

# Beazley plc

(Incorporated and registered in England and Wales under number 9763575)

## Notice of 2022 Annual General Meeting and accompanying notes

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt as to the action you should take, you should consult an independent adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or another appropriately authorised independent adviser if you are in a territory outside the United Kingdom.

If you have sold or otherwise transferred all your shares in Beazley plc (the “Company”), please forward this document, together with the accompanying documents, to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

Whether or not you propose to attend the Annual General Meeting, please complete and submit the enclosed Form of Proxy in accordance with the instructions printed on it. The Form of Proxy must be completed, signed and returned so as to reach the Company’s Registrars, Equiniti Limited, by no later than 2.30pm on 23 March 2022. Alternatively you can appoint a proxy or proxies electronically by visiting [www.sharevote.co.uk](http://www.sharevote.co.uk) or if you have already registered with Equiniti Limited’s online portfolio service, Shareview, you can submit your form of proxy at [www.shareview.co.uk](http://www.shareview.co.uk).

# Beazley plc

(Incorporated and registered in England and Wales under number 9763575)

23 February 2022

Dear Shareholder

## Notice of 2022 Annual General Meeting

I am pleased to be writing to you with details of our Annual General Meeting (the "AGM") which will be held at 2.30 pm on 25 March 2022 at 22 Bishopsgate, London, EC2N 4BQ. To ensure the venue remains COVID-19 secure, if you wish to attend the meeting in person, please register your intention to do so as soon as practicable by email to the Company Secretary at [christine.olddridge@beazley.com](mailto:christine.olddridge@beazley.com).

You will find enclosed a Form of Proxy. Please complete, sign and return the enclosed Form of Proxy as soon as possible in accordance with the instructions printed thereon, whether or not you intend to be present at the AGM. Forms of Proxy should be returned to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA. Alternatively you can appoint a proxy or proxies electronically by visiting [www.sharevote.co.uk](http://www.sharevote.co.uk) or, if you have already registered with Equiniti Limited's online portfolio service, Shareview, you can submit your Form of Proxy at [www.shareview.co.uk](http://www.shareview.co.uk), where full details of the procedure are given. The proxy appointment and instructions must be received by Equiniti Limited no later than 48 hours before the time appointed for holding the AGM, that is to say, no later than 2.30 pm on 23 March 2022.

For those shareholders who have elected to receive a hard copy of the Annual Report and Accounts for the financial year ended 31 December 2021, please find it enclosed. Shareholders who have not elected to receive the Annual Report and Accounts in hard copy can view it on the Company's website at [www.beazley.com](http://www.beazley.com).

There will also be an opportunity for shareholders to ask questions at the meeting itself. Your Directors consider that all the resolutions to be put to the meeting are in the best interests of the Company and its shareholders as a whole and unanimously recommend shareholders to vote in favour of all the resolutions, as they intend to do in respect of their own beneficial holdings.

The formal notice of the AGM and resolutions to be proposed are set out on pages 3, 4 and 5 of this document.

Yours faithfully



David Roberts

Chair

# Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the "AGM") of Beazley plc (the "Company") will be held at 22 Bishopsgate, London, EC2N 4BQ on 25 March 2022 at 2.30 pm for the purpose of considering and, if thought fit, passing the following resolutions listed below, of which resolutions numbered 1 to 17 inclusive will be proposed as ordinary resolutions and resolutions numbered 18 to 20 inclusive will be proposed as special resolutions:

## **Annual Report and Accounts**

- 1 That the Accounts for the financial year ended 31 December 2021 together with the reports of the Directors and Auditors thereon be received.
- 2 That the Directors' Remuneration Report set out on pages 95 to 113 of the Annual Report and Accounts for the financial year ended 31 December 2021 be approved.

## **Dividends**

- 3 That the payment of an interim dividend of 12.9 pence per ordinary share be approved and paid on 30 March 2022 to shareholders on the register of members on 18 February 2022.

## **Re-election of Directors**

- 4 That Adrian Cox be re-elected as a director of the Company.
- 5 That Pierre-Olivier Desaulle be re-elected as a director of the Company.
- 6 That Nicola Hodson be re-elected as a director of the Company.
- 7 That Sally Lake be re-elected as a director of the Company.
- 8 That Christine LaSala be re-elected as a director of the Company.
- 9 That John Reizenstein be re-elected as a director of the Company.
- 10 That David Roberts be re-elected as a director of the Company.
- 11 That Robert Stuchbery be re-elected as a director of the Company.

