

ASSOCIATED BRITISH FOODS PLC

**RULES OF
THE ASSOCIATED BRITISH
FOODS PLC
RESTRICTED SHARE PLAN
2022**

Adopted by the shareholders of the Company in
general meeting on [9 December 2022]

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1 Definitions and interpretation

1.1 In this Plan, unless the context otherwise requires:

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

Award means a conditional right to acquire Shares granted under the Plan

Award Acceptance means an acceptance signed by the Participant indicating that they agree to the Rules and in particular Rule 8 (*Restrictions on Vesting*) and Rules 10 (*Malus and Clawback*) and 11 (*Operation of Malus and Clawback*)

Bad Leaver means a Participant ceasing to be a director or employee of a Group Company in circumstances in which that Participant neither dies nor is a Good Leaver

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

Committee means the remuneration committee of the Board or, on and after the occurrence of a corporate event described in Rule 13 (*Takeovers and other corporate events*), the remuneration committee of the Board as constituted immediately before such event occurs

Company means Associated British Foods plc (registered in England and Wales with registered number 00293262)

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

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

Directors' Remuneration Policy means the applicable directors' remuneration policy approved by the shareholders of the Company

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

Eligible Employee means an employee (including an executive director) of a Group Company

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

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

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

- (a) on or after the second anniversary of the Grant Date as a result of:
 - (i) ill health, injury, disability, redundancy or retirement (with the agreement of the Participant's employing company);
 - (ii) a transfer of the undertaking or part undertaking in which the Participant is employed to a person who is not a Group Company;

(iii) the company in which the Participant is employed ceasing to be under the Control of the Company; or

(b) as a result of such reason as the Committee may in its discretion determine;

Grant Date means the date on which an Award is granted

Group Company means the Company and any Subsidiary of the Company and for the purposes of Rules 8.3 (*Payment of Tax Liability*), 17 (*Employment rights*) and 18 (*Miscellaneous*), references to Group Company include any former Group Company, and **Group** shall be construed accordingly;

Holding Period means such period, if any, from the Vesting Date, as may be specified by the Committee under Rule 3.1(e) (*Terms on grant*) during which the Vested Shares may only be sold or transferred in accordance with Rule 7.2 (*Holding Period*)

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

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

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

MAR means the Market Abuse Regulation (EU) 596/2014 (or any equivalent UK legislation in effect after the UK leaves the European Union)

Market Value on any day shall be determined to be an amount equal to the market value of a Share on the Dealing Day immediately before the relevant date or by reference to an averaging period, as determined by the Committee;

Participant means a person who holds an Award including their personal representatives and, for the purposes of Rule 9 (*Cash alternative*), Participant shall include a person who has held Awards which have Vested

Performance Underpin means the performance underpin (if any) that will be considered by the Committee at the time of Vesting of an Award under Rule 4.1 (*Imposition of Performance Underpin*), as determined by the Committee

Plan means the Associated British Foods plc Restricted Share Plan 2022 as constituted by these Rules and as amended from time to time

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

Rule means a rule of the Plan

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

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, employee's social security contributions or other similar charges for which a Participant would or may be liable and for which any Group Company or former Group Company would or may be obliged to (or would or may suffer a disadvantage if it

were not to) account to any relevant authority, together with any related fines, penalties and interest

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

Vest means a Participant becoming entitled to have Shares issued or transferred to them (or their nominee) without any further action by the Participant and **Vesting** shall be construed accordingly

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

Vesting Date means the date when an Award normally Vests being such date as may be specified by the Committee under Rule 3.1 (*Terms on grant*).

1.2 Any reference in the Plan to any law includes a reference to that law as from time to time modified, extended or re-enacted.

1.3 Expressions in italics and headings are for guidance only and do not form part of the Plan.

2 Eligibility

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

3 Grant of Awards

3.1 Terms on grant

Subject to Rules 3.4, 3.5 and 3.8, the Committee may resolve that an Award should be granted and determine the terms of the Award in its absolute discretion, including:

- (a) the Performance Underpin (if any) in accordance with Rule 4 (*Performance Underpin*)
- (b) the maximum number of Shares subject to the Award;
- (c) the Vesting Date;
- (d) whether the Award carries a right to a Dividend Equivalent
- (e) the Holding Period (if any);
- (f) any additional terms or conditions as the Committee may specify,

to any Eligible Employee who is eligible to be granted an Award under Rule 2 (*Eligibility*) and has been selected by the Committee in its discretion.

