



**RULES OF THE ASSOCIATED BRITISH FOODS PLC
2025 LONG TERM INCENTIVE PLAN**

Adopted by the Board of the Company on [●] 2025
pursuant to shareholder approval on [●] 2025

CONTENTS

RULE		PAGE
1	DEFINITIONS AND INTERPRETATION	1
2	ELIGIBILITY	4
3	GRANT OF AWARDS	4
4	PERFORMANCE CONDITION	5
5	PLAN LIMITS	6
6	VESTING AND LAPSING OF AWARDS	7
7	CONSEQUENCES OF VESTING	8
8	DIVIDEND EQUIVALENTS	9
9	CASH ALTERNATIVE	9
10	MALUS AND CLAWBACK	10
11	LEAVERS	11
12	TAKEOVERS AND OTHER CORPORATE EVENTS	12
13	ADJUSTMENT OF AWARDS	13
14	AMENDMENTS	13
15	EMPLOYMENT RIGHTS	14
16	MISCELLANEOUS	15
	Appendix 1	
	US Participants	17

1 DEFINITIONS AND INTERPRETATION

1.1 In this Plan, unless the context otherwise requires:

Adoption Date means [●] 2025;

Award means, subject to Rule 14.4, a Conditional Award or a Cash Award;

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;

Cash Award means a right to receive a cash amount which relates to the value of a certain number of notional Shares granted under the Plan;

Committee means the remuneration committee of the Board or, on and after the occurrence of a corporate event described in Rule 12, 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 293262);

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

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;

Demerger means:

- (a) a demerger of a substantial part of the Group's business;
- (b) a special dividend; or
- (c) another similar event which, in the opinion of the Committee, would affect the market price of Shares to a material extent;

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 8;

Eligible Employee means an employee or executive director of a Group Company;

Employees' Share Scheme means an employees' share scheme adopted by a Group Company;

Executive Director means an executive director of the Company;

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 as a result of:

- (a) ill health, injury or disability; or
- (b) such other 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 a Subsidiary of the Company and for the purposes of Rules 7.4, 15 and 16, references to Group Company include any former Group Company, and **Group** shall be construed accordingly;

Listing Rules means the Listing Rules published by the Financial Conduct Authority or any successor body;

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

Market Abuse Regulations means the European Union Market Abuse Regulations (596/2014/EU), as retained in UK law as "UK MAR" following the UK leaving the European Union, and any accompanying implementation measures and guidance;

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 a short averaging period, as determined by the Committee;

Participant means a person who holds an Award including his personal representatives and, for the purposes of Rule 9, Participant shall include a person who has held Awards which have Vested;

Performance Condition means any performance condition(s) imposed as a condition of the Vesting of an Award under Rule 4.1;

Performance Period means the period over which the Performance Condition must be satisfied, being normally the three years commencing on the Grant Date or, if earlier, the date of the beginning of the Financial Year in which the Award is granted, or such other period as the Committee may specify prior to the grant of an Award, provided that in the case of an Executive Director (other than in respect of an Award granted in connection with the recruitment of an Executive Director in lieu of incentive awards awarded, or which would otherwise have been awarded, by the individual's former employer which are forfeited (or not awarded)) the period shall be at least three years;

Plan means the Associated British Foods plc 2025 Long Term Incentive Plan as amended from time to time;

Rule means a rule of the Plan;

Scheme of Arrangement or Winding Up means:

- (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;

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

Special Circumstances means:

- (a) a Group Company or business unit has materially misstated 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 Condition being 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 at any time prior to the Vesting of an Award, including prior to grant, which, in the opinion of the Committee, has resulted or is likely to result in material reputational damage to any Group Company;
- (e) the Participant is found to have committed at any time prior to the Vesting of an Award, including prior to grant, an act or omission which justifies, or in the opinion of the Committee would have justified, summary dismissal;
- (f) the Participant has participated in or was responsible for conduct which resulted in significant losses to a Group Company;
- (g) 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 (which may include, but is not limited to, a serious health and safety event).

