

Marked-up to show the changes proposed to be adopted in 2022
Adoption draft

Rules of the Harworth 2019 Restricted Share Plan

Approved by shareholders on 21 May 2019

Adopted by the board of directors with effect from 21 May 2019

Annotated to reflect the decision of the Remuneration

Committee on 24 June 2020

Amended by the Board of Directors of Harworth Group plc on

[] [] 2022 following the recommendation of the

Remuneration Committee and the approval of shareholders

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THE HARWORTH 2019 RESTRICTED SHARE PLAN

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1. DEFINITIONS AND INTERPRETATION

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

"Admission Date"	24 March 2015;
"Award"	a Conditional Award or a Nil-Cost Option;
"Board"	subject to rule 13.8, the board of the Company or any committee or person duly authorised by the board, or any duly appointed successor body;
"Company"	Harworth Group plc registered in England and Wales under number 02649340;
"Conditional Award"	a right to receive Shares automatically subject to the rules of the Plan;
"Control"	the meaning given by section 995 of the Income Tax Act 2007;
"Dealing Day"	any day on which the London Stock Exchange is open for business;
"Dealing Restrictions"	restrictions imposed by the Company's share dealing code, the Listing Rules, the MAR or any other laws or regulations that impose restrictions on share dealing;
"Eligible Employee"	an employee (including an executive director) of the Company or any of its Subsidiaries;
"FCA"	the United Kingdom Financial Conduct Authority, or any successor body;
"GDPR"	the EU General Data Protection Regulation 2016/679;
"Grant Date"	the date on which an Award is granted;
"Grant Period"	<p>the period of 42 days beginning on:</p> <ol style="list-style-type: none"> the day on which the Plan is approved by shareholders in general meeting; the first Dealing Day after the day on which the Company makes an announcement of its results for any period; the day on which the Policy is approved by shareholders; or any day on which the Board resolves that exceptional circumstances exist which justify the grant of Awards; <p>unless the Company is restricted from granting Awards during the periods specified above as a result of any Dealing Restrictions, in which case the relevant Grant Period will be 42 days beginning on the day after such Dealing Restrictions are lifted;</p>
"Group Member"	the Company, any Subsidiary of the Company, any company that is (within the meaning given by section 1159 of the Companies Act 2006) the Company's holding company or a Subsidiary of the Company's holding company or, if the Board so determines, any body corporate in relation to which the Company is able to exercise at least 20% of the equity voting rights and "Group" will be construed accordingly;

"Holding Period"	a period beginning on the Normal Vesting Date and ending on such date as the Board determines on or before the Grant Date ¹ ;
"Internal Reorganisation"	where immediately after a change of Control of the Company, all or substantially all of the share capital of the acquiring company is owned directly or indirectly by the persons who were shareholders in the Company immediately before the change of Control;
"Listing Rules"	the FCA's listing rules, as amended from time to time;
"MAR"	the EU Market Abuse Regulation 596/2014;
"Nil-Cost Option"	a right to acquire Shares subject to the rules of the Plan for nil cost or for a Nominal Exercise Price;
"Nominal Exercise Price"	an exercise price per Share equal to the nominal value of a Share from time to time;
"Normal Release Date"	the date on which an Award will normally be Released, which: <ul style="list-style-type: none"> i. in relation to an Award to which no Holding Period applies, will be the Normal Vesting Date; and ii. in relation to an Award to which a Holding Period applies, will be the first Dealing Day immediately after the end of the Holding Period;
"Normal Vesting Date"	the date on which an Award will normally Vest, which will be the later of: <ul style="list-style-type: none"> i. the date on which the Board determines the extent to which the Underpin Condition has been satisfied in accordance with rule 9.1; and ii. the date on which the Board determines whether a reduction should be made in accordance with rule 9.2;
"Other Discretionary Plan"	any Other Employees' Plan which is operated on a discretionary basis;
"Other Employees' Plan"	any employees' share scheme (within the meaning of section 1166 of the Companies Act 2006) adopted by the Company enabling directors or employees of the Company or any of its subsidiaries, or trustees on behalf of such directors or employees, to acquire Shares other than the Plan;
"Participant"	any person who holds an Award or following their death, their personal representatives;
"Plan"	the Harworth 2019 Restricted Share Plan as amended from time to time;
"Policy"	the Company's directors' remuneration policy that has most recently been approved by the Company's shareholders;
"Recovery Period"	the period ending on the second anniversary of an Award's Vesting Date;

¹ In the ordinary course, an Award will be divided into three tranches: tranche 1 will Vest on assessment of the Underpin Condition following the end of the third financial year and have a Holding Period that ends on the Normal Vesting Date of tranche 3; (2) tranche 2 will Vest on assessment of the Underpin Condition following the end of the fourth financial year and have a Holding Period that ends on the Normal Vesting Date of tranche 3; (3) tranche 3 will Vest on assessment of the Underpin Condition following the end of the fifth financial year and have no Holding Period. Given the different Holding Periods, the formal rules are drafted without any stipulation as to the length of the Holding Period.