## **Election of new Director**

- 12 That Rajesh Agrawal be elected as a director of the Company.

## **Auditors**

- 13 That EY be re-appointed as auditors of the Company to hold office until the conclusion of the next Annual General Meeting to be held in 2023.
- 14 That the remuneration of EY be determined by the Audit and Risk Committee of the Company.

## **Beazley plc Save As You Earn Share Option plan**

- 15 That the rules of the Beazley plc Save As You Earn Share Option Plan (the 'SAYE' plan) in the form produced to the Annual General Meeting, a summary of the principal amendments are set out in Appendix 1 to this Notice of Annual General Meeting, be and are hereby approved, and the Directors of the Company be and are hereby authorised to adopt the SAYE plan and do all such acts and things as they may, in their absolute discretion, consider necessary or expedient to give effect to the SAYE plan.

## **Beazley plc Long Term Incentive Plan**

- 16 That the rules of the Beazley plc Long Term Incentive Plan (the 'Plan') in the form produced to the Annual General Meeting, a summary of the principal amendments are set out in Appendix 2 to this Notice of Annual General Meeting, be and are hereby approved, and the Directors of the Company be and are hereby authorised to adopt the Plan and do all such acts and things as they may, in their absolute discretion, consider necessary or expedient to give effect to the Plan.

### **Authority to allot shares**

- 17 That the directors be generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company (“Rights”):
- (a) up to a maximum aggregate nominal amount of £10,154,049 (representing approximately one third of the Company’s issued ordinary share capital); and
  - (b) comprising equity securities (as defined in section 560(1) of the Companies Act 2006) up to an aggregate nominal amount of £10,154,049 (representing approximately one third of the Company’s issued ordinary share capital) (that amount to be reduced by the aggregate nominal amount of shares allotted or Rights granted under paragraph (a) of this resolution) in connection with an offer by way of a rights issue:
    - (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
    - (ii) to holders of other equity securities as required by the rights attaching to those securities, or subject to those rights, as the directors otherwise consider necessary,
- and so that the directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter, such authorities to expire (unless previously renewed, varied or revoked) at the end of the next annual general meeting of the Company after this Resolution 17 is passed or, if earlier, at the close of business on 25 June 2023 but, in each case, so that the Company may make offers and enter into agreements before that expiry which would, or might, require shares to be allotted or Rights to be granted after that expiry and the directors may allot shares or grant Rights pursuant to any of those offers or agreements as if the authority had not expired.

### **Disapplication of pre-emption rights**

- 18 That, in substitution for all existing powers and subject to the passing of Resolution 17 above, the directors are generally empowered pursuant to section 570(1) of the Companies Act 2006 to allot equity securities for cash pursuant to the general authority conferred on them by Resolution 17 as if section 561 of the Companies Act 2006 did not apply to that allotment. This power:
- (a) shall be limited to the allotment of equity securities in connection with an offer of equity securities (but in the case of an allotment pursuant to the authority in paragraph (b) of Resolution 17 by way of rights issue only):
    - (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
    - (ii) to holders of other equity securities as required by the rights attaching to those securities, or subject to those rights, as the directors otherwise consider necessary,
- and so that the directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and
- (b) shall be limited to the allotment of equity securities for cash pursuant to the authority in paragraph (a) of Resolution 17 (otherwise than in the circumstances set out in paragraph (a) of this Resolution 18) up to an aggregate nominal amount of £1,523,107; and
  - (c) expires (unless previously renewed, varied or revoked) at the end of the next annual general meeting of the Company after this resolution is passed or, if earlier, at the close of business on 25 June 2023 but so that the Company may make offers and enter into agreements before that expiry which would, or might, require equity securities to be allotted after that expiry and the directors may allot equity securities pursuant to any of those offers or agreements as if this power had not expired; and
  - (d) applies in relation to a sale of shares which is an allotment of equity securities by virtue of section 560(3) of the Companies Act 2006 as if in the first paragraph of this Resolution 18 the words “pursuant to the general authority conferred on them by Resolution 17” were omitted.

