

IMPERIAL BRANDS PLC

THE IMPERIAL BRANDS SHARE MATCHING SCHEME 2023

This is a copy of the rules of the Imperial Brands Share Matching Scheme 2023 which was adopted by the Remuneration Committee of the Board of Directors of the Company on _____ 2022, conditional on appropriate shareholder authority being obtained.

Shareholder authority for the adoption of the Imperial Brands Share Matching Scheme 2023 was conferred by the shareholders of Imperial Brands PLC at a general meeting of shareholders held on 1 February 2023.

No new Awards may be made under this Scheme after 1 February 2033.

CONTENTS

		Page
1	DEFINITIONS AND INTERPRETATIONS	1
2	INVITATIONS	4
3	LODGED SHARES	6
4	EFFECT OF ALLOCATION	6
5	OVERALL LIMITS ON THE ISSUE OF NEW SHARES TO SATISFY AWARDS	6
6	VESTING OF ADDITIONAL SHARES	7
7	EXCHANGE	9
8	VARIATIONS	9
9	AWARDS SUBJECT TO RECOUPMENT POLICY	10
10	TRANSFER OF SHARES	10
11	LAPSE OF ADDITIONAL SHARES	11
12	TRANSFER OF LEGAL TITLE	11
13	STAMP DUTY AND OTHER EXPENSES	11
14	TAXATION	11
15	SHARE RIGHTS AND RESTRICTIONS ON ISSUE AND TRANSFER	12
16	GENERAL	12
17	AMENDMENT	13
18	TERMINATION	14
19	GOVERNING LAW AND JURISDICTION	14
APPENDIX 1	BONUS MATCHING AWARDS	

RULES OF THE IMPERIAL BRANDS PLC SHARE MATCHING SCHEME 2023

1. DEFINITIONS AND INTERPRETATIONS

1.1 The following words and expressions will have the following meanings in these Rules:

"Additional Share"	means a Share allocated under Rule 2.5
"Board"	means the board of directors of the Company (or any other duly authorised committee of the Board) PROVIDED THAT where the Company has entered administration, liquidation or other insolvency process, "Board" shall mean the remuneration committee of the Board (or, where relevant, any other duly authorised committee of the Board) as constituted immediately prior to that event
"Company"	means, Imperial Brands PLC (a company incorporated in England and Wales with registered number 03236483)
"Control"	has the meaning given in section 719 of ITEPA
"CREST"	means the system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755)) operated by Euroclear UK & Ireland Limited
"CREST Account"	means a designated CREST account held by a Participant with any sponsor agreed by the Trustees
"Data Processing"	has the meaning set out in the applicable Data Protection Legislation
"Data Protection Legislation"	means any law, statute, declaration, decree, directive, legislative enactment, order, ordinance, regulation, rule or other binding provision or restriction (as amended, consolidated or re-enacted from time to time) in any jurisdiction which relates to the protection of individuals with regards to the processing of Personal Data, including Regulation EU 2016/679 of the European Parliament and of the Council of 27 April 2016 (as retained in UK law pursuant to the European Union (Withdrawal) Act 2018) and any code of practice or guidance published by the UK Information Commissioner's Office (or any successor body) from time to time
"Date of Allocation"	means with respect to any Additional Shares, the date on which they are allocated under Rule 2.5
"Dealing Restriction"	means any restriction(s) imposed by MAR, the Share Dealing Code, the Listing Rules issued by the FCA or any other relevant requirement, guideline, regulation or law
"Earnings"	means, in respect of any Employee, the basic annual salary of that Employee
"Employee"	means an employee (excluding an Executive Director) of any member of the Group

"Employment"	means employment as an employee of a member of the Group
"Executive Director"	means any director of the Company who is an Employee and who carries out executive functions
"Expected Vesting Date"	means, with respect to any Additional Shares and subject to Rule 15, the third anniversary of the Launch Date or such other date specified when any Additional Shares are allocated provided that if an event occurs as a result of which the Board determines that, in relation to any Additional Shares previously allocated, the original expected vesting date is no longer appropriate, the Board may substitute another date as the expected vesting date for those Additional Shares
"FCA"	means the Financial Conduct Authority of the UK (or its successor body from time to time)
"Group"	means the Company and any company which is for the time being a subsidiary (as defined in section 1159 of the Companies Act 2006)
"Individual Limit"	means, in connection with any invitation made pursuant to Rule 2.1, the maximum amount of money which is specified by the Board as being capable of applied in the purchase of Lodged Shares and in respect of which Additional Shares may be allocated
"ITEPA"	means the Income Tax (Earnings and Pensions) Act 2003
"Launch Date"	means, in respect of any Additional Shares, the date by reference to which the maximum number of Shares a Participant can be allocated as Additional Shares under the Scheme is calculated
"Listing"	means admitted to trading on the London Stock Exchange
"Lodged Share"	means a Share: <ul style="list-style-type: none"> (a) acquired by the Trustees with monies provided by an Employee or transferred to the Trustees and in each case held by the Trustees as bare nominee for that Employee; (b) in respect of which a share certificate covering such Share has been deposited with the Trustees by an Employee which will be held by the Trustees (or such person or persons as may from time to time be nominated by the Trustees) on behalf of the Employee; or (c) held by a Participant in a CREST Account
"London Stock Exchange"	means the London Stock Exchange plc (or any successor organisation from time to time)