"Recruitment Award"	an Award granted in connection with the recruitment of an Eligible Employee;
"Release"	<p>i. in relation to a Conditional Award, the point at which the Participant becomes entitled to receive the Shares under their Award; and</p> <p>ii. in relation to a Nil-Cost Option, the point at which it becomes capable of exercise,</p> <p>and "Released" and "Unreleased" will be construed accordingly;</p>
"Release Date"	the date on which an Award is Released;
"Share"	an ordinary share in the Company;
"Subsidiary"	the meaning given by section 1159 of the Companies Act 2006;
"Tax Liability"	any tax, or social security contributions, levy, or other charge liability in connection with an Award for which the Participant is liable (or which may be recovered from the Participant) and for which any Group Member or former Group Member is obliged to account to any relevant authority;
"Treasury Shares"	qualifying shares to which sections 724 to 732 of the Companies Act 2006 apply;
"Trustee"	the trustee or trustees for the time being of any employee benefit trust, the beneficiaries of which include Eligible Employees;
"Underpin Condition"	a condition or conditions imposed under rule 3 to which the Vesting of an Award is subject;
"Vest"	<p>i. in relation to a Conditional Award, the point at which the Participant becomes entitled to receive the Shares under their Award; and</p> <p>ii. in relation to a Nil-Cost Option, the point at which the Participant becomes entitled to exercise their Nil-Cost Option,</p> <p>subject, in either case, to the Release of the Award, and "Vested" and "Unvested" will be construed accordingly; and</p>
"Vesting Date"	the date on which an Award Vests;
"Vesting Period"	in relation to an Award the period over which the Underpin Condition is assessed, as determined by the Board on or before the Grant Date ² .

1.2 References in the Plan to:

- 1.2.1 any statutory provisions are to those provisions as amended or re-enacted from time to time;
- 1.2.2 the singular include the plural and vice versa; and
- 1.2.3 the masculine include the feminine and vice versa.

1.3 Headings do not form part of the Plan.

² In the ordinary course, an Award will be divided into three tranches: tranche 1 will Vest on assessment of the Underpin Condition following the end of the third financial year; (2) tranche 2 will Vest on assessment of the Underpin Condition following the end of the fourth financial year; (3) tranche 3 will Vest on assessment of the Underpin Condition following the end of the fifth financial year. Given the different Vesting Periods, the formal rules are drafted without any stipulation as to the length of the Vesting Period.

2. GRANT OF AWARDS

- 2.1 The Board may, during a Grant Period, grant an Award to an Eligible Employee.
- 2.2 An Award may be subject to such additional terms as the Board may determine, which may include restrictions on the disposal of some or all of the Shares acquired pursuant to an Award for such period as the Board may determine and that any Shares so restricted may be forfeited if the Participant ceases to hold office or employment with a Group Member during such period on account of misconduct. The Board may make the Release or exercise of an Award conditional on the Participant taking any action (including entering into any agreement) reasonably required by the Board in relation to such additional terms.
- 2.3 An Award may be divided into distinct tranches with different Underpin Conditions, Vesting Periods and/or Holding Periods, and, if so, the rules of the Plan will be construed as if each tranche were itself a separate Award.
- 2.4 The grant of an Award will be subject to obtaining any approval required by the FCA (or other relevant authority), any Dealing Restrictions and any other laws or regulations (whether in the UK or overseas).
- 2.5 Awards must be granted by deed (or in such other written form as the Board determines) and, as soon as reasonably practicable after the Grant Date, Participants must be notified of the terms of their Award including the Vesting Period, the Underpin Condition, any Holding Period, any additional terms imposed by the Board in accordance with rule 2.2 and, in the case of a Nil-Cost Option, whether it has an exercise price.
- 2.6 A Participant will be required to accept an Award in such form as the Board reasonably requires and, if the Board has not received (or waived the right to receive) such acceptance on or before the date that is three months after the Grant Date:
- 2.6.1 the Award may not be Released; and
- 2.6.2 the Board may determine that the Award will lapse.
- 2.7 No Award may be granted under the Plan after the tenth anniversary of the date on which the Plan was approved by shareholders.

3. UNDERPIN CONDITION

- 3.1 Awards will be subject to the satisfaction of an Underpin Condition.
- 3.2 Subject to rules 12 and 13, the Underpin Condition will be assessed over the Vesting Period.
- 3.3 The Board may amend or substitute an Underpin Condition if one or more events occur which cause the Board to consider that an amended or substituted Underpin Condition would be more appropriate and would not be materially less difficult to satisfy.

