of exercise shall, subject to Rule 7.1 (*Restrictions on the exercise of an Option: regulatory and tax issues*), take effect only when the Company receives it, together with payment of any relevant Option Price (or, if the Board so permits, an undertaking to pay that amount).

7.4 Payment of Tax Liability

The Participant authorises the Company to sell or procure the sale of sufficient Vested Shares on or following the exercise of his Option on his behalf to ensure that any relevant Group Member receives the amount required to discharge any Tax Liability which arises on such exercise except to the extent that the Board decides that all or part of the Tax Liability shall be funded in a different manner.

7.5 Transfer or allotment timetable

As soon as reasonably practicable after an Option has been exercised, the Company shall, subject to Rule 7.4 (*Payment of Tax Liability*) and any arrangement made under Rules 7.1(c) and 7.1(d) (*Restrictions on exercise: regulatory and tax issues*), transfer or procure the transfer to him (or a nominee for him) or, if appropriate, allot to him (or a nominee for him) the number of Shares in respect of which the Option has been exercised.

7.6 Lapse of Options

An Option which has become exercisable shall lapse at the end of the Exercise Period to the extent it has not been exercised unless it lapses earlier under Rule 10 (*Leavers*) or Rule 11 (*Takeovers and other corporate events*).

8. CASH ALTERNATIVE

8.1 Committee determination

Where an Option has been exercised or where a Conditional Award Vests and Vested Shares have not yet been allotted or transferred to the Participant (or his nominee), the Committee may determine that, in substitution for his right to acquire such number of Vested Shares as the Committee may decide (but in full and final satisfaction of his right to acquire those Shares), he shall be paid by way of additional employment income a sum equal to the cash equivalent (as defined in Rule 8.3) of that number of Shares in accordance with the following provisions of this Rule 8.

8.2 Limitation on the use of this Rule

Rule 8.1 shall not apply in relation to an Award made to a Participant in any jurisdiction where the presence of Rule 8.1 would cause:

- (a) the grant of the Award to be unlawful or for it to fall outside any applicable securities law exclusion or exemption; or
- (b) adverse tax or social security contribution consequences for the Participant or any Group Member as determined by the Board.

8.3 **Cash equivalent**

For the purpose of this Rule 8, the cash equivalent of a Share is:

- (a) in the case of a Conditional Award, the market value of a Share on the day when the Award Vests;
- (b) in the case of an Option, the market value of a Share on the day when the Option is exercised reduced by the Option Price in respect of that Share.

Market value on any day shall be determined as follows:

- (a) if on the day of Vesting or exercise, Shares are quoted in the London Stock Exchange Daily Official List, the middle-market quotation of a Share, as derived from that List, on that day; or
- (b) if Shares are not so quoted, such value of a Share as the Committee reasonably determines.

8.4 **Payment of cash equivalent**

Subject to Rule 8.5 (*Share alternative*), as soon as reasonably practicable after the Committee has determined under Rule 8.1 that a Participant shall be paid a sum in substitution for his right to acquire any number of Vested Shares:

- (a) the Company shall pay to him or procure the payment to him of that sum in cash; and
- (b) if he has already paid the Company for those Shares, the Company shall return to him the amount so paid by him.

8.5 **Share alternative**

If the Committee so decides, the whole or any part of the sum payable under Rule 8.4 shall, instead of being paid to the Participant in cash, be applied on his behalf:

- (a) in subscribing for Shares at a price equal to the market value by reference to which the cash equivalent is calculated; or
- (b) in purchasing such Shares; or
- (c) partly in one way and partly in the other

and the Company shall allot or transfer to him (or his nominee) or procure the transfer to him (or his nominee) of the Shares so subscribed for or purchased.

8.6 **Deductions**

There shall be deducted from any payment under this Rule 8 such amounts (on account of tax or similar liabilities) as may be required by law or as the Board may reasonably consider to be necessary or desirable.

9. **LAPSE OF AWARDS**

An Award shall lapse:

- (a) in accordance with the Rules; or
- (b) to the extent it does not Vest under these Rules.

On the lapse of all or any part of a Restricted Shares Award, the beneficial interest (and, if

appropriate, the legal interest) of the Restricted Shares in respect of which such Award has lapsed shall be transferred for no (or nominal) consideration to any person specified by the Board.