"MAR"	means the EU Market Abuse Regulation (596/2014), as retained in UK law pursuant to the European Union (Withdrawal) Act 2018 and as varied, amended or supplemented or replaced by UK domestic legislation or regulation from time to time
"Market Value"	means, in relation to a Share, its middle market quotation as derived from the Daily Official List of the London Stock Exchange on the relevant date
"Ordinary Share Capital"	means the issued ordinary share capital of the Company other than fixed-rate preference shares
"Participant"	means an Employee on whose behalf Lodged Shares are held by the Trustees or by the Employee in a CREST Account, or who has deposited a share certificate(s) with the Trustees, and in respect of which legal title to the Lodged Shares has not been transferred to the Participant under Rule 12
"Personal Data"	has the meaning set out in the applicable Data Protection Legislation
"Recoupment Policy"	means the Recoupment Policy of the Company which was adopted by the Remuneration Committee of the Board (on behalf of the Company) on 11 November 2020, as amended from time to time
"Rules"	means these Rules as from time to time amended in accordance with their provisions
"Scheme"	means the Imperial Brands Share Matching Scheme 2023 as constituted by these Rules, as amended from time to time
"Section 409A"	means Section 409A of the U.S. Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder
"Share"	means fully paid ordinary shares in the capital of the Company (or, following a reconstruction, demerger or reorganisation of the Company, shares or other securities representing such shares)
"Share Dealing Code"	means the code adopted by the Company for securities transactions by directors, employees and persons connected with them, as amended from time to time
"Tax"	means any tax, duty, impost, levy, charge or royalty in the nature of tax (including social security contributions), whether domestic or foreign, and whether or not chargeable directly against the person concerned or any other person, and any fine, penalty or interest connected therewith
"Trust"	means either the Imperial Tobacco Employee and Executive Benefit Trust or the Imperial Tobacco Group PLC 2001 Employee Benefit Trust, or any other employee benefit trust established from time to time principally for the benefit of employees and former employees of the Group

"Trustees"	means the trustee(s) for the time being of either of the Trusts or, as the context may require, such other entity appointed by the Company from time to time to provide nominee or administration services in connection with the Scheme
"UK"	means the United Kingdom
"Unrestricted Shares"	means Shares held for or on behalf of a Participant within the relevant CREST Account but which are not held for the purposes of this Scheme or any other share plan operated by a member of the Group
"U.S."	means the United States of America
"US Participant"	means a Participant who is a U.S. citizen or is or becomes subject to income taxation in the U.S.
"Variation"	means, in relation to the Ordinary Share Capital, any alteration by way of a capitalisation issue, an offer or invitation made by way of rights, a subdivision, consolidation, reduction, demerger, payment of a special dividend or any other variation in the Ordinary Share Capital that may, in the opinion of the Board affect the value of any Shares
"Vested Share"	means an Additional Share which has been allocated to a Participant and which becomes vested in the Participant (or the Participant's personal representatives) on any Vesting Date and in accordance with the Rules
"Vesting Date"	means, subject to Rule 15, the earlier of the Expected Vesting Date and the date before the Expected Vesting Date on which an Additional Share vests in accordance with Rule 6.3, 6.4, 6.5, 6.6, 6.7 or 6.8

1.2 The headings in the Rules are for convenience and should be ignored when construing the Rules. Unless the context otherwise requires, words in the singular include the plural and vice versa.

1.3 Reference in the Rules to any statutory provisions are to those provisions as amended or re-enacted from time to time, and include any regulations or other subordinate legislation made under them.

2. INVITATIONS

2.1 Any member of the Group may from time to time, and with the consent of the Board, invite any Employee to participate in the Scheme. In connection with any such invitation, the Board shall determine:

2.1.1 the Individual Limit applicable to that invitation;

2.1.2 the basis of on which any Additional Shares shall be allocated pursuant to that invitation in accordance with Rule 2.5; and

2.1.3 any performance criteria or targets, or any other conditions, which must be met in order for any Additional Shares which are to be allocated to Employees who accept the relevant invitation to be capable of vesting (and, if applicable, determine the extent of such vesting).

The Board's determination of the matters referred to in this Rule 2.1 shall be specified in the terms of the invitation which are issued to Employees.

2.2 An invitation to participate in the Scheme (in such manner and form as the Board specifies from time to time) will invite Employees, at the determination of the Board to:

2.2.1 pay monies to the Trustees, or to the Company, and authorise and require the Trustees to apply, or the Company to arrange the application of, those monies in the acquisition of Lodged Shares, up to the Individual Limit;

2.2.2 if permitted by the Board, transfer Shares to the Trustees as Lodged Shares;

2.2.3 if permitted by the Board, deliver one or more share certificate(s) in respect of the Lodged Shares to the Trustees (or to such other person or persons nominated by the Trustees provided the share certificate(s) are held to the Trustees' order);

2.2.4 open a CREST Account and either:

(a) apply monies towards the purchase of Shares; or

(b) if permitted by the Board, transfer Shares by way of a completed CREST dematerialisation form to the CREST Account, such Shares being Lodged Shares;

2.2.5 if permitted by the Board, leave any existing Lodged Shares for which the Vesting Date of the related Additional Shares has occurred (or will occur by or within a short time after (as determined by the Board) the allocation of Additional Shares pursuant to the invitation) as Lodged Shares for the purposes of the invitation; and/or

2.2.6 if permitted by the Board, leave any Additional Shares which have become Vested Shares as Lodged Shares for the purpose of the invitation.