4. RESTRICTIONS ON TRANSFER AND BANKRUPTCY

- 4.1 An Award must not be transferred, assigned, charged or otherwise disposed of in any way (except in the event of the Participant's death, to their personal representatives) and will lapse immediately on any attempt to do so.
- 4.2 An Award will lapse immediately if the Participant is declared bankrupt or, if the Participant is outside the UK, any analogous event occurs.

5. DIVIDEND EQUIVALENTS

The Board may decide before the issue or transfer of the Shares in respect of which an Award is Released that the Participant will receive an amount (in cash and/or additional Shares) equal in value to any dividends that would have been paid on those Shares on such terms and over such period (beginning no earlier than the Vesting Date and ending no later than the Release Date) as the Board may determine. This amount may

assume the reinvestment of dividends (on such basis as the Board may determine) and may exclude or include special dividends.

6. INDIVIDUAL LIMIT

6.1 No Eligible Employee may be granted an Award (other than a Recruitment Award) that would, at the time it is granted, cause the market value (as determined by the Board)³ of the Shares subject to all Awards (other than Recruitment Awards) granted to that Eligible Employee in respect of a particular financial year of the Company ~~to exceed 112.5% of their base salary at the Grant Date.~~

~~6.1.1 to exceed 50 per cent of their base salary at the Grant Date; or~~

~~6.1.2 100% of their base salary at the Grant Date if the Board determines that exceptional circumstances exist.~~

6.2 To the extent any Award exceeds the ~~applicable~~ limit in rule 6.1 it will be scaled back accordingly.

7. PLAN LIMITS

7.1 Subject to rules 7.3 and 7.5, no Award shall be granted if immediately following the grant of such Award the aggregate nominal value of the Shares:

7.1.1 issued or then capable of being issued pursuant to Awards granted within the immediately preceding period of ten years; and

7.1.2 issued or then capable of being issued pursuant to options granted or rights obtained in such ten year period under any Other Employees' Plan,

would exceed 10 per cent of the nominal value of the ordinary share capital of the Company at that time in issue.

7.2 Subject to rules 7.3 and 7.5, no Award shall be granted if immediately following the grant of such Award the aggregate nominal value of the Shares:

7.2.1 issued or then capable of being issued pursuant to Awards granted within the immediately preceding period of ten years; and

7.2.2 issued or then capable of being issued pursuant to options granted or rights obtained in such ten year period under any Other Discretionary Plan,

would exceed 5 per cent of the nominal value of the ordinary share capital of the Company at that time in issue.

7.3 For the purposes of rules 7.1 and 7.2, Shares which have been acquired (or may be acquired) pursuant to:

7.3.1 an Award granted under the Plan by (or to be satisfied by) the Trustee;

7.3.2 in the case of rule 7.1, an option or other right granted by (or to be satisfied by) the Trustee under any Other Employees' Plan; and/or

7.3.3 in the case of rule 7.2, an option or other right granted by (or to be satisfied by) the Trustee under any Other Discretionary Plan,

shall only count as "issued or then capable of being issued" to the extent that the Shares that were (or are) subject to any such Award, option or other right were issued (or there is an intention for them to be issued) by the Company to the Trustee for the purposes of the Plan or any Other Employees' Plan.

³ Notwithstanding the discretion as to the determination of "market value" for these purposes, the Remuneration Committee decided on 24 June 2020 that with effect from that date this will be calculated as the average middle market closing price of a share for each of the five dealing days preceding the Grant Date (provided each such day is in an "open period"), unless the Remuneration Committee determines otherwise.

- 7.4 For the purposes of this rule 7, Treasury Shares which have been (or are intended to be) transferred to satisfy an Award or option or other right under any Other Employees' Plan will count as "issued or then capable of being issued" until such time as Treasury Shares are no longer required to be included for the purposes of operating anti-dilution limits in employees' share schemes by the Investment Association (or any replacement body thereof).
- 7.5 For the purposes of rules 7.1 and 7.2:
- 7.5.1 Shares which were the subject of an award or other right (whether granted under the Plan or otherwise) which has lapsed or been surrendered; and
- 7.5.2 Shares issued or then capable of issue pursuant to options granted or other rights obtained on or prior to the Admission Date (whether pursuant to the Plan or otherwise),
- shall not count towards the limits set out therein.
- 7.6 If the Board purports to grant one or more Awards that are inconsistent with the limits in this rule 7, each such Award will be reduced as determined by the Board and will take effect from the Grant Date over the reduced number of Shares.
- 7.7 The Board may make such adjustments to the method of assessing the limits set out in rules 7.1 and 7.2 as it considers appropriate in the event of any variation of the Company's share capital.