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

Takeover means any person (or any group of persons acting in concert, as defined in the City Code on Takeovers and Mergers):

- (a) obtaining 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
- (b) obtaining 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;

Tax Liability means any amount of tax, employee's national insurance 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 dividend in specie, Demerger or such other circumstances as the Committee may determine;

Vest means a Participant becoming entitled to have Shares transferred to him (or his nominee), in the case of a Conditional Award, or becoming entitled to have a cash sum paid to him, in the case of a Cash Award, to the extent the Performance Condition has been satisfied and **Vested** and **Vesting** shall be construed accordingly;

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

Vesting Date means the date when an Award normally Vests being the date, following the end of the Performance Period, on which the Committee determines the extent to which the Performance Condition has been satisfied or such date as may be specified by the Committee under Rule 3.1.

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 he is an Eligible Employee at the time of the grant of an Award.

3 GRANT OF AWARDS

3.1 Terms of Award

Subject to Rules 3.2 and 3.4, the Committee may resolve that an Award should be granted and determine the terms of the Award in its absolute discretion, including:

- (a) whether the Award is a Conditional Award, a Cash Award or should take some other form;
- (b) the Performance Condition and the Performance Period;
- (c) the maximum number of Shares subject to the Award;
- (d) the Vesting Date;
- (e) whether the Award carries a right to a Dividend Equivalent; and
- (f) whether there should be any additional terms or conditions, for example, an additional holding period during which a Participant should be required to hold the Vested Shares after they have Vested,

to any Eligible Employee who is eligible to be granted an Award under Rule 2.

3.2 Timing of grant

Subject to Rule 3.4, the Committee may decide, at its absolute discretion, when Awards should be granted provided that Awards may only be granted within the period of 42 days starting on:

- (a) the Dealing Day after the Adoption Date;
- (b) the day immediately following the end of a closed period under the Market Abuse Regulations;
- (c) 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

if Awards cannot be granted under (a), (b) or (c) above due to restrictions on the grant of Awards under Rule 3.4, the Dealing Day after the day on which any such restrictions are lifted.

If the Committee considers that there are exceptional circumstances which justify the grant of Awards outside any of the periods set out above, the Committee may decide for the purpose of that grant that Awards may be granted at another time.

The Committee shall, as soon as reasonably practicable after the Grant Date, issue to each Participant an award notification.

No Award can be granted after [●] 2035¹.

3.3 Method of grant

An Award shall be granted in such manner as determined by the Committee and the Company shall make an award notification available to the Participant specifying the terms of the Award determined under Rule 3.1.

3.4 Restrictions on granting of Awards

No Award shall be granted to any Eligible Employee at any time when the grant of an Award to that Eligible Employee is prohibited under the Listing Rules, any relevant share dealing code of the Company, the City Code on Takeovers and Mergers, the Market Abuse Regulations or any other UK or overseas regulation or enactment.

4 PERFORMANCE CONDITION

4.1 Imposition of Performance Condition

On the grant of an Award to an Executive Director, the Committee shall impose a Performance Condition. For all other Participants, the Board may impose a Performance Condition as may be specified under Rule 3.1(b).

4.2 Discretion of the Committee

In relation to the testing of the Performance Condition and the ultimate number of Shares that Vest, the Committee or the Board, in the case of Participants who are not Executive Directors, will have the right, in its absolute discretion, to reduce (down to zero, if appropriate) or increase (but not higher than the original maximum number of Shares subject to the Award) the number of Shares that would Vest, taking into account the performance of the Company and the contribution of the Participant over the Performance Period.

4.3 Performance Conditions can no longer be satisfied

If the Committee or the Board, in the case of Participants who are not Executive Directors, determines that the Performance Condition has not been satisfied, either in whole nor in part in relation to an Award, the Award shall lapse to that extent immediately.

4.4 Substitution or variation of Performance Condition

If an event occurs which causes the Committee or the Board, in the case of Participants who are not Executive Directors, to consider that the Performance Condition, or any condition imposed pursuant to Rule 3.1(f), subject to which the outstanding Award has been granted is no longer appropriate, the Committee or the Board, as appropriate, may substitute or vary the Performance Condition or the conditions in such manner (and make such consequential

¹ Tenth anniversary of the date of shareholder approval.

amendments to the Rules) as it may determine except that in the case of Awards held by Executive Directors the varied condition must be what the Committee considers to be:

- (a) fair and reasonable in the circumstances; and
- (b) not materially less challenging than the original conditions would have been but for the event in question.