2.3 An Employee invited to participate in the Scheme may accept the invitation by submitting a completed application form (in such manner and form as the Board specifies from time to time) and acquiring Lodged Shares in one of the permitted manners within the time prescribed by the invitation.

2.4 Where monies are paid to be applied in the acquisition of Lodged Shares as referred to in Rule 2.2, such Lodged Shares shall be held within the CREST Account for the relevant Participant up to the Individual Limit. Where such monies exceed the Individual Limit:

2.4.1 any Shares acquired in excess of the Individual Limit shall be held as Unrestricted Shares; or

2.4.2 the Trustees may return any excess monies directly to the Participant.

2.5 As soon as practicable following confirmation of the number of Lodged Shares acquired by or on behalf of a Participant or otherwise transferred or so designated by a Participant following an invitation under Rule 2.1, the Trustees will allocate Additional Shares to Participants in respect of their Lodged Shares on such basis (including as to vesting) the Board determines, based on:

2.5.1 the Participant's length of service with the Group;

2.5.2 the Earnings, job grade or title of a Participant;

2.5.3 the financial performance of the Group; or

2.5.4 any other criteria the Board thinks appropriate.

- 2.6 No invitation will be made to an Employee when that Employee is subject to any Dealing Restriction. If any Dealing Restriction applies to prevent the issue of an invitation to an Employee at any time, then the Board may determine that an invitation may be issued to that Employee as soon as reasonably practicable following the date on which any such Dealing Restriction ceases to apply.

3. LODGED SHARES

- 3.1 Lodged Shares will be registered either:

3.1.1 in the name of the Trustees (or any other person or persons nominated by the Board for the purpose) who will hold the Shares as bare nominee for the relevant Participant;

3.1.2 in the Participant's name and the share certificate(s) covering the Shares will be held by the Trustees (or any other person or persons nominated by the Trustees provided the share certificate(s) is/are held to the Trustees' order); and/or

3.1.3 in the Participant's name and held in a designated CREST Account.

- 3.2 The Trustees will not exercise any rights attaching to Lodged Shares otherwise than in accordance with written wishes received from the relevant Participant. A Participant will be responsible for ensuring that any voting wishes are conveyed to the Trustees in sufficient time and with sufficient clarity to allow the Trustees to carry them out. The Trustees will not be liable to any person for the consequences of any failure to exercise voting rights attaching to Lodged Shares.

- 3.3 A Participant will be entitled to the amount of any dividends paid by the Company on the Participant's Lodged Shares.

4. EFFECT OF ALLOCATION

- 4.1 Any Additional Shares allocated to a Participant will cease to be capable of vesting if, before their Vesting Date, the Participant causes any of the Lodged Shares in respect of which the Additional Shares were allocated to be transferred or delivered in accordance with Rule 12.

- 4.2 Subject to Rule 10.4, at any time prior to the Vesting Date of any Additional Shares a Participant will have no right or interest, whatsoever in such Additional Shares and, for the avoidance of doubt, the Participant will have no entitlement to any dividends paid by the Company on such Additional Shares.

- 4.3 Subject to Rule 12, no Lodged Share may be assigned, charged or otherwise disposed of by a Participant at any time prior to the Vesting Date of the related Additional Shares.

5. OVERALL LIMITS ON THE ISSUE OF NEW SHARES TO SATISFY AWARDS

- 5.1 Unless specified to the contrary by the Board on the Date of Allocation, the allocation of any Additional Shares may be satisfied by:

5.1.1 issuing new Shares to be allocated as Additional Shares; and/or

5.1.2 transferring treasury Shares to be allocated as Additional Shares; and/or

5.1.3 transferring Shares (other than treasury Shares) to be allocated as Additional Shares.

The Board may decide to change the way in which any Additional Shares may be satisfied after the Date of Allocation but before such Additional Shares have been issued or transferred, having regard to the remaining provisions of this Rule 5.

- 5.2 In any ten-year period ending on the relevant Date of Allocation, the maximum number of Shares which may be issued or made issuable under this Scheme and any other employee share scheme operated by the Company shall not exceed 10% of the Ordinary Share Capital of the Company from time to time.
- 5.3 In any ten-year period ending on the relevant Date of Allocation, the maximum number of Shares which may be issued or made issuable under this Scheme and any other discretionary share scheme operated by the Company shall not exceed 5% of the Ordinary Share Capital of the Company from time to time.
- 5.4 For the purposes of Rules 5.2 and 5.3:
- 5.4.1 Shares taken into account when initially allocated as Additional Shares shall not be taken into account again following the issue or transfer of Shares in satisfaction of such Additional Shares allocation and any such Additional Shares allocation that has lapsed shall fall out of account;
- 5.4.2 Shares shall not be taken into account after the allocation of any Additional Shares where the Board has determined that such allocation of Additional Shares shall be capable of being satisfied by the transfer of existing Shares (other than Shares transferred out of treasury) only; and
- 5.4.3 references to Shares which may be issued or made issuable shall, if so required in accordance with guidance of the Investment Association, be taken to include references to rights to acquire Shares issued or to be issued out of treasury.