10. LEAVERS

10.1 Performance Awards: good leavers before the Normal Vesting Date – other than ill-health or death

If a Participant holding a Performance Award ceases to be a director or employee of a Group Member before the Normal Vesting Date by reason of:

- (a) retirement with the agreement of his employer;
 - (b) injury or disability evidenced to the satisfaction of the Committee;
 - (c) redundancy (within the meaning of the Employment Rights Act 1996) or any overseas equivalent;
 - (d) his office or employment being with either a company which ceases to be a Group Member or relating to a business or part of a business which is transferred to a person who is not a Group Member; or
 - (e) for any other reason, if the Committee so decides
- then
- (i) subject to Rule 5.4 (*Restrictions on Vesting: regulatory and tax issues*), Rule 10.11 (*Death following cessation of employment*) and Rule 11 (*Takeovers and other corporate events*), his Award shall Vest on the Normal Vesting Date (although remaining still subject to any Holding Period if applicable) and Rule 10.9 (*Leavers: reduction in number of Vested Shares under a Performance Award*) shall apply; unless
 - (ii) the Committee decides that, subject to Rule 5.4 (*Restrictions on Vesting: regulatory and tax issues*), his Award shall Vest on the Early Vesting Date and Rule 10.9 (*Leavers: reduction in number of Vested Shares under a Performance Award*) shall apply; and

an Award in the form of an Option which Vests under (i) or (ii) above may, subject to Rule 7.1 (*Restrictions on exercise*) and Rule 11 (*Takeovers and other corporate events*), be exercised in respect of the Vested Shares within the period commencing on the date of Vesting and ending on the later of 12 months from the date of Vesting and the last day of the Holding Period if so subject (or, if shorter, until the expiry of the Exercise Period) and, to the extent that the Option is not exercised, it shall lapse at the end of that period.

For the avoidance of doubt, where an Award is subject to a Holding Period, the Holding Period will apply to any Net Vested Shares acquired pursuant to the Vesting of the Award or by the exercise of the Option (as relevant).

10.2 Performance Awards: Participant's ill-health or death before the Normal Vesting Date

If a Participant who holds a Performance Award ceases to be a director or employee of a Group Member before the Normal Vesting Date by reason of his ill-health (evidenced to the satisfaction of the Committee) or death then, subject to Rule 5.4 (*Restrictions on Vesting: regulatory and tax issues*), his Award shall Vest on the Early Vesting Date. The Committee shall determine the number of Vested Shares of that Performance Award by applying any Performance Condition and any other condition imposed on the Vesting of the Performance Award.

For the avoidance of doubt, a Performance Award which Vests under this Rule 10.2 shall not be subject to a time pro-rated reduction pursuant to Rule 10.9 (*Leavers: reduction in number of Vested Shares under a Performance Award*) or to any Holding Period.

A Performance Award in the form of an Option which Vests under this Rule 10.2 may, subject to Rule 7.1 (*Restrictions on exercise*) and Rule 11 (*Takeovers and other corporate events*), be exercised in respect of the Vested Shares within the period of 12 months (or such extended period approved by the Committee for the Performance Award in the case of death) commencing on the date of Vesting (or, if shorter, until the expiry of the Exercise Period) and, to the extent that the Option is not exercised, it shall lapse at the end of that period.

10.3 Performance Awards: leavers on or after the Normal Vesting Date – other than ill-health or death

If a Participant who holds a Performance Award in the form of an Option ceases to be a director or employee of a Group Member on or after the Normal Vesting Date for any reason (other than ill-health, death or dismissal for cause) then, subject to Rule 7.1 (*Restrictions on exercise*) and Rule 11 (*Takeovers and other corporate events*), that Option shall continue to be exercisable for the period ending on the later of 12 months from the date of cessation and the last day of the Holding Period if so subject (or, if shorter, until the expiry of the Exercise Period) and, to the extent that the Option is not exercised, it shall lapse at the end of that period. Where the Option is subject to a Holding Period, the Holding Period will apply to any Net Vested Shares acquired by the exercise of the Option.

10.4 Performance Awards: Participant's ill-health or death on or after the Normal Vesting Date

If a Participant who holds a Performance Award ceases to be a director or employee of a Group Member on or after the Normal Vesting Date by reason of his ill-health (evidenced to the satisfaction of the Committee) or death then, subject to Rule 7.1 (*Restrictions on exercise*) and Rule 11 (*Takeovers and other corporate events*):

- (a) any Vested Shares held pursuant to the Vesting of the Performance Award shall no longer be subject to any Holding Period; or
- (b) where the Performance Award is in the form of an Option, that Option shall continue to be exercisable for a period of 12 months (or such extended period approved by the Committee for the Performance Award in the case of death) commencing on the date of cessation (or, if shorter, until the expiry of the Exercise Period) without regard to any Holding Period and to the extent that the Option is not exercised, it shall lapse at the end of that period.