8. REDUCTION AND RECOVERY

- 8.1 Notwithstanding any other rule of the Plan, this rule 8 applies to each Award and will continue to apply after the cessation of a Participant's office or employment with a Group Member for any reason, whether or not any termination is lawful.
- 8.2 The Board may, where rule 8.4, or 8.5 applies:
- 8.2.1 impose further conditions on an Award; and/or
- 8.2.2 reduce (including to nil) the number of Shares to which an Award relates,
- at any time before the end of the Recovery Period in respect of such Award.
- 8.3 If Shares and/or cash have been delivered in satisfaction of an Award, the Board may, where rule 8.4 applies:
- 8.3.1 require a Participant to make a cash payment to the Company in respect of some or all of the Shares or cash delivered to them under the Award; and/or
- 8.3.2 require a Participant to transfer for nil consideration some or all of the Shares delivered to them under the Award,
- at any time before the end of the Recovery Period in respect of an Award, and the Board will have the discretion to determine the basis on which the amount of cash or Shares is calculated including whether and if so to what extent to take account of any tax or social security liability applicable to the Award.

Triggers⁴

- 8.4 The Board may take any of the actions set out in rule 8.2 or 8.3 if it determines that any of the following circumstances have occurred before the end of the Recovery Period:
- 8.4.1 a material misstatement of any Group Member's financial results;

⁴ Rule 8.4 was amended on 1 July 2022 by the addition of the "triggers" at 8.4.6, 8.4.7, 8.4.8 and 8.4.9. These triggers apply only to awards granted on or after that date.

- 8.4.2 a material error in the information, assumptions or calculation of outcomes on which the Award was granted, Vests or is Released;
- 8.4.3 a significant health and safety event or environmental incident in any Group Member or a relevant business unit;
- 8.4.4 misconduct on the part of the Participant;
- 8.4.5 a material corporate failure in any Group Member or a relevant business unit;~~or~~
- 8.4.6 a material failure of risk management or internal controls in any Group Member or a relevant business unit; or
- 8.4.7 conduct leading to financial loss or reputational damage in any Group Member or a relevant business unit;
- 8.4.8 unreasonable failure to protect the interests of the customers or employees of any Group Member;
- 8.4.9 a material breach of banking covenants by any Group Member or an unauthorised breach of the Group's internal gearing policy; or
- 8.4.10 any other circumstances that the Board considers appropriate.

Cross-clawback

- 8.5 The Board may take any of the actions set out in rule 8.2 in order to effect the recovery of sums paid or Shares delivered under any malus or clawback provisions that are included in any incentive plan (including the Plan) operated by any Group Member.

Extension of the Recovery Period and meaning of certain terms in this rule

- 8.6 If the action or conduct of any Participant, Group Member or relevant business unit is under investigation by the Company, or the Company has been notified by a third party that an investigation into such action or conduct has begun, before the end of the Recovery Period and such investigation has not been or is not expected to be concluded by that date, the Board may extend the Recovery Period to end on such later date as the Board considers appropriate to allow such investigation to be concluded.
- 8.7 For the purposes of this rule 8, references to:
 - 8.7.1 a Participant include references to any person to whom Shares have been issued or transferred or to whom cash is paid in respect of an Award; and
 - 8.7.2 a Group Member or a relevant business unit include references to any former Group Member or former business unit.

Reduction of Awards in connection with post-cessation shareholding requirements

- 8.8 The Board may reduce (including to nil) the number of Shares to which an Unreleased Award relates if the Participant fails to adhere to any requirement to hold Shares following the Participant ceasing to hold office or employment with a Group Member, as determined by the Board from time to time.

9. VESTING, RELEASE, EXERCISE AND SETTLEMENT

- 9.1 As soon as reasonably practicable after the end of the Vesting Period, the Board will determine if and to what extent the Underpin Condition has been satisfied. Subject to rule 9.2, an Award will Vest in full unless the Board determines, in its discretion, that the extent to which it Vests should be reduced to reflect the extent to which the Underpin Condition is not satisfied.