6. VESTING OF ADDITIONAL SHARES

- 6.1 Any Additional Shares will only vest under the remaining provisions of this Rule 6 if and to the extent that any condition(s) imposed by the Board under Rules 2.1.3 or 2.5 has or have been satisfied at the Vesting Date. If an event occurs as a result of which the Board determines that, in relation to all or any Additional Shares previously allocated, the condition(s) is/are no longer appropriate, the Board may substitute any other condition(s) it reasonably determines to be appropriate. The number of Additional Shares that will vest pursuant to Rules 6.3, 6.4, 6.5, 6.6, 6.7 and 6.8 will be reduced on a pro rata basis to take account of the time that has elapsed between the Launch Date and the date of the relevant event as a proportion of the period between the Launch Date and the Expected Vesting Date.
- 6.2 Subject to Rule 6.1 and except as otherwise provided in this Rule 6 or pursuant to Rules 9 and 11, any Additional Shares will vest on their Expected Vesting Date (subject to Rule 15), provided that the Participant is then in Employment.
- 6.3 Subject to Rules 6.1, 9 and 11 if a Participant ceases to be in Employment before the Expected Vesting Date due to:
- 6.3.1 death;
- 6.3.2 injury, ill-health, disability, or redundancy;
- 6.3.3 the company employing the Participant ceasing to be a member of the Group; or
- 6.3.4 the transfer or sale of the undertaking or part-undertaking in which the Participant is employed to a person who is not a member of the Group,

the Participant's Additional Shares will vest on the Expected Vesting Date or, if determined by the Board, as soon as practicable following the Participant ceasing to be in Employment **PROVIDED THAT** if this Rule 6.3 applies to a U.S. Participant any Additional Shares held by such person shall vest immediately on the Participant ceasing to be in Employment, provided that the Board may determine a later Vesting Date if the Additional Shares continue to be subject to a substantial risk of forfeiture until such later date for the purposes of Section 409A.

6.4 If a Participant ceases to be in Employment in any circumstance other than one of those referred to in Rule 6.3, the Board may, permit the Participant's Additional Shares to vest, subject to Rules 6.1, 9 and 11 on the Expected Vesting Date or, if determined by the Board, as soon as practicable following the Participant ceasing to be in Employment and in either case on such additional terms as the Board thinks fit **PROVIDED THAT** if this Rule 6.4 applies to a U.S. Participant any Additional Shares held by such person shall vest immediately on the Participant ceasing to be in Employment, provided that the Board may determine a later Vesting Date if the Additional Shares continue to be subject to a substantial risk of forfeiture until such later date for the purposes of Section 409A.

6.5 If a Participant ceases to be in Employment:

6.5.1 in any of the circumstances referred to in Rule 6.3; or

6.5.2 in any circumstances other than those referred to in Rule 6.3 but where the Board permits their Additional Shares to vest in accordance with Rule 6.4,

and in either case the Participant's Additional Shares are due to vest on the Expected Vesting Date, but the Participant dies before the Expected Vesting Date, their Additional Shares will vest on the date of death on the basis that the "relevant event" for the purposes of Rule 6.1 was the cessation of the Participant's Employment.

6.6 Subject to Rule 6.1, if a Participant, while remaining in Employment, transfers from one jurisdiction to another and will either become subject to:

6.6.1 Tax in the country to which the Participant is transferred so that the Participant will suffer a Tax disadvantage on the vesting of any Additional Shares following the transfer; or

6.6.2 any restriction on acquiring Shares on the vesting of any Additional Shares or dealing in the Shares that may be acquired on the vesting of any Additional Shares because of the securities laws or exchange control laws of the country to which the Participant is transferred,

the Board may, at its discretion, allow any entitlements to Additional Shares held by that Participant to vest during the period beginning three months before and ending three months after the transfer of the Participant.

6.7 Subject to Rules 6.1, 9 and 11 and provided the Additional Shares are not to be exchanged under Rule 7, if before the Expected Vesting Date:

6.7.1 *Takeover*: an offeror (together with others, if any, acting in concert with the offeror) obtains Control of the Company as a result of making a general offer to acquire all of the issued ordinary shares of the Company or all of the shares of the Company which are of the same class as the Shares and which, in either case, are not at the time owned by the offeror or any company Controlled by the offeror and/or persons acting in concert with the offeror;

6.7.2 *Section 979 notice*: a person first becomes bound or entitled to acquire Shares under sections 979 to 982 of the Companies Act 2006;

6.7.3 *Compromise or arrangement*: the court sanctions a compromise or arrangement between the Company and its shareholders under sections 899 or 901F of the Companies Act 2006; or

6.7.4 *Delisting*: the permanent cessation of the Listing of the Shares,

Additional Shares will vest on the date that any of the above-mentioned events occurs, or on such other date at the Board determines in connection with such event (which may, for the avoidance of doubt be in advance of, and conditional upon, such event occurring).