Awards granted to executive directors of the Company will be granted in accordance with the terms of the Directors' Remuneration Policy, including any Holding Period or Performance Underpin(s) prescribed therein.

3.2 Acceptance of Award

It is a condition of the grant of any Award that the Participant signs an Award Acceptance declaring an irrevocable agreement to the Rules and, in particular, Rules 8 (*Restrictions on Vesting*), 10 (*Malus and Clawback*) and 11 (*Operation of Malus and Clawback*). Participants will be taken to have signed an Award Acceptance if they indicate their acceptance via an online portal or by any other method of electronic signature. If a Participant fails to sign the Award Acceptance within 30 days of the Date of Grant, their Award shall lapse, unless the Committee determines otherwise.

3.3 Individual limit

- (a) Unless the Committee determines that exceptional circumstances apply (in which case (b) below applies) any Award shall be limited and take effect so that immediately following such grant the Participant has not been granted, in respect of any Financial Year, Awards over Shares with a total Market Value, measured on their Grant Dates, in excess of 125% of their salary, or such other limit as applies under the Directors' Remuneration Policy.
- (b) If the Committee determines that exceptional circumstances apply, or in such other circumstances as may be specified under the Directors' Remuneration Policy, Awards over Shares with a total Market Value, measured on their Grant Dates, of up to 150% of salary may be granted to a Participant in respect of any Financial Year (or such other limit as applies under the Directors' Remuneration Policy).

In each case, salary shall be the annual basic rate of pay for the Participant at the relevant Grant Date (or such other date being no later than 90 days after the Grant Date). Where a payment of salary is made otherwise than in sterling, the payment will be treated as being of the amount of sterling ascertained by applying such rate of exchange as is reasonably determined by the Committee.

3.4 Timing of grant

- (a) The Committee may decide, at its absolute discretion, when Awards should be granted. However, subject to Rule 3.8, Awards may only be granted within the period of 42 days starting on:
 - (i) the Dealing Day after the Adoption Date;
 - (ii) the Dealing Day after the day on which the Company makes an announcement of its results for the last preceding Financial Year, half-year or other period;
 - (iii) the day immediately following the day a person becomes an Eligible Employee, in relation to a grant of an Award to that Eligible Employee; or
 - (iv) if Awards cannot be granted under (i) or (ii) due to restrictions on the grant of Awards under Rule 3.8, the Dealing Day after the day on which any such restrictions are lifted.
- (b) If the Committee considers that there are exceptional circumstances which justify the grant of Awards outside any of the periods set out in (a) above, the Committee may decide for the purpose of that grant that Awards may be granted at another time.
- (c) No Award can be granted after the expiry of the Plan Period.

3.5 **Method of grant**

- (a) An Award shall be granted so that it constitutes a binding contract between the Company and the Participant.
- (b) The Committee shall, as soon as reasonably practicable after the Grant Date, issue to each Participant an award certificate or other confirmation containing details of the Award.

3.6 **Dividend Equivalent**

If the Award carries the right to a Dividend Equivalent, then the Participant shall receive as soon as practicable after the issue or transfer of Vested Shares (or payment of a cash sum in accordance with Rule 9 (*Cash alternative*)) cash and/or Shares (as determined by the Committee) of a value determined by reference to the dividends that would have been paid on their Vested Shares in respect of dividend record dates occurring during the period between the Grant Date and the Vesting Date (or, at the discretion of the Committee, during the period commencing at the start of the Financial Year in which the Award was granted and ending on the Vesting Date).

The Committee shall decide the basis on which the value of such dividends shall be calculated. In giving effect to this Rule 3.6, the Committee shall have complete discretion to decide the basis on which the Dividend Equivalent should be calculated or paid.

3.7 **Method of satisfying Awards**

Subject to Rule 9 (*Cash alternative*), unless specified otherwise by the Committee on or before the Grant Date, an Award may be satisfied by:

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

3.8 **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, MAR or any other applicable UK or overseas regulation or enactment.