- 9.2 As soon as reasonably practicable after the end of the Vesting Period (and after the Board's determination under rule 9.1), the Board may, in its discretion, reduce (including to nil) the extent to which an Award will (but for this rule 9.2) Vest, if it considers that:
- 9.2.1 such Vesting level does not reflect the underlying financial or non-financial performance of the Participant or the Group over the Vesting Period;
 - 9.2.2 such Vesting level is not appropriate in the context of circumstances that were unexpected or unforeseen at the Grant Date; or
 - 9.2.3 there exists any other reason why a reduction is appropriate,
- taking into account such factors as the Board considers relevant.
- 9.3 An Award will Vest to the extent determined in accordance with rules 9.1 and 9.2 on its Normal Vesting Date and any part of the Award that does not Vest on such date will lapse immediately.
- 9.4 Subject to rules 10, 12 and 13 an Award will be Released on the Normal Release Date unless on the Normal Release Date (or on any other date on which an Award is due to be Released under rule 12 or 13):
- 9.4.1 a Dealing Restriction applies to the Participant, in which case an Award will be Released on the date on which such Dealing Restriction lifts; or
 - 9.4.2 the action or conduct of any Participant, Group Member or relevant business unit is under investigation pursuant to rule 8 and such investigation has not yet been concluded by that date, in which case an Award will be Released on such later date as the Board considers appropriate to allow such investigation to be concluded.
- 9.5 A Released Nil-Cost Option may be exercised until the tenth anniversary of the Grant Date (or such earlier date as the Board may determine on or before the Grant Date) in such manner as the Board determines, after which time it will lapse. To exercise a Nil-Cost Option with a Nominal Exercise Price, the Participant must, unless the Board determines to waive the requirement to pay the Nominal Exercise Price, pay the Nominal Exercise Price to the Company or enter into arrangements acceptable to the Board to pay the Nominal Exercise Price.
- 9.6 Subject to rules 10 and 11, where a Conditional Award has been Released or a Nil-Cost Option has been exercised, the number of Shares in respect of which the Award has been Released or exercised together with any additional Shares or cash to which a Participant becomes entitled under rule 5 will be issued, transferred or paid (as applicable) to the Participant within 30 days thereafter.
- 9.7 Any costs associated with the delivery of Shares to satisfy an Award (including any stamp duty or stamp duty reserve tax) will be borne by the Company (or another Group Member). Any costs associated with the sale of Shares acquired pursuant to an Award (including on any sale pursuant to rule 10) will be borne by the Participant.

10. TAXATION AND REGULATORY ISSUES

- 10.1 A Participant will be responsible for and indemnifies each relevant Group Member and the Trustee against any Tax Liability relating to their Award. Any Group Member and/or the Trustee may withhold an amount equal to such Tax Liability (or the relevant Group Member's reasonable estimate of such Tax Liability) from any amounts due to the Participant (to the extent such withholding is lawful) and/or make any other arrangements as it considers appropriate to ensure recovery of such Tax Liability (or reasonable estimate thereof). These arrangements may include the sale of Shares acquired to realise an amount equal to the Tax Liability (or reasonable estimate thereof) or the cash settlement under rule 11 of such part of the Award as is as near as reasonably possible equal to the Tax Liability (or reasonable estimate thereof).
- 10.2 The Release of an Award, the exercise of a Nil-Cost Option and the issue or transfer of Shares under the Plan will be subject to obtaining any approval required by the FCA (or any other relevant authority), any Dealing Restrictions or any other laws or regulations (whether in the UK or overseas).

11. CASH EQUIVALENT

11.1 Subject to rule 11.2, at any time before Shares have been delivered to a Participant to satisfy an Award, the Board may determine that, in substitution for their right to acquire some or all of those Shares, the Participant will instead receive a cash sum equal to:

11.1.1 in the case of a Conditional Award, the market value (as determined by the Board) on the Release Date of the Shares that would otherwise have been delivered; and

11.1.2 in the case of a Nil-Cost Option, the market value (as determined by the Board) on the date of exercise of the Shares that would otherwise have been delivered less any Nominal Exercise Price, and

any such cash sum will be paid to the Participant within 30 days after the Release of the Conditional Award or the exercise of the Nil-Cost Option, net of any Tax Liability.

11.2 The Board may determine that this rule 11 will not apply to an Award or any part of it.

12. CESSATION OF EMPLOYMENT

Cessation of employment before the Normal Vesting Date

12.1 If a Participant ceases to hold office or employment with a Group Member before the Normal Vesting Date of an Award other than in accordance with rule 12.2 or on account of their death, that Unvested Award will lapse at that time.

12.2 If a Participant ceases to hold office or employment with a Group Member before the Normal Vesting Date of an Award as a result of:

12.2.1 ill-health or disability as established to the satisfaction of the Board;

12.2.2 redundancy or retirement as established to the satisfaction of the Board;

12.2.3 the Participant's employing company ceasing to be a Group Member or the transfer of an undertaking or part of an undertaking to a person who is not a Group Member; or

12.2.4 any other reason at the Board's discretion,

unless the Board determines that rule 12.4 will apply, that Unvested Award will continue and, subject to rule 13, will Vest in accordance with rules 9.3 and 12.3, and be Released on its Normal Release Date or such earlier date as the Board may determine (being no earlier than its Normal Vesting Date).

12.3 Unless the Board, in its discretion, determines otherwise, the number of Shares in respect of which an Unvested Award Vests pursuant to rule 12.2 will be reduced to take account of the proportion of the first three years of the Vesting Period that has elapsed at the date of the Participant's cessation of office or employment with a Group Member.