6.8 Subject to Rules 6.1, 9 and 11, any Additional Shares will vest:

6.8.1 immediately before the passing of a resolution for the voluntary winding-up of the Company; or

6.8.2 on the Court making an order for the winding-up of the Company.

This Rule 6.8 will not apply where the winding-up in either case is for the purpose of a reconstruction or amalgamation of the Company.

6.9 It is intended that the vesting provisions of this Rule 6, as modified for U.S. Participants, be interpreted and applied to U.S. Participants in such manner as to constitute a "substantial risk of forfeiture" for purposes of Section 409A. Any exercise of discretion under this Scheme by the Board with respect to a U.S. Participant shall not operate in a manner that delays the Vesting Date or the Expected Vesting Date set out in the Invitation or other document setting out the terms of an award of any Additional Shares other than as permitted under Section 409A. Any dividends declared and paid with respect to Vested Shares held under this Scheme for a U.S. Participant shall be paid in cash or settled in Shares, as the case may be, at the same time as the Vested Shares are paid in cash or settled in Shares.

7. EXCHANGE

7.1 Subject to Rule 7.2, if a company (the "**Successor Company**") obtains Control of the Company, and either:

7.1.1 the shareholders of the Successor Company immediately after it obtains Control are substantially the same as the shareholders of the Company immediately before that event; or

7.1.2 the Board decides and, in either case, the Successor Company consents to the exchange of Additional Share allocations,

Additional Shares allocated to Participants ("**Old Additional Shares**") will not vest in accordance with Rule 6.7 but will be exchanged for an allocation of new additional shares ("**New Additional Shares**") in the Successor Company which will have an aggregate Market Value equal to the Old Additional Share allocations immediately before the exchange, and will be treated as having been allocated under the Scheme at the same time and on the same terms as the Old Additional Share allocations to which they relate, and the Rules will be construed in relation to the New Additional Share allocations as if references to Shares were references to the shares subject to the allocation of New Additional Shares and references to Company were references to the Successor Company.

7.2 For the avoidance of doubt, allocations of New Additional Shares will be subject to Rule 4 and will only vest if the relevant Participant retains, until the Vesting Date, the shares in the Successor Company they receive in consideration for their Lodged Shares and in respect of which the related Old Additional Shares were allocated.

8. VARIATIONS

8.1 If there is a Variation, the number and/or type of Additional Shares allocated may be adjusted in the manner the Board determines to be fair and reasonable.

8.2 If and whenever the Company issues by way of rights or otherwise makes any offer or invitation to shareholders generally and issues to its members nil paid letters of allotment or other documents (Nil Paid Rights) representing negotiable Nil Paid Rights or entitlements relating to any ordinary shares or other security or securities (or any mixture of the two) in or of the Company, the Trustees will be entitled to receive the Nil Paid Rights but will be obliged to sell that proportion of any Nil Paid Rights as are attributable to Additional Shares as will enable the Trustee to subscribe for the new shares or securities which are the subject of the balance of the Nil Paid Rights and the Trustees will apply the proceeds of disposal in that way.

The shares or securities purchased will be added pro rata and be held on the same terms as the Additional Shares held by the Trustees in respect of which the Nil Paid Rights were received by the Trustees. Any cash balance will be held likewise. If any Nil Paid Rights are by reference to a record date which falls after the time at which the relevant Shares in respect of which the Nil Paid Rights were issued have become held absolutely for a Participant, any Nil Paid Rights will be held by the Trustees on trust for the Participant absolutely.

- 8.3 The Board will take any steps it considers necessary to notify Participants of any adjustments made under this Rule 8.

- 8.4 In relation to any Lodged Share registered in the name of the Trustees (or another person) pursuant to Rule 2.2 the Participant may instruct the Trustees to take such action as the Participant may inform the Trustees in writing. The Trustees will be under no obligation to take any action unless the Participant provides any necessary funds and will not be responsible for any failure to act in time or at all, irrespective of the circumstances.

9. **SHARES SUBJECT TO RECOUPMENT POLICY**

The Company's Recoupment Policy will apply to all Participants in this Scheme and to any Additional Shares allocated under these Rules (although, for the avoidance of doubt, it shall not apply to any Lodged Shares acquired pursuant to this Scheme).

10. **TRANSFER OF SHARES**

- 10.1 Subject to the Participant electing to leave any of the Participant's Lodged Shares as Lodged Shares for the purpose of an invitation under Rule 2.1:

- 10.1.1 any Lodged Shares held on bare trust for a Participant will be designated as Unrestricted Shares of the relevant Participant on, or as soon as practicable after, the Vesting Date of the related Additional Shares; and/or
- 10.1.2 where applicable, the Trustees will return or procure the return of all share certificates in respect of Lodged Shares deposited with the Trustees as soon as practicable following the Vesting Date of the related Additional Shares.