For the purposes of this Resolution 18, the expression “equity securities” and references to “allotment of equity securities” respectively have the meanings given to them in section 560 of the Companies Act 2006.

### **Market purchases**

19 That the Company be generally and unconditionally authorised:

- (a) for the purposes of section 701 of the Companies Act 2006 to make one or more market purchases (within the meaning of section 693(4) of the Companies Act 2006) of ordinary shares in the capital of the Company on such terms and in such manner as the directors shall from time to time determine, provided that:
  - (i) the maximum aggregate number of ordinary shares hereby authorised to be purchased is 60,924,299 (representing approximately 10 per cent of the Company's issued ordinary share capital);
  - (ii) the minimum price (exclusive of any expenses) which may be paid for an ordinary share is not less than its nominal value;
  - (iii) the maximum price which may be paid for an ordinary share is in respect of an ordinary share contracted to be purchased on any day, not more than the higher of:
    - (A) an amount (exclusive of any expenses) equal to 105 per cent of the average of the middle market quotations of an ordinary share (as derived from the London Stock Exchange plc's Daily Official List) for the five business days immediately preceding the date on which that ordinary share is contracted to be purchased; and
    - (B) an amount (exclusive of any expenses) equal to the higher of (i) the price of the last independent trade of an ordinary share; and (ii) the highest current independent bid for an ordinary share on the London Stock Exchange at the time the purchase is carried out; and
  - (iv) the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company following the passing of this resolution or, if earlier, at the close of business on 25 June 2023 but the Company may make a contract of purchase of any ordinary shares which would, or might, be concluded wholly or partly after that expiry and may make a purchase of ordinary shares pursuant to such a contract as if this authority had not expired; and
- (b) pursuant to section 724 of the Companies Act 2006 to hold as treasury shares any ordinary shares purchased pursuant to the authority conferred in paragraph (a) of this Resolution 19.

### **Notice for general meetings**

20 That for the purpose of section 307A of the Companies Act 2006, the directors be authorised to call general meetings of the Company other than annual general meetings on not less than 14 clear days' notice, provided that this authority shall expire at the conclusion of the Company's 2023 annual general meeting.

By Order of the Board,

Christine Oldridge  
Company Secretary  
Beazley plc

Registered office:  
22 Bishopsgate  
London EC2N 4BQ  
23 February 2022

## Notes

- 1 Shareholders entitled to attend, speak and vote at this meeting may appoint one or more proxies to attend and, on a poll, vote in their place. A proxy need not be a shareholder of the Company. If a shareholder appoints more than one proxy to attend this meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by the shareholder. If a shareholder wishes to appoint more than one proxy, he/she may photocopy the Form of Proxy or (an) additional Form(s) of Proxy may be obtained by contacting the Company's Registrars' Shareholders' Helpline on 0371 384 2658 (for calls from within the United Kingdom. Calls to this number are charged at the national rate plus network extras. Lines are open from 8.30am to 5.30pm, Monday to Friday, excluding public holidays in England and Wales), or +44 121 415 7593 (for calls from outside the United Kingdom. Calls to this number will be charged depending on where the call is made from, at international rates).
- 2 Any person to whom this Notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated (the "Relevant Member"), have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the Relevant Member as to the exercise of voting rights. Your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps, your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you. The statement of the rights of shareholders in relation to the appointment of proxies in note 1 above does not apply to Nominated Persons. The rights described in that paragraph can only be exercised by shareholders of the Company.
- 3 Only those members entered on the register of members of the Company at 6.30pm on 23 March 2022 (or, if the AGM is adjourned, at 6.30pm on the date which is two business days prior to the adjourned meeting) shall be entitled to attend or vote at the aforesaid meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register of members after 6.30pm on 23 March 2022 (or, if the AGM is adjourned, at 6.30pm on the date which is two business days prior to the adjourned meeting) shall be disregarded in determining the rights of any person to attend or vote (and the number of votes they may cast) at the AGM or adjourned meeting.
- 4 A Form of Proxy is enclosed with this Notice. In order to be valid, a Form of Proxy must be returned duly completed (together with the original or a duly certified copy of the power of attorney or other authority, if applicable, under which it is signed) by one of the following methods no later than 48 hours before the time fixed for the AGM or any adjournment thereof:
  - in hard copy form by post, by courier or by hand to the Company's Registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA;
  - in electronic form by visiting [www.sharevote.co.uk](http://www.sharevote.co.uk) where you will be asked to enter your unique Voting ID, Task ID and Shareholder Reference Number as printed on your Form of Proxy;
  - alternatively if you have already registered with Equiniti Limited's online portfolio service, Shareview, you can submit your Form of Proxy at [www.shareview.co.uk](http://www.shareview.co.uk). Full instructions are given on both websites. The use by members of the electronic proxy appointment service will be governed by the terms and conditions of use which appear on the website; or
  - in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out on page 7.