12.4 If:

12.4.1 a Participant ceases to hold office or employment with a Group Member on account of their death; or

12.4.2 the Board otherwise determines under rule 12.2 that this rule 12.4 will apply,

an Unvested Award will Vest in accordance with rule 12.5 and be Released as soon as reasonably practicable after the date of the Participant's cessation of office or employment.

12.5 The number of Shares in respect of which an Unvested Award Vests pursuant to rule 12.4 will be determined by the Board in its discretion, taking into account:

- 12.5.1 whether it is appropriate to reduce (including to nil) the extent to which the Award will (but for this rule 12.5.1) Vest to reflect the extent to which the Underpin Condition has, in the Board's opinion, not been satisfied on the date of cessation of office or employment;
 - 12.5.2 whether it is appropriate to reduce (including to nil) the extent to which the Award will (but for this rule 12.5.2) Vest, if it considers that rule 9.2.1, 9.2.2 or 9.2.3 applies, taking into account such factors as the Board considers relevant; and
 - 12.5.3 unless the Board determines otherwise, the proportion of the first three years of the Vesting Period that have elapsed at the date of cessation of office or employment,
- and any part of the Award that does not Vest will lapse immediately.

Cessation of employment on or after the Normal Vesting Date

- 12.6 If a Participant ceases to hold office or employment with a Group Member on or after the Normal Vesting Date for any reason (other than misconduct, in which case that Award will lapse on the date of such cessation), that Vested Award will:
- 12.6.1 if it has not already been Released continue and, subject to rule 13, be Released on its Normal Release Date, unless rule 12.7 applies; and
 - 12.6.2 if it is a Nil-Cost Option that has already been Released, be exercisable in the period determined in accordance with rule 12.8.
- 12.7 If:
- 12.7.1 a Participant ceases to hold office or employment with a Group Member on account of their death; or
 - 12.7.2 the Board otherwise determines that this rule 12.7 will apply,
- a Vested Award will be Released as soon as reasonably practicable after the date of the Participant's cessation of office or employment (or on such later date as determined by the Board, being no later than the Normal Release Date).

Period of exercise of a Nil-Cost Option

- 12.8 If a Participant has ceased to hold office or employment with a Group Member, a Nil-Cost Option which has not lapsed pursuant to this rule 12 (whether Released under this rule 12 or earlier) may, subject to rule 13, be exercised until the latest of:
- 12.8.1 the date that is six months after the Release Date;
 - 12.8.2 the date that is six months after the Participant's cessation of office or employment; and
 - 12.8.3 where the Participant ceased to hold office or employment with a Group Member on account of their death, the date that is twelve months after the date of the Participant's death,
- or such later date as the Board may determine, after which time it will lapse.

Meaning of cessation of employment

- 12.9 For the purposes of the Plan, no person will be treated as ceasing to hold office or employment with a Group Member until that person no longer holds:
- 12.9.1 an office or employment; or
 - 12.9.2 a right to return to work

with any Group Member, unless the Board determines that a person will be treated as ceasing to hold office or employment with a Group Member on the date such person gives or receives notice of termination of office or employment.

13. CORPORATE EVENTS

General offer and scheme of arrangement

13.1 Where any of the events described in rule 13.2 occurs, subject to rule 13.6:

- 13.1.1 all Unvested Awards will Vest in accordance with rule 13.5 at the time of such event;
- 13.1.2 all Unreleased Awards (including any Award that Vests under rule 13.5) will be Released at the time of such event; and
- 13.1.3 all Nil-Cost Options that have been Released (whether they were Released under this rule 13.1 or earlier) will lapse after a period of one month (or such other period as the Board may determine) from the date of the relevant event.

13.2 The events referred to in rule 13.1 are:

- 13.2.1 any person (either alone or together with any person acting in concert with them):
 - i. obtaining Control of the Company as a result of making a general offer to acquire Shares; or
 - ii. already having Control of the Company, making an offer to acquire all of the Shares other than those which are already owned by them,and such offer becoming wholly unconditional.
- 13.2.2 a compromise or arrangement in accordance with section 899 of the Companies Act 2006 for the purposes of a change of Control of the Company being sanctioned by the Court.

Winding up

13.3 On the passing of a resolution for the voluntary winding-up or the making of an order for the compulsory winding up of the Company:

- 13.3.1 the Board will determine whether Unvested Awards will:
 - i. Vest in accordance with rule 13.5; or
 - ii. lapse;
- 13.3.2 any Unreleased Awards (including any Awards that Vest under rule 13.5) will be Released; and
- 13.3.3 the Board will determine the period of time during which any Nil-Cost Option that has been Released (whether it was Released under rule 13.3.2 or earlier) may be exercised after which time it will lapse.