- 10.2 Following the Vesting Date of any Additional Shares, the Trustees will transfer to the relevant Participant (or to the Participant's estate) on or as soon as practicable after the Vesting Date that number of Additional Shares determined by the Trustees in accordance with the basis of allocation determined under Rule 2 and the provisions of Rule 6. In no event shall the transfer of Additional Shares to a U.S. Participant (or a cash payment in lieu thereof made pursuant to Rule 10.3) occur later than March 15th of the calendar year following the calendar year in which the Additional Shares cease to be subject to a substantial risk of forfeiture for the purposes of Section 409A.

- 10.3 Subject to Rule 10.2, the Board may, in relation to the vesting of a Participant's Additional Shares, decide that the relevant member of the Group will make a cash payment equal to the Market Value of the Additional Shares which would otherwise vest, in lieu of the Participant's right to receive Shares pursuant to Rule 6.

- 10.4 A Participant may, at the discretion of the Board, receive cash or further Shares equal in value, so far as possible, to any dividends paid or payable on the Additional Shares that vest, by reference to any record dates between the Date of Allocation and the Vesting Date (and assuming the reinvestment of dividends in Shares on the relevant ex-dividend dates). Any payment to be made under this Rule 10.4 will be made net of any Tax due in respect of it.

11. LAPSE OF ADDITIONAL SHARES

11.1 Allocated Additional Shares will lapse on the earliest of:

- 11.1.1 the date on which a Participant ceases to be in Employment before the Expected Vesting Date in any circumstance other than one of those referred to in Rule 6.3 and where the Board has not permitted vesting under Rule 6.4;
- 11.1.2 the Participant being deprived of the legal or beneficial ownership of the Additional Shares by operation of law, or doing or omitting to do anything which causes the Participant to be so deprived or being declared bankrupt;
- 11.1.3 the Participant attempting to breach Rule 4.3;
- 11.1.4 where any condition imposed under Rules 2.1.3 or 2.5 can, in the opinion of the Board, no longer be met;
- 11.1.5 as soon as the Board determines that any Additional Shares will lapse in accordance with the Recoupment Policy; or
- 11.1.6 immediately following the Additional Shares ceasing to be capable of vesting under Rule 4.1.

11.2 Where, as a result of the application of Rule 6.1, any Additional Shares have not vested, the Additional Shares that have not vested will lapse immediately.

12. TRANSFER OF LEGAL TITLE

The Trustees will in respect of all (but not some only) of a Participant's Lodged Shares:

- 12.1 transfer the legal title into the name of the relevant Participant or at the direction of the Participant, in the manner (and whether in uncertificated form or otherwise) the Trustees determine; and/or
- 12.2 deliver or procure the delivery of all the share certificate(s) to the relevant Participant,

as soon as reasonably practicable following the receipt of a written instruction to this effect from the Participant.

13. STAMP DUTY AND OTHER EXPENSES

Any stamp duty or other expenses incurred in any transfer of Additional Shares and/or Lodged Shares by the Trustees will be payable:

- 13.1 in the case of either a transfer into the name or at the direction of the Participant concerned or the acquisition by the Trust of Additional Shares, by the Trustees; and
- 13.2 in any other case, by the Participant concerned (unless the Board determines otherwise).

14. TAXATION

14.1 Any member of the Group, former member of the Group or the Trustees may withhold such amounts and/or make such arrangements as it considers necessary to meet any liability to Tax in respect of a Participant for which it or any other member of the Group or former member of the Group is liable to account in respect of a Participant in connection with the Scheme, including the sale of Additional Shares on behalf of a Participant, unless the Participant discharges the liability.

- 14.2 For the purposes of this Rule 14 the Trustees may rely on any information supplied to them by the Company or by any tax adviser selected by the Company as to the amount of the Tax liability.

15. SHARE RIGHTS AND RESTRICTIONS ON ISSUE AND TRANSFER

- 15.1 All Shares issued or transferred under this Scheme shall rank equally in all respects with the Shares then in issue, except for any rights attaching to such Shares by reference to a record date prior to the date of such allotment or transfer.
- 15.2 If the Shares are listed on the Official List maintained by the FCA and traded on the London Stock Exchange (or any other relevant exchange) the Company shall as soon as practicable apply for any Shares issued under this Scheme to be listed and admitted to trading on the London Stock Exchange.
- 15.3 The Scheme will be operated in accordance with the requirements of any Dealing Restrictions. If appropriate, having regard to such requirements, any action under the Scheme (including allocation and/or vesting of Additional Shares) may be deferred where any Dealing Restrictions apply, until the first day on which any relevant Dealing Restrictions cease to apply.