3.9 **Non-transferability and bankruptcy**

An Award granted to any person shall lapse immediately if:

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

4 Performance Underpin

4.1 Imposition of Performance Underpin

When granting an Award, the Committee shall decide whether to impose a Performance Underpin. All Awards granted to executive directors of the Company will be subject to a Performance Underpin if and when so required by the Directors' Remuneration Policy.

4.2 Substitution or variation of Performance Underpin

If an event occurs which causes the Committee to consider that the Performance Underpin, or any condition imposed pursuant to Rule 3.1(f) (*Terms on grant*), subject to which the outstanding Award has been granted is no longer appropriate, the Committee may substitute or vary the Performance Underpin or the condition in such manner (and make such consequential amendments to the Rules) as it considers appropriate in its discretion and the outstanding Award shall then take effect subject to the Performance Underpin or the condition as so substituted or varied.

4.3 Notification of Participant

The Committee shall, as soon as reasonably practicable, notify the Participant concerned of any substitution or variation of the Performance Underpin under Rules 4.2 and explain how it affects their position under the Plan.

5 Plan limits

5.1 10% limit

The number of Shares which may be allocated, as defined in Rule 5.4, under the Plan on any day shall not, when added to the aggregate of the number of Shares which have been allocated in the previous 10 years under the Plan and any other Employees' Share Scheme adopted by the Company, exceed that number of Shares that represents 10% of the ordinary share capital of the Company in issue immediately prior to that day.

5.2 5% limit

The number of Shares which may be allocated, as defined in Rule 5.4, under the Plan on any day shall not, when added to the aggregate of the number of Shares which have been allocated in the previous 10 years under the Plan and any other Employees' Share Scheme adopted by the Company which is a discretionary share plan, exceed that number of Shares that represents 5% of the ordinary share capital of the Company in issue immediately prior to that day.

5.3 Exclusions from the limits

In calculating the limits in Rules 5.1 and 5.2, where:

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

- (c) partnership shares are awarded under any tax advantaged share incentive plan under Schedule 2 of ITEPA operated by the Company;

such Shares will be disregarded.

5.4 **Meaning of allocated**

References to **allocated** Shares mean, in the case of any share option plan, the placing of unissued shares under option and, in relation to other types of Employees' Share Scheme, means the issue and allotment of Shares or transfer of Shares out of treasury (including any issue and allotment of Shares, or transfer of Shares out of treasury, to any trustees to satisfy the exercise of any option, award or contractual right granted under any Employees' Share Scheme unless such Shares are already treated as allocated under this Rule 5.4). However treasury shares shall cease to count as "allocated" for the purpose of Rule 5.4 if institutional investor guidelines cease to require them to be counted.

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

Where Shares which have been issued under the Plan or any other Employees' Share Scheme of the Company are to be taken into account for the purposes of the limits in Rule 5.1 and 5.2 and a Variation has taken place between the date of issue of those Shares and the date on which the limit is to be calculated, then the number of Shares taken into account for the purposes of the limit will be adjusted in the manner the Committee considers appropriate to take account of the Variation.

5.6 **Effect of limits**

Any Award shall be limited and take effect so that the limits in this Rule 5 are complied with.

6 **Vesting of Awards**

6.1 **Timing of Vesting of Awards**

An Award shall Vest on the third anniversary of the Grant Date (or such earlier or later date(s) as may be determined by the Committee to be the Vesting Date in respect of the Award, or a part of the Award, when the Award is granted) except where earlier Vesting occurs under Rule 12 (*Leavers*) or Rule 13 (*Takeovers and other corporate events*).

6.2 **Performance Underpin**

The Committee will have absolute discretion to determine:

- (a) whether, and the extent to which, the Performance Underpin has been satisfied, and
- (b) if the Performance Underpin has not been satisfied in whole or in part, the extent to which (if any) the Vesting of an Award will be reduced.

If the Committee determines that an Award will not Vest (in whole or in part) due to the Performance Underpin not being satisfied, the Award will lapse to the extent that it does not Vest.