The outstanding Award shall then take effect subject to the Performance Condition or the condition as so substituted or varied.

4.5 Notification of Participant

The Committee or the Board, as appropriate, shall, as soon as reasonably practicable, notify the Participant concerned of any determination made by it under this Rule 4.

5 PLAN LIMITS

5.1 Individual limit

- (a) Any Award granted to an executive director of the Company shall be limited and take effect so that immediately following such grant no Participant has been granted, in respect of any Financial Year Awards over Shares (including notional Shares for Cash Awards) with a total Market Value, measured on their Grant Dates, in excess of such limit as applies under the Directors' Remuneration Policy. Awards granted to Eligible Employees other than an executive director of the Company will not exceed the limits determined by the Committee from time to time.
- (b) Awards which have been released or have lapsed, or which are granted in connection with the recruitment of an Eligible Employee in lieu of incentive awards awarded, or which would otherwise have been awarded, by the individual's former employer which are forfeited (or not awarded), and any right to receive Shares as a dividend equivalent, shall be ignored for the purpose of Rule 5.1(a).
- (c) For the purpose of Rule 5.1(a), 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.

5.2 10% limit

The number of Shares which may be allocated, as defined in Rule 5.5, 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.

5.3 5% limit

The number of Shares which may be allocated, as defined in Rule 5.5, 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.

5.4 Exclusions from the limits

In calculating the limits in Rules 5.2 and 5.3, 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 Income Tax (Earnings & Pensions) Act 2003 operated by the Company;

such Shares will be disregarded.

5.5 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 5.5) and treasury shares shall be so treated as allocated until such time as institutional guidelines cease to require treasury shares to be so counted.

5.6 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 Rules 5.2 and 5.3 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.

5.7 Effect of limits

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

6 VESTING AND LAPSING OF AWARDS

6.1 Vesting of Awards

Subject to Rule 7.3 and Rule 7.5, an Award shall Vest on the Vesting Date to the extent the Performance Condition has been satisfied, except where earlier Vesting occurs under Rule 11 or Rule 12.

6.2 Testing of the Performance Conditions

As soon as practicable after the end of the Performance Period or on such date as the Committee or the Board, in relation to Participants who are not Executive Directors, determines, the extent to which the Performance Conditions have been satisfied shall be determined by the Committee or the Board, as appropriate, subject to Rule 4.2, and the number of Shares (or notional Shares in the case of a Cash Award) in respect of which the Award shall Vest shall be calculated.

6.3 Lapsing of Awards

An Award shall lapse in accordance with the Rules.

6.4 Non-transferability and bankruptcy

An Award granted to any person shall lapse immediately if:

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

7 CONSEQUENCES OF VESTING

7.1 Conditional Awards

Within 30 days of the Vesting of a Conditional Award (or as soon as reasonably practicable), the Committee shall, subject to Rule 7.3 and Rule 9, procure the transfer of the Vested Shares to the Participant (or a nominee for him), unless the Committee determines that the Vested Shares shall only be transferred on a net settlement basis, in which case it shall procure the transfer of a number of Shares to the Participant (or a nominee for him) equivalent to the Vested Shares less the Tax Liability which arises on Vesting.

7.2 Cash Awards

Within 30 days of the Vesting of a Cash Award (or as soon as reasonably practicable), the Committee shall, subject to Rule 7.3, pay to the Participant a cash sum (after making all the necessary deductions, on account of tax or similar liabilities as the Committee may reasonably consider to be necessary or desirable) equal to the Market Value of the notional Vested Shares on the date of Vesting.

7.3 Restriction on Vesting of Awards

An Award shall not Vest unless and until the Vesting of that Award, the issue or transfer of Shares after such Vesting and the sale of any Shares under Rule 7.4 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, the Market Abuse Regulations and any other relevant UK or overseas regulation or enactment.