16. GENERAL

- 16.1 Any notice or other document given to any Employee pursuant to the Scheme will be delivered to the Employee, sent by post to the Employee at the Employee's home address according to the records of the Employee's employing company or such other address as may appear to the Board to be appropriate or sent to the Employee by email to the Employee's usual email address according to the records of the Employee's employing company or to such other email address that the Employee may have advised may be used. Notices or other documents sent by post will be deemed to have been received two days following the date of posting for documents posted to addresses in the United Kingdom and seven days for documents posted to an overseas address. Notices or other documents sent by email shall be deemed to have been received at the time of transmission or, if sent outside normal business hours, at the start of the next business day. All documents sent to or by an Employee will be sent entirely at the Employee's risk.
- 16.2 The decision of the Board on any question of interpretation of the Rules or any dispute relating to or connected with the Scheme will be final and conclusive.
- 16.3 The costs of introducing, operating and administering the Scheme will be borne by the Company. The Company may require any member of the Group to enter into an agreement which obliges that company to reimburse the Company for any costs borne by the Company, directly or indirectly, in respect of the member of the Group's officers or employees.
- 16.4 The Board will have power from time to time to make regulations for the administration and operation of the Scheme provided that the regulations are not inconsistent with these Rules.
- 16.5 Nothing in the Scheme will give any officer or employee of any member of the Group any right to participate in the Scheme. Participation in one invitation does not imply a right to participate or be considered for participation in a later invitation.
- 16.6 Nothing in the Scheme will form part of any Participant's contract of employment. The rights and obligations of a Participant under the terms and conditions of the Participant's Employment by any member of the Group will not be affected by the Participant's participation in the Scheme. A Participant will have no right to compensation or damages or any other sum or benefit in respect of the Participant ceasing to participate in the Scheme or in respect of any loss or reduction of any rights or expectations under the Scheme in any circumstances. An Employee who is not invited to participate in the Scheme will have no right to compensation or damages or any other sum or benefit in respect of the Employee's non-participation.

- 16.7 To the satisfaction and under the direction of the Board, all operations of the Scheme and each award shall include or be supported by appropriate agreements, notifications and arrangements in respect of Data Processing in connection with the Scheme, in order to secure:
- 16.7.1 the Group's reasonable freedom to operate the Scheme and for connected purposes; and
 - 16.7.2 compliance with all data protection requirements applicable from time to time, including under the Data Protection Legislation and any relevant practices and policies of the Group.
- 16.8 No benefit or value associated with or received in respect of Additional Shares allocated to a Participant under the Scheme will be included or otherwise taken into account as part of any calculation undertaken for severance purposes.
- 16.9 Benefits received by a Participant under the Scheme are not pensionable.
- 16.10 The invalidity or non-enforceability of one or more provisions of the Scheme will not affect the validity or enforceability of the other provisions of the Scheme.
- 16.11 The Scheme confers no benefit, right or expectation on an individual who is not a Participant. No third party has any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Scheme. Any other right or remedy which a third party may have is unaffected by this Rule 16.11.
- 16.12 [Additional Shares held by U.S. Participants are intended to be exempt from the definition of "nonqualified deferred compensation" under Section 409A and the Scheme shall be interpreted and administered in a manner consistent with this statement of intent.]¹
17. **AMENDMENT**
- 17.1 Subject to the provisions of this Rule 17, the Board can at any time amend any of the provisions of the Scheme in any respect.
- 17.2 Subject to Rule 17.4, no amendment can be made under Rule 17.1 which is to the advantage of Participants or Employees to the provisions relating to:
- 17.2.1 persons to whom Additional Shares may be allocated;
 - 17.2.2 the limit on the number of Shares which may be allocated under the Scheme (whether to any individual or under the Scheme overall);
 - 17.2.3 the basis for determining Participants' entitlements to, and the rights attaching to, Additional Shares allocated and Additional Shares acquired under the Scheme;
 - 17.2.4 rights of Participants in the event of a Variation; or
 - 17.2.5 the terms of this Rule 17.2,
- without the prior approval by ordinary resolution of the members of the Company in a general meeting.

¹ Subject to review by US counsel.

- 17.3 No amendment will be made under Rule 17.1 which would abrogate or materially affect adversely the subsisting rights of Participants unless it is made:
- 17.3.1 with the written consent of Participants who hold 75% of the allotted but unvested Additional Shares under the Scheme; or
 - 17.3.2 by a resolution of a meeting of Participants passed by not less than 75% of the Participants who attend and vote either in person or by proxy.
- 17.4 Rule 17.2 will not apply to any amendment which is minor and in order to:
- 17.4.1 benefit the administration of the Scheme;
 - 17.4.2 take account of any changes in legislation; or
 - 17.4.3 obtain or maintain favourable tax, exchange control or regulatory treatment for the Company, any member of the Group or any present or future Participant.
- 17.5 No amendment may be made under Rule 17.1 which would, if carried out, involve the Trustees in a new or additional obligation or liability without the prior agreement of the Trustees.
- 17.6 The Board may adopt additional sections of the Scheme applicable in any jurisdiction, under which Additional Shares may be subject to additional and/or modified terms and conditions, having regard to any securities, exchange control or taxation laws, regulations or practice which may apply to the Participant, the Company or any member of the Group. Any additional section and all Additional Shares allocated under that section will count towards the limit on the number of Shares available under the Scheme and will be governed by and construed in accordance with the laws of England.
- 17.7 No amendment will take effect that would cause the Scheme to cease to be an "employees' share scheme" as defined in section 1166 of the Companies Act 2006.