6.3 Reduction in Vested Shares

Prior to a Vesting Date, the Committee retains the absolute discretion to reduce the number of Shares subject to an Award that would otherwise Vest (including to zero) on an individual Participant by Participant basis where either:

- (a) any of the circumstances set out in Rule 10.2 (*Circumstances in which malus and/or clawback may be applied*) occur,
- (b) it considers that the Vesting outcome:
 - (i) is inconsistent with the overall performance of the Company;
 - (ii) would deliver unjustified windfall gains to the Participant due to circumstances outside the Participant's control;
 - (iii) does not align to individual performance and results achieved by that individual;
 - (iv) would not deliver the intention of any applicable remuneration policy; and/or
 - (v) is not reasonable and/or does not reflect the Participant's contribution due to unexpected or unforeseen circumstances. Such circumstances may include, but are not limited to: share price growth and currency fluctuations, the impact of a share repurchase scheme or a government support initiative,

and the Award will lapse to the extent of any such reduction.

6.4 Decision binding

The determination of the Committee under Rule 6.2 and/or Rule 6.3 above shall be final and binding (save in the case of manifest error), and the Company and the Committee shall be under no liability to any person by reason of such determination.

7 Consequences of Vesting

7.1 Issue or transfer of Vested Shares

Within 30 days of the Vesting Date of an Award (or as soon as reasonably practicable thereafter), the Board shall, subject to Rule 8.1 (*Regulatory and tax issues*) and Rule 8.3 (*Payment of Tax Liability*), procure the issue or transfer of the Vested Shares to the Participant (or a nominee for the Participant).

7.2 Holding Period

- (a) If an Award is subject to a Holding Period, Vested Shares may only be sold or transferred during the Holding Period in order to pay:
 - (i) a Tax Liability arising in respect of the Vested Shares;
 - (ii) otherwise as the Committee may, in its discretion, allow (and subject to any additional terms and conditions that the Committee may specify).
- (b) The Committee may impose terms and conditions on Vested Shares subject to a Holding Period, including that such Vested Shares should be held by a nominee appointed by the Company on the Participant's behalf, and a Participant may be

required to enter into such documentation required by the Committee from time to time to give effect to the restrictions in this Rule 7.2.

- (c) If a Participant acquires further Shares by virtue of their holding of Vested Shares during the Holding Period, those newly acquired Shares will also be held subject to the terms of this Rule 7.2 as they apply to the original Vested Shares until the expiry of the Holding Period unless the Committee, in its discretion, determines otherwise.
- (d) Vested Shares will not be subject to any risk of forfeiture during the Holding Period other than in connection with the operation of Rule 11 (*Operation of Malus and Clawback*).

7.3 Provision of Dividend Equivalents

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

- (a) in the case of a cash payment, shall be subject to such deductions (on account of tax or similar liabilities) as may be required by law or as the Committee may reasonably consider to be necessary or desirable; or
- (b) in the case of a provision of Shares, Rule 7.2, Rule 8.1 (*Regulatory and tax issues*) and Rule 8.3 (*Payment of Tax Liability*) shall apply as if such provision was the Vesting of an Award.

8 Restrictions on Vesting

8.1 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 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, MAR and any other relevant UK or overseas regulation or enactment;
- (b) if, on the Vesting of the Award, a Tax Liability would arise by virtue of such Vesting and the Committee decides that such Tax Liability shall not be satisfied by the sale of Shares pursuant to Rule 8.3 then the Participant must have entered into arrangements acceptable to the Committee that the relevant Group Company will receive the amount of such Tax Liability; and
- (c) where the Committee requires, the Participant has entered into, or agreed to enter into, a valid election under section 431 ITEPA or any similar arrangements in any overseas jurisdiction.

For the purposes of this Rule 8.1, references to Group Company include any former Group Company.

8.2 Tax Liability before Vesting

If a Participant will, or is likely to, incur any Tax Liability before the Vesting of an Award then that Participant must enter into arrangements acceptable to any relevant Group Company to ensure that it receives the amount of such Tax Liability. If no such arrangement is made then

the Participant shall be deemed to have authorised the Company to sell or procure the sale of sufficient of the Shares subject to their Award on their behalf to ensure that the relevant Group Company receives the amount required to discharge the Tax Liability and the number of Shares subject to their Award shall be reduced accordingly.

For the purposes of this Rule 8.2, references to Group Company include any former Group Company.

8.3 **Payment of Tax Liability**

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

9 **Cash alternative**

9.1 **Committee determination**

Where an Award Vests and Vested Shares have not yet been issued or transferred to the Participant (or their nominee), the Committee may determine that, in substitution for their right to acquire such number of Vested Shares as the Committee may decide (but in full and final satisfaction of their right to acquire those Shares) they shall be paid a sum equal to the cash equivalent (as defined in Rule 9.3) of that number of Shares in accordance with the following provisions of this Rule 9.