10.5 Deferred Awards: Participant's death before the Normal Vesting Date

If a Participant holding a Deferred Award whenever granted ceases to be a director or employee of a Group Member before the Normal Vesting Date by reason of death, then subject to Rule 5.4 (*Restrictions on Vesting: regulatory and tax issues*) and Rule 11 (*Takeovers and other corporate events*), his Deferred Award shall Vest on the Early Vesting Date.

A Deferred Award in the form of an Option which Vests under this Rule 10.5 may, subject to Rule 7.1 (*Restrictions on exercise*) and Rule 11 (*Takeovers and other corporate events*), be exercised in respect of the Vested Shares within the period of 12 months (or such extended period approved by the Committee for the Deferred Award) commencing on the date of Vesting (or, if shorter, until the expiry of the Exercise Period) and, to the extent that the Option is not exercised, it shall lapse at the end of that period.

10.6 **Deferred Awards: good leavers before the Normal Vesting Date – other than death**

If a Participant holding a Deferred Award ceases to be a director or employee of a Group Member before the Normal Vesting Date by reason of:

- (a) retirement with the agreement of his employer;
- (b) ill-health, injury or disability evidenced to the satisfaction of the Committee;
- (c) redundancy (within the meaning of the Employment Rights Act 1996) or any overseas equivalent;
- (d) his office or employment being with either a company which ceases to be a Group Member or relating to a business or part of a business which is transferred to a person who is not a Group Member; or
- (e) for any other reason, if the Committee so decides

then subject to this Rule, Rule 5.4 (*Restrictions on Vesting: regulatory and tax issues*) and Rule 11 (*Takeovers and other corporate events*), his Deferred Award shall be preserved and Vest on the Normal Vesting Date unless in relation an event falling within paragraph (b) above the Committee decides at its discretion that his preserved Deferred Award shall instead Vest on the Early Vesting Date.

A Deferred Award in the form of an Option which Vests under this Rule 10.6 may, subject to Rule 7.1 (*Restrictions on exercise*) and Rule 11 (*Takeovers and other corporate events*), be exercised in respect of the Vested Shares within the period of 12 months commencing on the date of Vesting (or, if shorter, until the expiry of the Exercise Period) and, to the extent that the Option is not exercised, it shall lapse at the end of that period.

A Deferred Award preserved under this Rule 10.6 (other than a Bonus Related Deferred Award) shall be subject to an automatic pro rata reduction as to the number of Shares that would otherwise Vest based on the period of time after the Grant Date and ending on the date of the relevant cessation relative to the period from the Grant Date to the Normal Vesting Date unless the Committee determines otherwise.

10.7 **Awards granted to Participants who are Chinese nationals and resident in China**

If a Participant who is a Chinese national and resident in China, and who holds an unvested Performance Award and/or a Deferred Award, ceases to be employed for any reason specified in Rules 10.1 to 10.6 (*Good leavers*), his Award shall Vest on the Early Vesting Date (being no later than the actual date on which he ceases to be a director and/or employee of any Group Member) and (i) Rule 10.9 (*Leavers: reduction in number of Vested Shares under a Performance Award*) shall apply as specified in rules 10.1 to 10.5 in respect of a Performance Award and (ii) a Deferred Award (other than a Bonus Related Deferred Award) shall be subject to an automatic pro rata reduction as to the number of Shares that would otherwise Vest based on the period of time after the Grant Date and ending on the date of the relevant cessation relative to the period from the Grant Date to the Normal Vesting Date unless the Committee determines otherwise.

An Award in the form of an Option that Vests under this Rule must be exercised in respect of the Vested Shares within the period of 90 days commencing on the date of Vesting (or, if shorter, until the expiry of the Exercise Period) and, to the extent that the Option is not exercised, it shall lapse at the end of that period.

For the avoidance of doubt:

- (a) an Award which Vests under this Rule 10.7; or

- (b) a vested Award which remains subject to a Holding Period held by a Participant who is a Chinese national and resident in China who ceases to be employed for any reason specified in Rules 10.1 to 10.6 (*Good leavers*),

shall not be (or shall no longer be) subject to any Holding Period.

10.8 Performance Awards and Deferred Awards: cessation of employment in other circumstances

If a Participant ceases to be a director or employee of a Group Member for any reason other than those specified in Rules 10.1 to 10.7 (*Good leavers*) then any Award held by him shall lapse immediately on such cessation.