Completing and returning the Form of Proxy will not preclude shareholders from attending and voting in person at the AGM should they wish to do so.

- 5 If you return paper and electronic proxy instructions, those received last by the Registrars before the latest time for receipt of proxies will take precedence. You are advised to read the website terms and conditions of use carefully.
- 6 As at 10 February 2022, being the last practicable date prior to the publication of this Notice, the Company's issued share capital consisted of 609,242,986 ordinary shares of five pence each ("Ordinary Shares"), none of which were held in treasury. The total voting rights in the Company as at 10 February 2022, was 609,242,986.
- 7 Copies of the following documents are available for inspection upon request from the date of this notice until the conclusion of the AGM. To view copies of the following documents, please email the Company Secretary at [christine.olderidge@beazley.com](mailto:christine.olderidge@beazley.com) to arrange an appointment:
  - (i) executive directors' service agreements;
  - (ii) non-executive directors' letters of appointment;
  - (iii) a copy of the Company's Articles;
  - (iv) a copy of the Save As You Earn plan; and
  - (v) a copy of the Long Term Incentive plan.

- 8 It is possible that, pursuant to requests made by members of the Company under section 527 of the Companies Act 2006, the Company may be required to publish on its website a statement setting out any matter relating to the audit of the Company's accounts (including the auditors' report and the conduct of the audit) that are to be laid before the AGM or relating to any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual reports and accounts were laid. The Company may not require the members requesting such website publication to pay its expenses in complying with section 527 or 528 of the Companies Act 2006 and it must forward the statement to the Company's auditors not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on its website.
- 9 A member attending the AGM has the right to ask questions relating to the business being dealt with at the AGM in accordance with section 319A of the Companies Act 2006. The Company must cause to be answered any such question relating to the business being dealt with at the AGM but no such answer need be given if (a) to do so would interfere unduly with the preparation for the AGM or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the AGM that the question be answered.
- 10 In accordance with section 311A of the Companies Act 2006, the contents of this Notice, details of the total number of shares in respect of which members are entitled to exercise voting rights at the AGM, the total voting rights members are entitled to exercise at the AGM and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this Notice, together with a copy of the Annual Report and Accounts 2021, can be found on the Company's website at [www.beazley.com](http://www.beazley.com).
- 11 Except as set out in the notes to this Notice, any communication with the Company in relation to the AGM, including in relation to proxies, should be sent to the Company's Registrars Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA. No other means of communication will be accepted. In particular, you may not use any electronic address provided either in this Notice or in any related documents (including the Annual Report and Accounts for the year ended 31 December 2021 or the Form of Proxy) to communicate with the Company for any purpose other than those expressly stated.

**NOTE FOR CREST shareholders: Electronic proxy appointment through CREST**

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST proxy instruction) must be properly authenticated in accordance with Euroclear UK and Ireland's (EUI) specifications and must contain the information required for such instructions, as described in the CREST manual which can be viewed at [www.euroclear.com](http://www.euroclear.com). The message, regardless of whether it constitutes the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent, Equiniti Limited, (CREST Participant ID RA19) by 2.30pm on 23 March 2022 (or 48 hours preceding the date and time for any adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST proxy instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member, or has appointed a voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST proxy instruction in the circumstances set out in 35(5)(a) of the Uncertificated Securities Regulations 2001.