9.2 **Limitation on the use of this Rule**

- (a) This Rule shall not apply in relation to Awards made in relation to any jurisdiction where the presence of this Rule would cause:
 - (i) the operation of this Rule to be unlawful or for it to fall outside any applicable securities law exemption; or
 - (ii) adverse tax consequences for the Participant or any Group Company as determined by the Committee.
- (b) If an Award is subject to a Holding Period, this Rule may only apply in respect of such number of Vested Shares as is sufficient to pay the Tax Liability that arises on the Vesting of the Award.

9.3 **Cash equivalent**

For the purpose of this Rule 9, the cash equivalent of a Share is the Market Value of a Share on:

- (a) the day when the Award Vests;
 - (b) such other date as the Committee may in its discretion determine,
- each such date being a **Relevant Date**.

9.4 Payment of cash equivalent

As soon as reasonably practicable after the Relevant Date the Company shall pay to the Participant or procure the payment to them of the sum payable under Rule 9.3.

9.5 Deductions

There shall be deducted from any payment under this Rule 9 such amounts (on account of tax or similar liabilities) as may be required by law or as the Committee may reasonably consider to be necessary or desirable.

10 Malus and Clawback

10.1 Application of malus and/or clawback

- (a) The Committee may apply malus or clawback under Rule 11 in relation to an Award if one of the circumstances specified in Rule 10.2 has occurred and the Committee makes a determination under Rule 10.3 within the time period specified in Rule 10.4.
- (b) References in this Rule 10 to Participants shall include, where relevant, former Participants.

10.2 Circumstances in which malus and/or clawback may be applied

This Rule 10.2 applies in relation to an Award if the Committee, in its discretion, determines that any of the following circumstances exist or have existed:

- (a) a Group Company or business unit has materially mis-stated any financial information (whether or not audited) for any financial period commencing on or after the start of the Financial Year prior to that in which the Award was granted;
- (b) the Committee's assessment of the Performance Underpin was based on a miscalculation or an assessment based on incorrect information;
- (c) corporate failure of the Company;
- (d) the Participant has acted in a manner prior to the Vesting Date, which, in the opinion of the Committee, has resulted or is likely to result in material reputational damage to any Group Company;
- (e) there has been misconduct on behalf of the Participant at any time;
- (f) the Participant has participated in or was responsible for conduct which resulted in significant losses to a Group Company;
- (g) the Participant has failed to meet appropriate standards of fitness and propriety;
- (h) the Company or any Group Company has reasonable evidence of fraud or material dishonesty by the Participant at any time;
- (i) the Company or any Group Company has become aware of any material wrongdoing on the part of the Participant;

- (j) the Participant has acted in any manner which in the opinion of the Committee has brought or is likely to bring any Group Company into material disrepute or is materially adverse to the interests of any Group Company;
- (k) there is a breach of the Participant's employment contract that is a potentially fair reason for dismissal and/or is such that the Participant could be summarily dismissed by the employing Group Company;
- (l) the Participant is in breach of a fiduciary duty owed to any Group Company;
- (m) a Participant who has ceased to be an Employee was in breach of their employment contract or fiduciary duties in a manner that would have prevented the grant or Vesting of the Award had the Company been aware (or fully aware) of that breach, and of which the Company was not aware (or not fully aware) until after both:
 - (i) the Participant ceasing to be an Employee; and
 - (ii) the time (if any) when the Committee decided to permit the Vesting of the Award; or
- (n) a Group Company or business unit that employs or employed the Participant, or for which the Participant is responsible, has suffered a material failure of risk management.

Except where stated to apply from an earlier time, the circumstances referred to above will apply if they have occurred at any time on or after the start of the Financial Year in which the Grant Date falls.