10.9 Leavers: reduction in number of Vested Shares under a Performance Award

Where a Participant with a Performance Award ceases to be a director or employee of a Group Member for any reason specified in Rule 10.1, the Committee shall determine the number of Vested Shares of that Performance Award by the following steps:

- (a) applying any Performance Condition and any other condition imposed on the Vesting of the Performance Award; and
- (b) applying a pro rata reduction to the number of Shares determined under 10.9(a) based on the period of time after the Grant Date and ending on the date of cessation relative to the period from the Grant Date to the Normal Vesting Date (which, for the avoidance of doubt, will not include any Holding Period)

unless the Committee, acting fairly and reasonably, decides that the reduction in the number of Vested Shares under Rule 10.9(b) is inappropriate in any particular case when it shall increase the number of Vested Shares to such higher number as it decides provided that number does not exceed the number of Shares determined under Rule 10.9(a).

If a Performance Award Vests under any of Rules 11.1 to 11.3 when the holder of that Performance Award has ceased to be a director or employee of a Group Member for any reason specified in Rule 10.1 then this Rule 10.9 shall take precedence over Rule 11.5.

10.10 Meaning of ceasing employment

A Participant shall be treated for the purposes of this Rule 10 as ceasing to be a director or employee of a Group Member on the date on which a Participant gives or receives notice of termination of his employment with a Group Member (whether or not such termination is lawful) unless the Committee in its discretion determines that a later date (not being later than the actual date on which he ceases to be a director and employee of any Group Member) is the date of such cessation. If any Participant ceases to be such a director or employee before the Vesting of his Award in circumstances where he retains a statutory right to return to work then he shall be treated as not having ceased to be such a director or employee until such time (if at all) as he ceases to have such a right to return to work while not acting as an employee or director.

The reason for the termination of office or employment of a Participant shall be determined by reference to Rules 10.1 to 10.8 regardless of whether such termination was lawful or unlawful.

10.11 Performance Awards: death following cessation of employment

If a Participant dies following cessation of employment in circumstances where his Performance Award did not lapse but it has not Vested by the time of his death, it shall Vest immediately on his death to the extent determined by reference to the time of cessation in accordance with Rule 10.1(ii), and any Holding Period applicable to that Award will no longer apply.

A Performance Award in the form of an Option that Vests under this Rule may, subject to Rule 7.1 (*Restrictions on exercise of an Option: regulatory and tax issues*) and Rule 11 (*Takeovers and other corporate events*), be exercised in respect of the Vested Shares within the period of 12 months (or such extended period approved by the Committee) commencing on the date of Vesting (or, if shorter, until the expiry of the Exercise Period) and, to the extent that the Option is not exercised, it shall lapse at the end of that period.

10.12 Bonus Related Deferred Awards granted to former employees

Rules 10.5, 10.6 and 10.8 shall not apply in the case of a Bonus Related Deferred Award granted to an individual who is not an employee of a Participating Company on the Bonus Related Deferred Award's Grant Date and the Committee may at its discretion accelerate the Vesting of such Bonus Related Deferred Award in the event of such individual's death or in response to such other event as it considers appropriate.

10.13 Additional conditions

Vesting pursuant to any of the provisions of Rule 10 may be subject to such additional conditions as the Committee at its discretion specifies in relation to an Award (for example, a requirement that there be no change in the Participant's relevant departure circumstances prior to the Normal Vesting Date).

11. TAKEOVERS AND OTHER CORPORATE EVENTS

11.1 General offers

In the event that any person (or group of persons acting in concert):

- (a) obtains Control of the Company as a result of making a general offer to acquire Shares;
or
- (b) having obtained Control of the Company makes such an offer and such offer becomes unconditional in all respects

then, subject to Rule 11.4 (*Internal reorganisations*), the following provisions shall apply:

- (i) subject to Rule 5.4 (*Restrictions on Vesting: regulatory and tax issues*), all Awards shall Vest on the date of such event if they have not then Vested and, other than for Bonus Related Deferred Awards, Rule 11.5 (*Corporate events: reduction in number of Vested Shares*) shall apply; and
- (ii) any Option may, subject to Rule 7.1 (*Restrictions on exercise*), be exercised within one month of the date of such event (or, if shorter, until the expiry of the Exercise Period), but to the extent that an Option is not exercised within that period, that Option shall (regardless of any other provision of the Plan) lapse at the end of that period.

11.2 Schemes of arrangement and winding up

In the event that:

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

all Awards shall, subject to Rule 5.4 (*Restrictions on Vesting: regulatory and tax issues*) and Rule 11.4 (*Internal reorganisations*), Vest on the date of such event if they have not then Vested and, other than for Bonus Related Deferred Awards, Rule 11.5 (*Corporate events: reduction in number of Vested Shares*) shall apply.

If an event as described in this Rule occurs then an Option may, subject to Rule 7.1 (*Restrictions on exercise*) and Rule 11.4 (*Internal reorganisations*), be exercised within one month of such event (or, if shorter, until the expiry of the Exercise Period), but to the extent that the Option is not exercised within that period, it shall (regardless of any other provision of the Plan) lapse at the end of that period.