## Explanatory Notes on the Business of the AGM

### **Resolution to Receive the Annual Report and Accounts for the financial year ended 31 December 2021 and the Directors' Report and Auditors' Report on these (Resolution 1)**

The directors are required to present to the AGM the accounts, and the reports of the directors and auditors, for the financial year ended 31 December 2021. These are contained in the Company's Annual Report and Accounts 2021.

### **Resolution that the Directors' Remuneration Report for the financial year ended 31 December 2021 be approved (Resolution 2)**

The Company is required under section 439 of the Companies Act 2006 to ask shareholders to approve the Directors' Remuneration Report which is included in the Annual Report and Accounts 2021. These can be viewed on the Company's website and are available to shareholders on request. The resolution is advisory and does not affect the remuneration paid to any director.

The Company's auditors for the financial year ended 31 December 2021, EY, have audited those parts of the Directors' Remuneration Report which are required to be audited and their report may be found in the Annual Report and Accounts.

### **Resolution to approve the payment of an interim dividend (Resolution 3)**

That the payment of an interim dividend of 12.9 pence per ordinary share be approved and paid on 30 March 2022 to shareholders on the register of members on 18 February 2022.

### **Re-election of Directors (Resolutions 4 to 11 inclusive)**

In compliance with the UK Corporate Governance Code provision on annual re-election of all directors, all directors wishing to seek re-election are submitted for re-election and are recommended by the board. The board currently has 10 directors (comprising a non-executive chair, 2 executive directors and 7 other non-executive directors), whose experience and expertise are derived from a range of industries, sectors, jurisdictions and personal characteristics that provide an invaluable perspective on the Company's business. The Nomination Committee, which is the committee of the board which considers the balance of the board and the mix of skills, knowledge and experience of its members, has considered and approved the proposed re-election of:

Adrian Cox

**Relevant skills and experience:** Adrian was appointed as CEO in April 2021. He began his career at Gen Re in 1993 writing short tail facultative reinsurance before moving to the treaty department in 1997, where he wrote both short and long tail business specialising in financial lines. He joined Specialty Lines at Beazley in 2001 where he performed a variety of roles including underwriting manager, building the long tail treaty account, managing the private enterprise teams and the large risk teams before taking responsibility for Specialty Lines in 2008. He took on the role of chief underwriting officer in January 2019. Adrian was appointed to the board of Beazley Furlonge Limited in 2008. Adrian brings the following key skills which support his re-election to the board: insurance, management, international business development, strategy, leadership and people management and governance.

**Tenure:** 6 December 2010.

**Key current appointments:** Director of Beazley Furlonge Ltd, Beazley Insurance dac, Beazley Insurance Company Inc. and Sydney Walsh Properties Ltd.

**Independent:** No.

**Committee membership:** Executive committee and disclosure committee.

Pierre-Olivier Desaulle

**Relevant skills and experience:** Pierre-Olivier has over 25 years of experience as an international insurance executive, with a focus on products and distribution innovation. He joined the Beazley plc board in January 2021 and has been a non-executive director of Beazley Insurance dac since 2017, where he chairs the board. He served as CEO of Hiscox Europe until 2017 and has held a number of other executive roles within the (re) insurance industry including strategic planning, operations and systems director at Marsh. With a background in strategy consulting, having been at Strategic Planning Associates (now Oliver Wyman), he transitioned to insurance helping Marsh with the integration of the leading French broker. He is currently the chief insurance officer of the Insurtech start-up, Pattern. Pierre-Olivier also brings the following key skills which support his re-election to the board: insurance, reinsurance, strategy, operations, distribution.

**Tenure:** 1 January 2021.

**Independent:** Yes.

**Key current appointments:** Non-executive chair of Beazley Insurance dac.

**Committee membership:** Audit and risk committee.



Nicola Hodson

**Relevant skills and experience:** Nicola joined the board in April 2019. Nicola is Vice President Field Transformation, for Microsoft Global Sales and Marketing and was previously chief operating officer for Microsoft UK. She is a non-executive director on the board of Drax Group plc and is chair of its remuneration committee. Nicola was formerly a non-executive director at Ofgem, a board member at the UK Council for Child Internet Safety and at the Child Exploitation and Online Protection group. Nicola brings the following key skills which support her re-election to the board: strategy, leadership and management, digital transformation, sales and marketing.