7.4 Payment of Tax Liability

The Company, any relevant Group Company and/or any relevant trustee may sell or procure the sale of sufficient Vested Shares on or following the Vesting of an Award or make such other arrangements as are necessary to ensure that any relevant Group Company receives the amount required to discharge any Tax Liability which arises on Vesting and the Participant shall

be deemed to have authorised such person to do such things on his behalf, including the settlement of the Vested Shares on a net settlement basis.

7.5 Disciplinary proceedings

Unless the Committee determines otherwise, an Award shall not vest (and no dividend equivalent under the provisions of Rule 8 shall be paid, whether in cash or Shares) while a Participant is subject to a regulatory investigation process and/or formal disciplinary process (or similar), or where a Participant has been served with notice that such a process may be instigated without such notice having been rescinded, and vesting shall (subject to the Award lapsing to any extent prior to or as a result of the conclusion of such process pursuant to Rule 10 or Rule 11) be delayed until the conclusion of such process.

8 DIVIDEND EQUIVALENTS

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 relation to Rule 7.2 or 9 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 and the Vesting Date and:

- (a) in the case of a cash payment, shall be subject to such deductions (on account of tax or similar liabilities) as the Committee may reasonably consider to be necessary or desirable; or
- (b) in the case of a provision of Shares, Rule 7.4 shall apply as if such provision was the Vesting of an Award.

The Committee shall decide the basis on which the value of such dividends shall be calculated which may assume the reinvestment of dividends. In giving effect to this Rule 8, the Committee shall have complete discretion to decide the basis on which the Dividend Equivalent should be calculated or paid.

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 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 a sum equal to the cash equivalent (being the Market Value of a Share on the day when the Award Vests) of that number of Shares (after making all the necessary deductions, on account of tax or similar liabilities as the Committee may reasonably consider to be necessary or desirable) as soon as reasonably practicable in accordance with the following provisions of this Rule 9.

9.2 Limitation on the use of this Rule

This Rule shall not apply in relation to Awards made in relation to any jurisdiction where the presence of this Rule would cause the operation of this Rule to be unlawful or for it to fall outside any applicable securities law exemption or adverse tax consequences for the Participant or any Group Company as determined by the Committee.

10 MALUS AND CLAWBACK

10.1 Circumstances to apply

The Committee may exercise its discretion under this Rule 10 if, at any time within the period beginning on the Grant Date and ending on the second anniversary of the Vesting of an Award, any Special Circumstances apply.

If an investigation into the conduct or actions of any Participant or any Group Company has started before the second anniversary of the Vesting of an Award, the Committee may, in its absolute discretion, determine that the provisions of this Rule 10 may be applied to an Award until such later date as the Committee may determine to allow that investigation to be completed.

In all cases, the decision of the Committee as to whether any Special Circumstances exist shall be conclusive and final.

10.2 Action that may be taken by the Committee

If the Committee determines that Rule 10.1 applies then it may determine to:

- (a) reduce the number of Shares to which an Award relates;
- (b) cancel an Award;
- (c) impose further conditions on an Award;
- (d) reduce or cancel any cash bonus payable to the Participant by any Group Company;
- (e) reduce or cancel 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);
- (f) require the Participant to transfer to the Company or another person a number of Shares or a cash amount,

or any combination of such.

For the avoidance of doubt, any reference to a reduction or cancellation of an Award or right to receive Shares means the lapse of that Award.

10.3 Recovery

Where a repayment is due from a Participant, such repayment:

- (a) shall be recoverable by any Group Company from any Participant as a debt;
- (b) may or may not take account of any tax (including national insurance contributions) which has already been deducted in relation to an Award;
- (c) may be set-off against any other payments (including, but not limited to, salary payments and/or Vested Awards, whether vested or unvested) which become, or may become, due to the Participant.

The Committee will not in any circumstances seek repayment under Rule 10.3 for an amount in excess of the amount of loss suffered by the Company or any Group Company as a result of the circumstances specified in Rule 10.1.

11 LEAVERS

11.1 Restriction for leavers

The Vesting of Awards in Rules 11.2 and 11.3 shall be subject to Rule 7.3 and Rule 13.

Where a Participant is a Bad Leaver the Award shall lapse immediately upon such cessation.