18. **TERMINATION**

The Scheme may be terminated at any time by a resolution of the Board, and will in any event terminate on 1 February 2033. Any termination will not affect the outstanding rights of Participants. No Additional Shares will be allocated under these Rules following termination of the Scheme.

19. **GOVERNING LAW AND JURISDICTION**

This Scheme shall be governed by English law and the parties submit to the exclusive jurisdiction of the courts of England and Wales in respect of any matter arising in relation to this Scheme.

APPENDIX 1

1. EFFECT; PURPOSE

- 1.1 The purpose of this Appendix 1 is to enable the Board to offer Employees the opportunity to deposit a cash amount in a specified bank account, in return for which the Board will allocate a notional number of Lodged Shares to that Employee ("**Notional Lodged Shares**") in accordance with Clause 3.3 and in respect of which the Trustees will allocate a notional number of Additional Shares ("**Notional Additional Shares**") to that Employee in accordance with Clause 3.4.
- 1.2 The principal purpose of this Appendix 1 is to offer the opportunity to participate in the Scheme to Employees who are resident in jurisdictions where the acquisition of Lodged Shares and/or the offer of Additional Shares is prevented or administratively impracticable.

2. DEFINITIONS AND INTERPRETATION

- 2.1 Except as provided in this Appendix 1, the words and phrases provided here shall have the same meaning as in Rule 1.1.
- 2.2 References to Rules are to Rules of the Scheme, and references to Clauses are to clauses of this Appendix 1.
- 2.3 Save where modified by this Appendix 1, the Rules shall apply in full to any Notional Lodged Shares and/or Notional Additional Shares (or rights of a Participant in respect thereof), save as modified as necessary to give effect to the provisions of this Appendix 1.
- 2.4 The Rules of the Scheme, as modified by this this Appendix 1, are referred to in this Appendix as the "**Bonus Matching Plan**".

3. INVITATIONS AND ALLOCATION OF NOTIONAL LODGED SHARES AND NOTIONAL ADDITIONAL SHARES

- 3.1 The Board may invite Employees to participate in the Bonus Matching Plan.
- 3.2 Where the Board has invited Employees to participate in the Bonus Matching Plan, Employees who accept such invitation shall deposit monies as specified by the Board, (in Sterling or in a local currency and on such other terms (if any) as determined by the Board) with:
- 3.2.1 a bank account designated by the Board; or
- 3.2.2 a bank account of the Employee's choice.
- 3.3 As soon as practicable following confirmation in respect of an Employee who accepts an invitation under Clause 3.1 of the amount deposited by the Employee in a specified bank account, the Board will allocate Notional Lodged Shares to the Participant by dividing the monies deposited in the specified bank account by the Market Value on that day (the "**Notional Share Price**").
- 3.4 Following the allocation of Notional Lodged Shares to a Participant under Clause 3.3, the Trustees will allocate Notional Additional Shares to that Participant in respect of their Notional Lodged Shares on such basis as the Board determines in accordance with Rule 2.5.

4. EFFECT OF ALLOCATION

Any Notional Lodged Share and Notional Additional Share allocated to a Participant will cease to be capable of vesting if, before its respective Vesting Date, the Participant withdraws any of the monies held in a bank account pursuant to Clause 3.2.

5. **SETTLEMENT OF NOTIONAL LODGED SHARES AND NOTIONAL ADDITIONAL SHARES**
- 5.1 Any monies held in a bank account pursuant to Clause 3.2 in respect of an allocation of Notional Lodged Shares will be transferred as soon as practicable (in such manner as the Board may determine) to the relevant Participant following the Vesting Date of the Notional Additional Shares in respect of which such Notional Lodged Shares are associated.
- 5.2 Subject to Rule 9, on or as soon as practicable after the Vesting Date of any Notional Additional Shares a payment will be made to the Participant equal to the aggregate of:
- 5.2.1 an amount equal to the Market Value on the Vesting Date (the "**Exit Price**") multiplied by the number of those Notional Lodged Shares less in respect of those Notional Lodged Shares the monies deposited in a bank account by that Participant pursuant to Clause 3.2; and
- 5.2.2 in respect of those Notional Additional Shares that vest, the Exit Price multiplied by the number of vested Notional Additional Shares, **PROVIDED THAT** if the Exit Price is less than the Notional Share Price the amount payable in respect of the Notional Additional Shares will be reduced by the amount by which the Exit Price is less than the Notional Share Price multiplied by the original number of Notional Additional Shares.
- 5.3 For the avoidance of doubt, if, in respect of a Participant's allocation of Notional Lodged Shares, their Exit Price multiplied by the number of Notional Lodged Shares is less than the monies held in a bank account by the Participant pursuant to Clause 3.2 in respect of those Notional Lodged Shares no payment shall be made in relation to those Notional Lodged Shares.
- 5.4 A Participant may, at the discretion of the Board, receive cash equal in value, so far as possible, to any dividends paid or payable on the number of Shares equal to the Notional Lodged Shares and/or Notional Additional Shares that vest, by reference to any record dates between the Date of Allocation and the date of vesting (and assuming the reinvestment of dividends in Shares on the relevant ex-dividend dates). Any payment to be made under this Clause 5.3 will be made net of any Tax due in respect of it.