10.3 **Impact of circumstances**

This Rule 10.3 applies in relation to an Award if the Committee, in its discretion, determines that, if the circumstances mentioned in Rule 10.2 had existed, and the Committee had been fully aware that they existed, at the Grant Date or, in the case of an Award that has already Vested, at the date of Vesting, then:

- (a) the Committee would not have granted the Award;
- (b) the Committee would have granted the Award in relation to a smaller number of Shares; or
- (c) in the case of an Award that has already Vested:
 - (i) it would not have Vested (or the Committee would not have permitted it to Vest) at all, or
 - (ii) it would only have Vested (or the Committee would only have permitted it to Vest) in relation to a smaller number of Shares.

10.4 **Time frame for operating malus and/or clawback**

The Committee may make a determination in relation to an Award under Rule 10.3 at any time between the Award's Grant Date and the second anniversary of its Vesting Date.

If an investigation into the conduct or actions of any Participant or any Group Company has started before the second anniversary of the Vesting Date of an Award, the Committee may, in

its absolute discretion, determine that the provisions of Rules 10 and 11 may be applied to an Award until such later date as the Committee may determine to allow that investigation to be completed.

11 Operation of Malus and Clawback

11.1 When this Rule 11 applies

This Rule 11 applies to an Award if the Committee has made a determination under Rule 10.3 in relation to that Award.

11.2 Where Awards are not yet Vested - malus

If, at the date of the determination under Rule 10.3, the Award has not yet Vested, the Committee may cancel the Award or reduce it by such number of Shares as the Committee considers to be fair and reasonable, taking account of all circumstances that the Committee considers to be relevant.

11.3 Where Awards have Vested – clawback

If, at the date of the determination under Rule 10.3, the Award has Vested, the Committee may determine an amount to be clawed back (**Clawback Amount**) in relation to the Award.

11.4 Calculating the Clawback Amount

The Clawback Amount shall be such amount as the Committee considers to be fair and reasonable, taking account of all circumstances that the Committee considers to be relevant, but shall not be more than the greater of:

- (a) the Market Value of the Shares measured on the Vesting Date, and
- (b) the Market Value of the Shares measured on the date of the determination, under Rule 10.3.

11.5 Reduction for tax

If the Participant has paid or is liable to pay any income tax or National Insurance contributions in relation to the Award or the Shares and which cannot be recovered from or repaid by the relevant tax authority (whether directly or indirectly), the Committee may in its discretion decide to reduce the Clawback Amount to take account of this amount. In deciding whether to reduce the Clawback Amount, the Committee shall take account of such factors it thinks fit, which may include market practice, corporate governance rules and guidelines, and the expectations of shareholders.

11.6 No obligation to treat all Awards or Participants in the same way

For the avoidance of doubt, the Committee is not obliged to determine a Clawback Amount in relation to any particular Award, even if the Committee does determine a Clawback Amount in relation to other Awards that were held by the same or other Participants which had the same Grant Date or Vesting Date.

11.7 Payment of Clawback Amount

The Participant shall reimburse the Company for the Clawback Amount, in any way acceptable to the Committee, on or as soon as possible after the Committee determines a Clawback

Amount in relation to the Award. If the Participant fails to reimburse the Company within 30 days after the determination, the Company shall obtain reimbursement from the Participant in any (or any combination) of the following ways:

- (a) by reducing or cancelling any Awards that have not yet Vested;
- (b) by reducing or cancelling any cash bonus payable to the Participant by any Group Company;
- (c) by reducing or cancelling any future or existing award made to the Participant under any other share scheme or bonus scheme operated by any Group Company (other than a Schedule 2 SIP or a Schedule 3 SAYE option scheme, as those terms are defined in ITEPA 2003);
- (d) by requiring the Participant to make a cash payment to a Group Company;
- (e) by requiring the Participant to transfer Shares to an employee benefit trust for no consideration; or
- (f) by reducing the Participant's salary.

12 Leavers

12.1 Restriction for leavers

The Vesting of Awards pursuant to Rules 12.2, 12.3, 12.5 and 1.1 shall be subject to Rule 8 (*Restrictions on Vesting*) and Rule 13 (*Takeovers and other corporate events*).

12.2 Death

- (a) If a Participant ceases to be a director or employee of a Group Company by reason of death before the Vesting Date, their Award shall Vest as soon as practicable after the Participant's death. The number of Shares in respect of which the Award shall Vest shall be determined by the Committee, having regard to:
 - (i) the Performance Underpin; and
 - (ii) the period of time that has elapsed since the Grant Date until the date of death (except that the Committee may decide not to pro rata the Award (or pro rata it to a lesser extent) if it regards it inappropriate to do so in the particular circumstances).
- (b) If a Participant dies before the Vesting Date, Vested Shares acquired following death will not be subject to a Holding Period.
- (c) If a Participant dies during a Holding Period, the Holding Period shall automatically cease to apply.