11.2 Death

If a Participant ceases to be a director or employee of a Group Company by reason of death before the Vesting Date, his 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:

- (a) the extent to which the Performance Condition has been satisfied at the date of death; and
- (b) the period of time that has elapsed since the start of the Performance Period until the date of death (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).

11.3 Other leavers

Subject to Rule 11.4, 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):

- (a) in circumstances where the Participant is a Good Leaver, the Participant's Award shall not lapse and shall Vest on the Vesting Date, or such other date as the Committee may, at its absolute discretion, specify within thirty days following the Participant's cessation of office or employment; and
- (b) in circumstances where the Participant is a Bad Leaver, the Participant's Award shall lapse immediately on such cessation.

11.4 Reduction in Vested Shares for Good Leavers

The number of Shares in respect of which an Award shall Vest under Rule 11.3(a) shall be determined by the Committee having regard to:

- (a) the extent to which the Performance Condition has been satisfied at the end of the Performance Period or, if appropriate, at such other date as determined by the Committee under Rule 11.3(a); and
- (b) the period of time that has elapsed since the start of the Performance Period 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).

11.5 Meaning of ceasing employment

A Participant shall be treated for the purposes of this Rule 11 as ceasing to be a director or employee of a Group Company on the earlier of:

- (a) 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; or
- (b) the date he actually 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 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 this Rule 11, regardless of whether such termination was lawful or unlawful.

12 TAKEOVERS AND OTHER CORPORATE EVENTS

12.1 Restriction on takeovers

The Vesting of Awards in this Rule 12 shall be subject to Rules 7.3, Rule 11 and Rule 12.4.

12.2 Effect of a Takeover, Scheme of Arrangement or Winding Up

Subject to Rule 12.5, in the event that there is a Takeover, Scheme of Arrangement or Winding Up, the Committee shall, within seven days of becoming aware of that event, notify every Participant of it and all Awards shall Vest on the date of such notification if they have not previously Vested.

12.3 Demergers and similar events

Subject to Rule 12.5, if a Demerger is proposed 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 his Award Vests; and
- (b) if an Award Vests conditional upon the Demerger and such event does not occur then the conditional Vesting shall not be effective and the Award shall continue to subsist.

12.4 Reduction in Vested Shares

Unless the number of Shares in respect of which the Award Vests under this Rule 12 has already been determined at the end of the Performance Period, the number of Shares in respect of which the Award Vests, or the amount of Cash Award that may be paid, in accordance with this Rule 12 shall be determined by the Committee, having regard to:

- (a) the extent to which the Performance Condition has been satisfied at the date of the relevant event referred to in Rules 12.2 or 12.3, as appropriate; and
- (b) the period of time that has elapsed since the start of the Performance Period until the date of that relevant event (or such other relevant period) (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 Compulsory rollover of Awards

In the event that a company (**Acquiring Company**) is expected to obtain Control of the Company as a result of an event referred to in Rule 12.2 or Rule 12.3 then the Committee, with the consent of the Acquiring Company, may decide before the relevant event that an Award shall not Vest under Rule 12.2 or Rule 12.3 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 Acquiring Company.

The Rules will apply to any new award granted under this Rule 12.5 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.

13 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, provided that this Rule shall not apply to an Award which Vests pursuant to Rule 12.3.

14 AMENDMENTS

14.1 General rule on amendments

Except as described in Rules 14.2 and 14.3, the Committee may at any time amend the Plan or the terms of any Award.

14.2 Shareholder approval

Without the prior approval of the Company in general meeting, an amendment to the Rules may not be made for the benefit of a Participant relating to:

- (a) eligibility;
- (b) the overall limits on the issue of Shares or transfer of treasury shares under the Plan;
- (c) subject to Rule 14.4, the basis for determining a Participant's entitlement to, and the terms of, Shares (or cash) provided under the Plan;
- (d) any adjustment of Awards on a Variation; and
- (e) the terms of this Rule 14.2;

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 the provisions of any proposed or existing 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.