11.3 Demergers and similar events

If a demerger, special dividend or other similar event (the “**Relevant Event**”) is proposed which, in the opinion of the Committee, would affect the market price of Shares to a material extent, then the Committee may, at its discretion, decide that the following provisions shall apply:

- (a) the Committee shall, as soon as reasonably practicable after deciding to apply these provisions, notify a Participant that, subject to earlier lapse under Rule 10 (*Leavers*), his Award Vests and, if relevant, his Option may, subject to Rule 7.6 (*Lapse of Options*) and Rule 10 (*Leavers*), be exercised on such terms as the Committee may determine and during such period preceding the Relevant Event or on the Relevant Event as the Committee may determine and shall (regardless of any other provision of the Plan) lapse at the end of that period to the extent unexercised;
- (b) if an Award Vests, or an Option is exercised, conditional upon the Relevant Event and such event does not occur then the conditional Vesting or exercise shall not be effective and the Award shall continue to subsist; and
- (c) if the Committee decides that an Award Vests under this Rule 11.3 then the date of that Vesting shall be the Early Vesting Date and, other than for Bonus Related Deferred Awards, the provisions of Rule 11.5 (*Corporate events: reduction in number of Vested Shares*) shall apply.

11.4 Internal reorganisations

In the event that:

- (a) a company (the “**Acquiring Company**”) is expected to obtain Control of the Company as a result of an offer referred to in Rule 11.1 (*General offers*) or a compromise or arrangement referred to in Rule 11.2 (a) (*Schemes of arrangement and winding up*); and
- (b) at least 75% of the shares in the Acquiring Company are expected to be held by substantially the same persons who immediately before the obtaining of Control of the Company were shareholders in the Company

then the Committee, with the consent of the Acquiring Company, may decide before the obtaining of such Control that an Award shall not Vest under Rule 11.1 or Rule 11.2 but shall be automatically surrendered in consideration for the grant of a new award which the Committee determines is equivalent to the Award (including as to any Performance Condition) it replaces except that it will be over shares in the Acquiring Company or some other company.

The Rules will apply to any new award granted under this Rule 11.4 as if references to Shares were references to shares over which the new award is granted and references to the Company were references to the company whose shares are subject to the new award.

11.5 Corporate events: reduction in number of Vested Shares

If an Award (other than a Bonus Related Deferred Award) Vests under any of Rules 11.1 to 11.3, the Committee shall determine the number of Vested Shares of that Award by:

- (a) applying any Performance Condition and any other condition imposed on the Vesting of the Award; and
- (b) if the Committee so considers, subject to Rule 10.9 (*Leavers: reduction in number of Vested Shares under a Performance Award*) or Rule 10.6 (*Deferred Awards: good leavers before the Normal Vesting Date – other than death*) as relevant, by applying a pro rata reduction to the number of Shares determined under Rule 11.5(a) based on the period of time after the Grant Date and ending on the Early Vesting Date relative to the Vesting Period (which, for the avoidance of doubt, will not include any Holding Period).

12. ADJUSTMENT OF AWARDS

12.1 General rule

In the event of:

- (a) any variation of the share capital of the Company; or
- (b) a demerger, special dividend or other similar event which affects the market price of Shares to a material extent

the Committee may make such adjustments as it considers appropriate under Rule 12.2 (*Method of adjustment*).

12.2 Method of adjustment

An adjustment made under this Rule shall be to one or more of the following:

- (a) the number of Shares comprised in an Award;
- (b) subject to Rule 12.3 (*Adjustment below nominal value*), the Option Price; and
- (c) where any Award has Vested or Option has been exercised but no Shares have been transferred or allotted after such Vesting or exercise, the number of Shares which may be so transferred or allotted and (if relevant) the price at which they may be acquired.

12.3 Adjustment below nominal value

An adjustment under Rule 12.2 may have the effect of reducing the price at which Shares may be subscribed for on the exercise of an Option to less than their nominal value, but only if and to the extent that the Board is authorised:

- (a) 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 exercised and which are to be allotted after such exercise exceeds the price at which the Shares may be subscribed for; and
- (b) to apply that 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 that sum (if any) and apply it in paying up that amount.

13. CLAWBACK

13.1 **Applicability of Clawback**

This Rule 13 shall apply to all Awards granted to such executive directors of the Company as the Committee decides on or before the Grant Date, and applies to those Awards regardless of any other provisions of the Plan.