12.3 Other leavers before the Vesting Date

- (a) If a Participant ceases to be a director or employee of a Group Company prior to the Vesting Date (other than as a result of the death of the Participant):
 - (i) in circumstances where the Participant is a Good Leaver, the Participant's Award shall not lapse and shall Vest on the Vesting Date (in accordance with

Rule 6), or such other date as the Committee may, at its absolute discretion, specify, to the extent determined in accordance with Rule 12.4; and

(ii) in circumstances where the Participant is a Bad Leaver, the Participant's Award shall lapse immediately on such cessation.

(b) If (a)(i) above applies, and an Award was granted subject to a Holding Period, the Vested Shares will be subject to the Holding Period (other than in exceptional circumstances as determined by the Committee).

12.4 Reduction in Vested Shares for Good Leavers

The number of Shares in respect of which an Award shall Vest under Rule 12.3(a)(i) shall be determined by the Committee having regard to:

(a) the Performance Underpin; and

(b) the period of time that has elapsed since the Grant Date until the date of cessation (except that the Committee may decide not to pro rate the Award (or pro rate it to a lesser extent) if it regards it inappropriate to do so in the particular circumstances).

12.5 Leavers during the Holding Period

Unless the Committee determines otherwise, if an Award is subject to a Holding Period and a Participant ceases to be a director or employee of a Group Company during the Holding Period (save as a result of the death of the Participant) the Vested Shares will continue to be subject to the Holding Period.

12.6 Meaning of ceasing employment

A Participant shall be treated for the purposes of this Rule 12 as ceasing to be a director or employee of a Group Company on either:

(a) the date they actually are no longer either an employee or director of any Group Company; or

(b) if the Committee so determines in its absolute discretion, the date on which notice is either given or received the effect of which will be that at the end of the notice period the Participant is no longer either an employee or director of any Group Company.

If any Participant ceases to be such a director or employee before the Vesting of their Award in circumstances where they retain a statutory right to return to work then they shall be treated as not having ceased to be such a director or employee until such time (if at all) as they cease 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 this Rule 12, regardless of whether such termination was lawful or unlawful.

13 Takeovers and other corporate events

13.1 Restriction on takeovers

(a) The Vesting of Awards pursuant to Rule 13.2, Rule 13.3 and Rule 13.4 shall be subject to Rule 8.1 (*Regulatory and tax issues*) and Rule 13.5.

- (b) In the event that any of the circumstances in Rule 13.2, Rule 13.3 and Rule 13.4 apply, then:
 - (i) the Committee will assess the Performance Underpin (as may be substituted or varied pursuant to Rule 4.2 (*Substitution or variation of Performance Underpin*)) on such basis as it may determine in its absolute discretion; and
 - (ii) any Holding Period in respect of any Award affected by such circumstances shall not apply.

13.2 General offers

- (a) If any person (or any group of persons acting in concert, as defined in the City Code on Takeovers and Mergers):
 - (i) obtains Control of the Company as a result of making a general offer to acquire the whole of the issued share capital of the Company; or
 - (ii) obtains Control of the Company as a result of making a general offer to acquire all the shares in the Company which are of the same class as the Shares,

the Committee shall, within seven days of becoming aware of that event, notify every Participant of it and all Awards shall Vest (in accordance with (b) below) on the date of such event if they have not then Vested.
- (b) Unless the Committee has already made a determination in respect of an Award held by a Good Leaver pursuant to Rule 12.4(b), the number of Shares in respect of which the Award Vests in accordance with (a) above shall be determined by the Committee by reference to the period of time that has elapsed since the Grant Date until the date of the relevant event (except that the Committee may decide not to pro rate the Award (or pro rate it to a lesser extent) if it regards it inappropriate to do so in the particular circumstances).