14.3 Amendments to the disadvantage of Participants

No amendment to the material disadvantage of Participants shall be made under Rule 14.1 unless:

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

14.4 Overseas Plans

The Committee may establish such sub-plan or schedules to the Plan, with any such sub-plan or schedule to be similar to the Plan, modified to take account of local tax, exchange controls or securities laws, and potentially including Awards structured so that they take another form than Conditional Awards or Cash Awards if required to do so or if it is beneficial to do so in any overseas jurisdiction, provided that any Shares made available under such plans are treated as counting against the limits on individual and overall participation in Rule 5.

15 EMPLOYMENT RIGHTS

15.1 Employment

The rights and obligations of any Participant under the terms of his office or employment with any 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 any Group Company, or will affect the right of any Group Company to terminate the employment of the Participant.

15.2 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.

15.3 No consequential losses on termination

Participants shall have no rights to compensation or damages from any 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,

any 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.

15.4 No consequential losses on transfer of employer

Participants shall have no rights to compensation or damages from any 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.

15.5 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.

16 MISCELLANEOUS

16.1 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 or the Board, as appropriate, shall be final and binding upon all persons.

16.2 Exercise of powers and discretions

The exercise of any power or discretion by the Committee or the Board, as appropriate, 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.

For the avoidance of doubt, in relation to Awards granted, to be granted or Vested to Participants who are or have been Executive Directors, only the Committee and not the Board shall exercise any powers or discretions provided under these Rules.

16.3 Method of satisfying Awards

Subject to Rule 9, a Conditional Award may be satisfied by the issue of Shares, the transfer of treasury Shares, the transfer of Shares (other than the transfer of treasury Shares), or any combination of those.

16.4 Share rights

Where Vested Shares are transferred to Participants (or their nominee), Participants shall be entitled to all rights attaching to such Shares by reference to a record date or an ex dividend on or after the date of such transfer as the Committee may determine.

16.5 Notices

Any notice or other communication under or in connection with the Plan may be given by such method as the Committee determines.

16.6 **Third parties**

No third party has any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Plan, save for any company whose shares are subject to any new award under Rule 12.5.

16.7 **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.

16.8 **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.

APPENDIX 1: US PARTICIPANTS

The following provisions shall apply to a Participant, in respect of any Award, during any period that the Participant is subject to United States income tax (a "**US Participant**").

Timing of transfer or issue of Shares

1. Subject to any of the following provisions of this Appendix, any Shares or cash in respect of which an Award Vests shall be issued or transferred to the US Participant on the date on which the Award Vests.

Disciplinary proceedings

2. Rule 7.5 shall not apply to a US Participant. For the avoidance of doubt, Rule 10 shall apply (as if there are Special Circumstances) to any Award which vests to a US Participant at any time at which an investigation is ongoing under the disciplinary procedures applicable to the US Participant should such procedures not be resolved in favour of the Participant.

Leaver treatment

3. The definition of "Good Leaver" in Rule 1.1 shall be replaced by the following:

"Good Leaver means a Participant who ceases to be a director or employee of a Group Company within the final year of the relevant Performance Period as a result of ill health, injury or disability or such other reason as the Committee may in its discretion determine;"

4. Rule 11.2 shall be modified by adding at the conclusion of the first sentence the words ", and no later than 30 days following death."
5. Where a US Participant ceases to be a director or employee of a Group Company, the Award shall Vest, if at all (that is, where the US Participant is a Good Leaver), on the first date on which the Performance Condition can be assessed or such other date within thirty days following the Participant's cessation of office or employment as the Committee may, at its absolute discretion, specify (and "**Vesting Date**" shall be construed accordingly).
6. Rule 11.5 shall be modified by omitting the **penultimate** paragraph (which begins "If any Participant ceases to be such a director or employee before . . .").

Other

7. For purposes of the foregoing, Shares or cash shall be treated as issued or transferred as of a specified date if the Shares or cash are actually issued or transferred no later than the later of (i) 31 December in the calendar year including such specified date; or (ii) the 15th day of the third calendar month following the month including such specified date, provided that the Participant shall have no right to designate the taxable year in which the Shares or cash are issued or transferred.
8. The foregoing provisions are intended to comply with the requirements of US Tax Code §409A and shall be construed and interpreted in accordance therewith in order to avoid the imposition of additional tax thereunder.