Other events

13.4 If the Company is or may be affected by a demerger, delisting, special dividend or other event that, in the opinion of the Board, may materially affect the current or future value of Shares, the Board may determine:

- 13.4.1 that any Unvested Award may Vest in accordance with rule 13.5; and
- 13.4.2 that any Unreleased Award (including any Award that Vests under rule 13.5) will be Released at the time of such event;

- 13.4.3 the period of time during which any Nil-Cost Option that has been Released (whether it was Released under rule 13.4.2 or earlier) may be exercised, after which time it will lapse.

Vesting level

- 13.5 Any Unvested Award will Vest under this rule 13.5 to the extent determined by the Board, taking into account:

- 13.5.1 whether it is appropriate to reduce (including to nil) the extent to which the Award will (but for this rule 13.5.1) Vest to reflect the extent to which the Underpin Condition has, in the Board's opinion, not been satisfied at the time of the relevant event or the extent to which the Underpin Condition would have, in the Board's opinion been satisfied on the Normal Vesting Date;
- 13.5.2 whether it is appropriate to reduce (including to nil) the extent to which the Award will (but for this rule 13.5.2) Vest, if it considers that rule 9.2.1, 9.2.2 or 9.2.3 applies, taking into account such factors as the Board considers relevant;
- 13.5.3 if a Participant no longer holds office or employment with a Group Member at the time of the relevant event, the proportion of the first three years of the Vesting Period that had elapsed at the date of their cessation of office or employment (unless the Board determines otherwise); and
- 13.5.4 if a Participant continues to hold office or employment with a Group Member at the time of the relevant event, the extent to which the Award will be reduced to take account of the proportion of the first three years of the Vesting Period that have elapsed on the date of the relevant event (unless the Board determines otherwise),

and any part of the Award that does not Vest will lapse immediately.

Exchange

- 13.6 An Award will not Vest, be Released or lapse under this rule 13 but will be exchanged on the terms set out in rule 13.7 to the extent that:

- 13.6.1 an offer to exchange the Award is made and accepted by a Participant;
- 13.6.2 there is an Internal Reorganisation, unless the Board determines otherwise; or
- 13.6.3 the Board decides (before the relevant event) that an Award will be exchanged.

- 13.7 If this rule 13.7 applies, the Award will be exchanged in consideration of the grant of a new award (the "**New Award**") that, in the opinion of the Board, is equivalent to the Award, but relates to shares in a different company (whether the acquiring company or a different company). The rules of this Plan will be construed in relation to the New Award as if:

- 13.7.1 the New Award was an Award granted under the Plan at the same time as the Award;
- 13.7.2 references to any Underpin Condition were references to a new condition to which the New Award is subject;
- 13.7.3 references to the Company were references to the company whose shares are subject to the New Award; and
- 13.7.4 references to Shares were references to shares that are the subject of the New Award.

Meaning of Board

- 13.8 Any reference to the Board in this rule 13 means the members of the Board immediately before the relevant event.

14. ADJUSTMENTS

The number of Shares subject to an Award and/or any Underpin Condition may be adjusted in such manner as the Board determines, in the event of:

- 14.1 any variation of the share capital of the Company; or
- 14.2 a demerger, delisting, special dividend or other event that may, in the opinion of the Board, affect the current or future value of Shares.

15. AMENDMENTS

- 15.1 Except as described in this rule 15, the Board may amend the rules of the Plan or the terms of any Award.
- 15.2 Subject to rule 15.3, no amendment to the advantage of Eligible Employees and/or Participants may be made under this rule 15 to the provisions relating to:

- 15.2.1 the persons to whom, or for whom, Shares or cash are provided under the Plan;
- 15.2.2 limitations on the number or amount of Shares or cash subject to the Plan;
- 15.2.3 the maximum entitlement for any one Participant;
- 15.2.4 the basis for determining a Participant's entitlement to, and the terms of, Shares or cash to be provided under the Plan;
- 15.2.5 the adjustments that may be made in the event of a variation of capital; and
- 15.2.6 the terms of this rule 15.2

without prior approval of the shareholders of the Company in general meeting.

- 15.3 Rule 15.2 will not apply to any minor amendment that is to benefit the administration of the Plan or is necessary or desirable to take account of any change in legislation or to obtain or maintain favourable taxation, exchange control or regulatory treatment for any Group Member, Eligible Employee or Participant.
- 15.4 No amendment to the material disadvantage of existing rights of Participants (except in respect of an Underpin Condition) will be made under rule 15.1 unless:
 - 15.4.1 every Participant who may be affected has been invited to indicate whether or not they approve the amendment; and
 - 15.4.2 the amendment is approved by a majority of those Participants who have so indicated.
- 15.5 No amendment will be made under this rule 15 if it would prevent the Plan from being an employees' share scheme within the meaning of section 1166 of the Companies Act 2006.