13.3 Schemes of arrangement and winding-up

- (a) In the event that:
 - (i) a compromise or arrangement is sanctioned by the Court under section 899 of the Companies Act 2006 in connection with which a person or persons obtain Control of the Company; or
 - (ii) the Company passes a resolution for a voluntary winding up of the Company; or
 - (iii) an order is made for the compulsory winding-up of the Company,

the Committee shall, within seven days of becoming aware of that event, notify every Participant of it and all Awards shall Vest (in accordance with (b) below) on the date of such event if they have not then Vested.
- (b) Unless the Committee has already made a determination in respect of an Award held by a Good Leaver pursuant to Rule 12.4(b), the number of Shares in respect of which the Award Vests in accordance with (a) above shall be determined by the Committee by reference to the period of time that has elapsed since the Grant Date until the date

of the relevant event (except that the Committee may decide not to pro rate the Award (or pro rate it to a lesser extent) if it regards it inappropriate to do so in the particular circumstances).

13.4 Demergers and similar events

- (a) If a demerger, special dividend or other similar 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:
 - (i) the Committee shall, as soon as reasonably practicable after deciding to apply these provisions, notify a Participant that their Award Vests (in accordance with (b) below); and
 - (ii) if an Award Vests conditional upon the relevant event and such event does not occur then the conditional Vesting shall not be effective and the Award shall continue to subsist.
- (b) Unless the Committee has already made a determination in respect of an Award held by a Good Leaver pursuant to Rule 12.4(b), the number of Shares in respect of which the Award Vests in accordance with (a) above shall be determined by the Committee by reference to the period of time that has elapsed since the Grant Date until the date of the relevant event (except that the Committee may decide not to pro rate the Award (or pro rate it to a lesser extent) if it regards it inappropriate to do so in the particular circumstances).

13.5 Compulsory rollover of Awards

If:

- (a) an offer (as referred to in Rule 13.2) is made or a compromise or arrangement (as referred to in Rule 13.3) is proposed which is expected to result in the Company becoming Controlled by a new company (**New Company**); and
- (b) at least 75% of the shares in the New Company are expected to be held by substantially the same persons who immediately before the offer or proposal was made were shareholders in the Company,

then, unless the Committee determines otherwise, an Award shall not Vest under Rule 13.2 or Rule 13.3 but shall be automatically surrendered in consideration for the grant of a new award which the Committee determines is equivalent to the Award it replaces, except that it will be over shares in the New Company or some other company.

The Rules will apply to any new award granted under this Rule 13.5 as if references to Shares were references to shares over which the new award is granted and references to the Company were references to the company whose shares are subject to the new award. Any Holding Period shall continue to apply to the new award unless otherwise determined by the Committee.

14 Adjustment of Awards

In the event of a Variation the Committee may make such adjustments as it considers appropriate to the number of Shares comprised in an Award.

15 Amendments

15.1 General rule on amendments

Except as described in Rule 15.2 and 15.3, the Committee may at any time amend the Plan or the terms of any Award.

15.2 Shareholder approval

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

- (a) eligibility;
- (b) the overall limits on the issue of Shares or transfer of treasury shares under the Plan;
- (c) the maximum entitlement for any one Participant.
- (d) the basis for determining a Participant's entitlement to, and the terms of, Shares (or cash) provided under the Plan;
- (e) any adjustment of Awards on a Variation; and
- (f) the terms of this Rule 15.2;

except for:

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

15.3 Amendments to the disadvantage of Participants

No amendment to the material disadvantage of Participants shall be made under Rule 15.1 unless:

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

16 Overseas Plans

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

17 Employment rights

17.1 Employment

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

17.2 Benefits not pensionable

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

17.3 No consequential losses on termination

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

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

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

17.4 No consequential losses on transfer of employer

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

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

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

17.5 No expectation of grant

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

18 Miscellaneous

18.1 Disputes

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

18.2 Exercise of powers and discretions

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

18.3 Share rights

Where Vested Shares are issued or transferred to Participants (or their nominee), Participants shall be entitled to all rights attaching to such Shares by reference to a record date on or after the date of such issue or transfer.

18.4 Notices

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

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

18.5 Third parties

No third party has any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Plan, save for any company whose shares are subject to any new award under Rule 13.5 (*Compulsory rollover of Awards*)

18.6 Data protection

As part of the Plan, the Company will process personal data about Participants from time to time. The Company will process such personal data in accordance with applicable data protection legislation and in accordance with its Privacy Notices issued to employees.

18.7 Governing law

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