13.2 **Clawback following Vesting**

The Committee may decide at any time within the period commencing on the date on which an Award Vests and ending on the day on which the Company's audited results in respect of the financial year in which that Award Vested are available, that the individual to whom the Award was granted (the "**relevant individual**") shall be subject to Clawback if:

- (a) there has been a material misstatement (including any omission) in the Company's financial statements which falls within the regime for "prior period errors" under International Accounting Standard 8 and such misstatement resulted either directly or indirectly in an Award Vesting over a higher number of Shares than would have been the case had that misstatement not been made; or
- (b) the Committee forms the view that in assessing any Performance Condition and/or any other condition imposed on the Vesting of an 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.

13.3 **Amount to be subject to Clawback**

The amount to be subject to Clawback shall be the additional value which the Committee considers has been received by the relevant individual as a result of the misstatement or error referred to in Rule 13.2 above. If the relevant individual is required to repay all or part of such additional value pursuant to Rule 13.4(b) below then the Committee may consider whether the amount repayable should include regard to any taxes paid by or on behalf of the relevant individual in respect of such additional value and any possibility of him reclaiming such taxes.

13.4 **Satisfaction of the Clawback**

The Clawback shall be satisfied in the following ways:

- (a) The Committee may reduce (including, if appropriate, reducing to zero) any of the following elements of the remuneration of the relevant individual:
 - (i) 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 Member; and/or
 - (ii) 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
 - (iii) the extent to which any rights to acquire Shares granted to the relevant individual under any share incentive plan (other than the Plan and any tax advantaged share plan under schedules 2 to 5 of ITEPA) operated by any Group Member vest or become exercisable notwithstanding the extent to which any conditions imposed on such rights to acquire Shares have been satisfied; and/or
 - (iv) the number of Shares subject to any Vested but unexercised Option; and/or

- (v) the number of Shares subject to any vested but unexercised right to acquire Shares granted to the relevant individual under any share incentive plan (other than the Plan and any tax advantaged share plan under schedules 2 to 5 of ITEPA) operated by any Group Member.
- (b) The Committee may require the relevant individual to pay to such Group Member as the Committee may direct, and on such terms as the Committee may direct (including, but without limitation to, 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 Member), such amount as is required for the Clawback to be satisfied in full.

13.5 Timing of effect of Clawback

- (a) Any reduction made pursuant to Rule 13.4(a)(ii) and/or Rule 13.4 (a)(iii) above shall take effect immediately prior to the Award Vesting or the right vesting or becoming exercisable (as applicable).
- (b) Any reduction made pursuant to Rule 13.4(a)(iv) and/or Rule 13.5(a)(v) shall take effect at such time as the Committee decides.

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

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 Member. 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.

13.7 Increase in number of Shares under Award in circumstances of misstatement or error

If, within the period set out in Rule 13.1 above, it is discovered that a misstatement or error as described in Rule 13.2 has resulted in an Award Vesting over a lower number of Shares than would have been the case had the misstatement or error not occurred, the Committee shall award an additional number of Shares to the relevant individual to reflect the shortfall on such basis as it decides.

14. ALTERATIONS

14.1 General rule on alterations

Except as described in Rule 14.2 (*Shareholder approval*) and Rule 14.4 (*Alterations to disadvantage of Participants*) the Committee may at any time alter the Plan or the terms of any Award.

14.2 Shareholder approval

Except as described in Rule 14.3 (*Exceptions to shareholder approval*), no alteration to the advantage of an individual to whom an Award has been or may be granted shall be made under Rule 14.1 to the provisions concerning:

- (a) eligibility;
- (b) the individual limits on participation;

- (c) the overall limits on the issue of Shares or the transfer of treasury Shares;
- (d) the basis for determining a Participant's entitlement to, and the terms of, Shares or cash provided under the Plan;
- (e) the adjustments that may be made in the event of any variation of capital; and
- (f) the terms of this Rule 14.2

without the prior approval by ordinary resolution of the members of the Company in general meeting.

14.3 Exceptions to shareholder approval

Rule 14.2 (*Shareholder approval*) shall not apply to:

- (a) any minor alteration 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 Participants or any Group Member; or
- (b) any alteration relating to the Performance Condition made under Rule 14.5.

14.4 Alterations to disadvantage of Participants

No alteration to the material disadvantage of Participants (other than a change to any Performance Condition) shall be made under Rule 14.1 unless:

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

14.5 Alterations to a Performance Condition

The Committee may amend any Performance Condition without prior shareholder approval if:

- (a) an event has occurred which causes the Committee reasonably to consider that it would be appropriate to amend the Performance Condition;
- (b) in the case of an Award granted to an executive director of the Company, the altered Performance Condition will, in the reasonable opinion of the Committee, be not materially less difficult to satisfy than the unaltered Performance Condition would have been but for the event in question; and
- (c) the Committee shall act fairly and reasonably in making the alteration.