16. LEGAL ENTITLEMENT

- 16.1 This rule 16 applies during a Participant's employment with any Group Member and after the termination of such employment, whether or not the termination is lawful.
- 16.2 Nothing in the Plan or its operation forms part of the terms of employment of a Participant and the rights and obligations arising from a Participant's employment with any Group Member are separate from, and are not affected by, their participation in the Plan. Participation in the Plan does not create any right to continued employment with a Group Member for any Participant.
- 16.3 The grant of any Award to a Participant does not create any right for that Participant to be granted any further Awards or to be granted Awards on any particular terms, including the number of Shares to which Awards relate.

- 16.4 By participating in the Plan, a Participant waives all rights to compensation for any loss in relation to the Plan, including:
- 16.4.1 any loss or reduction of any rights or expectations under the Plan in any circumstances or for any reason (including lawful or unlawful termination of the Participant's employment);
 - 16.4.2 any exercise of a discretion or a decision taken in relation to an Award or to the Plan, or any failure to exercise a discretion or take a decision; and
 - 16.4.3 the operation, suspension, termination or amendment of the Plan.

17. GENERAL

- 17.1 The Plan will terminate upon the date stated in rule 2.7, or at any earlier time by the passing of a resolution by the Board or an ordinary resolution of the Company in general meeting. Termination of the Plan will be without prejudice to the existing rights of Participants.
- 17.2 Shares issued or transferred from treasury under the Plan will rank equally in all respects with the Shares then in issue, except that they will not rank for any voting, dividend or other rights attaching to Shares by reference to a record date preceding the date of issue or transfer from treasury.
- 17.3 The personal data of any Eligible Employee and of any person who holds or who has held an Award may be processed in connection with the operation of the Plan in accordance with the Group's prevailing data protection policy and as notified to Eligible Employees in accordance with the GDPR. By participating in the Plan, a Participant consents (otherwise than for the purposes of the GDPR) to the processing of their personal data in connection with the operation of the Plan.
- 17.4 The Plan will be administered by the Board. The Board will have full authority, consistent with the Plan, to administer the Plan, including authority to interpret and construe any provision of the Plan and to adopt regulations for administering the Plan. Decisions of the Board will be final and binding on all parties.
- 17.5 Any notice or other communication in connection with the Plan may be delivered personally or sent by electronic means or post, in the case of a company to its registered office (for the attention of the company secretary), and in the case of an individual to their last known address, or, where they are a director or employee of a Group Member, 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. Where a notice or other communication is given by post, it will be deemed to have been received 72 hours after it was put into the post properly addressed and stamped, and if by electronic means, when the sender receives electronic confirmation of delivery or if not available, 24 hours after sending the notice.
- 17.6 No benefits received under the Plan will be pensionable.
- 17.7 If any rule of the Plan or any term of an Award is held to be void but would be valid if part of its wording were deleted, such rule will apply with such deletion as may be necessary to make it valid.
- 17.8 No third party other than a Group Member will have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Plan (without prejudice to any right of a third party that exists other than under that Act).
- 17.9 The rules of the Plan will be governed by and construed in accordance with the laws of England and Wales. Any person referred to in the Plan submits to the exclusive jurisdiction of the Courts of England and Wales.

SCHEDULE

1. CASH AWARDS

- 1.1 The rules of the Harworth 2019 Restricted Share Plan will apply to a right to receive a cash sum granted under this Schedule as if it was either a Conditional Award (a "**Cash Conditional Award**") or a Nil-Cost Option (a "**Cash Option**"), except as set out in this Schedule. Where there is any conflict between the rules of the Plan and this Schedule, the terms of this Schedule will prevail.
- 1.2 Each Cash Conditional Award or Cash Option will relate to a certain number of notional Shares.
- 1.3 On the Release of a Cash Conditional Award or the exercise of a Cash Option the Participant will be entitled to receive a cash sum, calculated on the following basis:
 - 1.3.1 in the case of a Cash Conditional Award, the cash sum will be equal to the market value (as determined by the Board) on the Release Date of the notional Shares in respect of which the Cash Conditional Award is Released; and
 - 1.3.2 in the case of a Cash Option, the cash sum will be equal to the market value (as determined by the Board) on the date of exercise of the notional Shares in respect of which the Cash Option is exercised.
- 1.4 The cash sum payable under paragraph 1.3 above will be paid to the Participant within 30 days after the Release of the Cash Conditional Award or the exercise of the Cash Option, net of any Tax Liability as may be required by law.
- 1.5 Unless the Board determines otherwise on or before the Grant Date of a Cash Conditional Award or a Cash Nil-Cost Option, the Board may, at any time prior to the date on which the cash sum becomes payable under paragraph 1.3 above, determine that a Cash Conditional Award or a Cash Nil-Cost Option will be converted into a Conditional Award or a Nil-Cost Option under the rules of the Plan over the same number of Shares as the number of notional Shares to which the Cash Conditional Award or Cash Nil-Cost Option relates.