15. MISCELLANEOUS

15.1 Employment

The rights and obligations of any individual under the terms of his office or employment with any Group Member shall not be affected by his participation in the Plan or any right which he may have to participate in it. An individual who participates in the Plan waives any and all rights to compensation or damages in consequence of the termination of his office or employment for any reason whatsoever insofar as those rights arise or may arise from him ceasing to have rights under an Award as a result of such termination. Participation in the Plan shall not confer a right

to continued employment upon any individual who participates in it. The grant of any Award does not imply that any further Award will be granted nor that a Participant has any right to receive any further Award.

15.2 Disputes

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

15.3 Exercise of powers and discretions

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

15.4 Share rights

All Shares allotted under the Plan shall rank equally in all respects with Shares then in issue except for any rights attaching to such Shares by reference to a record date before the date of the allotment.

Where Vested Shares are transferred to Participants (or their nominee) or, in the case of Restricted Shares, released from their restrictions under the Plan, Participants shall be entitled to all rights attaching to such Shares by reference to a record date on or after the date of such transfer or release of such restrictions.

15.5 Notices

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

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

Where a notice or document is sent to an eligible employee or Participant by ordinary or internal post, it shall be treated as being received 72 hours after it was put into the post properly addressed and, where relevant, stamped. In all other cases, the notice or document shall be treated as received when it is given. A notice or document sent to the Company shall only be effective once it is received by the Company, unless otherwise agreed by the Company. All notices and documents given or sent to the Company shall be given or sent at the risk of the sender.

15.6 Third parties

No third party has any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Plan.

15.7 Benefits not pensionable

Benefits provided under the Plan shall not be pensionable.

15.8 Data Protection

For the purpose of operating the Plan, the Company will collect and process information relating to Participants (and any eligible employees under Rule 2) in accordance with the privacy notice which is available on the Company intranet.

15.9 Governing law

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

SCHEDULE

CASH CONDITIONAL AWARDS

The Rules of the Clarkson PLC 2023 Long Term Incentive Plan shall apply to a right (a “**Cash Conditional Award**”) to receive a cash sum granted or to be granted under this Schedule as if it was a Conditional Award, except as set out in this Schedule. Where there is any conflict between the Rules and this Schedule, the terms of this Schedule shall prevail.

1. The Committee may grant or procure the grant of a Cash Conditional Award.
2. Each Cash Conditional Award shall relate to a given number of notional Shares.
3. On the Vesting of the Cash Conditional Award the holder of that Award shall be entitled to a cash sum which shall be equal to the “**Cash Value**” of the notional Vested Shares, where the Cash Value of a notional Share is the market value of a Share on the date of Vesting of the Cash Conditional Award. For the purposes of this Schedule, the market value of a Share on any day shall be determined in accordance with Rule 8.3 (*Cash equivalent*).
4. The cash sum payable under paragraph 3 above shall be paid by the employer of the Participant as soon as practicable after the Vesting of the Cash Conditional Award, net of any deductions (on account of tax or similar liabilities) as may be required by law.
5. For the avoidance of doubt, a Cash Conditional Award shall not confer any right on the holder of such an Award to receive Shares or any interest in Shares.

APPENDIX

Subplan of Clarkson PLC 2023 Long Term Incentive Plan – Supplemental Rules for U.S. Individuals

This Subplan (this “**Subplan**”) of the Clarkson PLC 2023 Long Term Incentive Plan (the “**Plan**”) shall apply for each individual who is (i) a Participant and (ii) resident in the United States or subject to U.S. taxation (a “**U.S. Participant**”). In the event that a Participant becomes a U.S. Participant after the grant of an Award, such Award shall be modified in a manner consistent with this Subplan. Words and phrases in this Subplan shall have the same meaning as defined in the Plan, except as provided below. To the extent there is any conflict between the Plan and this Subplan, the terms of this Subplan shall prevail.

- 1.1 Awards granted to or otherwise held by U.S. Participants are intended to be exempt from Section 409A of the United States Internal Revenue Code of 1986, as amended, and the regulations and guidance promulgated thereunder (the “**Code**”) (Section 409A of the Code hereinafter referred to as “**Section 409A**”). Notwithstanding any other provision of the Plan or any deed of Grant pursuant to which a U.S. Participant has been granted an Award (the “**Grant Deed**”), if at any time the Committee determines that a U.S. Participant’s Award (or any portion thereof) may be subject to Section 409A, the Committee shall have the right in its sole discretion (without any obligation to do so or to indemnify the U.S. Participant or any other person for failure to do so) to adopt such amendments to the Plan or such Grant Deed, or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, as the Committee determines are necessary or appropriate for such Award to be exempt from the application of Section 409A and to preserve the intended tax treatment of the benefits provided with respect to the Award. No Group Member shall have any obligation under this paragraph 1.1 of this Subplan or otherwise to take any action (whether or not described herein) to avoid the imposition of taxes, penalties or interest under Section 409A with respect to any Award and shall have no liability to any U.S. Participant or any other person if any Award, compensation or other benefit under the Plan is determined to constitute non-compliant deferred compensation subject to the imposition of taxes, penalties and/or interest under Section 409A.
- 1.2 An Award granted to or otherwise held by a U.S. Participant shall only be in the form of a Conditional Share Award or a Restricted Shares Award and shall not be in the form of an Option.
- 1.3 For U.S. Participants, only Bonuses that are completely discretionary and that the Participant has no legal right to receive until the grant of the applicable Deferred Award may be deferred in the form of Deferred Awards.
- 1.4 The Vested Shares underlying any Award, or legal title thereof, any amounts attributable to Dividend Equivalents, any cash equivalent amounts paid in lieu of Shares and any cash underlying any Cash Conditional Award, in each case for U.S. Participants, will be transferred to the U.S. Participant by no later than March 15 of the calendar year following the end of the calendar year that includes the 409A Vesting Date of the Award. For purposes of this Subplan, “409A Vest” and “409A Vesting Date” (and derivatives thereof) shall have the meanings set forth in Section 409A and generally mean the time or date after which the U.S. Participant has satisfied all service- and performance-vesting requirements that must be satisfied in order to avoid forfeiture of the Award. In the case of any Deferred Award held by a U.S. Participant that Vests pursuant to Section 10 of the Plan, such Award shall 409A Vest on the date of cessation of employment or office of such U.S. Participant (and the underlying Vested Shares, or legal title thereof, and any Dividend Equivalents, cash equivalents or cash underlying any Cash Conditional Award shall be transferred to the U.S. Participant by no later than March 15 of the calendar year following the end of the calendar year that includes the date of such cessation of employment or office). If an Award is subject to 409A Vesting based performance, and the performance conditions are otherwise not determined following the latest payment date set forth in this paragraph, the Committee shall make a good faith determination as to the level of achievement of such performance conditions so that the payment timing requirements of this paragraph can be met. This Subplan shall have no effect on any Holding Periods for any Net Vested Shares.
- 1.5 The delivery or transfer of Shares underlying an Award held by a U.S. Participant, or legal title thereof, shall not be delayed beyond the time set forth herein (including pursuant to Sections 5.4(a)

or 13 of the Plan) if such delay would result in adverse tax consequences under Section 409A. If any such delay would otherwise be required, the Award shall be settled with the cash equivalent of the Shares.

- 1.6 Notwithstanding anything to the contrary in the Plan, no deductions or offsets shall be made by any Group Member from any payment owing to a U.S. Participant to the extent that such deduction or offset would result in adverse tax consequences under Section 409A or otherwise violate applicable state or local law.
- 1.7 Participants may be required, as a condition of the grant of an Award, to represent and agree that, in relation to Shares acquired under the Plan:
 - a. The Participant understands the Shares are deemed to be restricted securities within the meaning of Rule 144 under the United States Securities Act of 1933 (the “**Securities Act**”), which may not be resold in the United States or to a U.S. person except pursuant to an effective registration statement under the Securities Act or an exemption from the registration requirements of the Securities Act; and
 - b. The Participant is acquiring the Shares for investment and not with a view to distribution.
- 1.8 To the extent that a U.S. Participant is a resident of the State of California on the date an Award is granted (a “**California Participant**”), this Subplan is intended to satisfy the requirements of Section 25102(o) of the California Corporations Code and the regulations issued thereunder (“**Section 25102(o)**”). All Awards granted under the Plan to a California Participant are intended to be exempt from registration in California pursuant to Section 25102(o) and intended to comply with Section 260.140.42 of the California Code of Regulations. The maximum aggregate number of Shares over which Awards may be granted to U.S. Participants under this Subplan shall not exceed 10 per cent of the Company’s ordinary share capital at the time of any grant, using the share counting rules set forth in the Plan, other than Rule 4.4(a)(ii)(bb) and 4.5. The amount of securities issued pursuant to the Plan shall not exceed the amounts permitted under Section 260.140.45 of the California code of regulations to the extent applicable. Rights to acquire Shares or any securities under the Plan held by California Participants shall not be transferrable other than by the laws of descent and distribution, to a revocable trust, or as permitted by Rule 701 of the Securities Act.