**Tenure:** 10 April 2019.

**Independent:** Yes.

**Key current appointments:** Non-executive director of Drax Group plc.

Committee membership: Audit and risk committee and remuneration committee.

Sally Lake

**Relevant skills and experience:** A Fellow of the Institute of Actuaries since 2004. Sally joined Beazley in 2006 initially working with the Specialty Lines division, the largest underwriting division, for six years. This gave her a breadth of exposure to many aspects of the business at Beazley, especially focusing on claims analytics and reserving. In 2012 Sally became reserving manager and then group actuary in 2014. As group actuary, Sally covered both pricing and reserving, as well as capital model validation. She became Group Finance Director in May 2019. Sally also brings the following key skills which support her re-election to the board: reserving and actuarial pricing, capital modelling and management, leadership and people management, strategy and governance.

**Tenure:** 23 May 2019.

**Independent:** No.

**Key current appointments:** Director of Beazley Furlonge Ltd, Beazley Insurance dac and Beazley Insurance Company Inc.

**Committee membership:** Executive committee and disclosure committee.

Christine LaSala

**Relevant skills and experience:** Christine is the Senior Independent Director and has been chair of the remuneration committee since March 2021. Based in New York, she was previously chair of Willis Towers Watson North America. She has over 45 years of management, client leadership and financial experience in the insurance industry including work as an underwriter and 27 years as an insurance broker, leading large business units and working with corporate and public institution clients. Christine's experience includes board and leadership roles at Johnson & Higgins and Marsh and 10 years as CEO of the WTC Captive Insurance Company. Christine also brings the following key skills which support her re-election to the board: insurance, distribution, strategy, risk management, client leadership, regulatory, governance and talent and leadership development.

**Tenure:** 1 July 2016.

**Key current appointments:** Non-executive director of Beazley Furlonge Limited, Beazley Insurance Company Inc. and Sedgwick.

**Independent:** Yes.

**Committee membership:** Nomination committee and remuneration committee (chair).

John Reizenstein

**Relevant skills and experience:** John joined Beazley in April 2019. He has been chair of the audit and risk committee since May 2019. In addition to the Beazley plc board, John is also a non-executive director of Beazley Furlonge Limited where he chairs its audit committee. He has more than 30 years' experience in financial services, most recently as chief financial officer of Direct Line Insurance Group plc, from which he retired in 2018. Prior to that he held senior positions in insurance and banking at Co-operative Financial Services and in investment banking at Goldman Sachs and UBS. He is a non-executive director of Scottish Widows, a member of the Takeover Panel, chair of Farm Africa and a trustee of Nightingale Hammerson. John also brings the following key skills which support his re-election to the board: finance, strategy, leadership, investment, mergers & acquisitions.

**Tenure:** 10 April 2019.

**Independent:** Yes.

**Key current appointments:** Non-executive director of Beazley Furlonge Ltd and Scottish Widows, chair of Farm Africa Ltd and trustee of Nightingale Hammerson Trustee Company Ltd.

**Committee membership:** Audit and risk committee (chair) and nomination committee.

David Roberts

**Relevant skills and experience:** David joined Beazley on 1 November 2017 and became chair on 22 March 2018. He was chair of Nationwide Building Society from 2015 to 31 January 2022 when he stood down. He has over 35 years' experience in financial services and was previously chair and CEO of Bawag PSK AG, Austria's second largest retail bank, and an executive director and member of the group executive committee at Barclays plc, where he was responsible for the international retail and commercial banking business. Prior to joining Nationwide he was group deputy chair at Lloyds Banking Group. His previous non-executive directorships include Absa Group SA, BAA plc and NHS England, where he was vice chair. David also chairs the board of Beazley Furlonge Limited. David also brings the following key skills which support his re-election to the board: governance, strategy, board leadership and regulation.

**Tenure:** 1 November 2017 and appointed chair on 22 March 2018.

**Independent:** Yes.

**Key current appointments:** Chair of Beazley Furlonge Ltd and non-executive director of Campion Willcocks Ltd.

**Committee membership:** Nomination committee (chair).

Robert Stuchbery

**Relevant skills and experience:** Bob was previously the president of international operations of The Hanover Group until he retired from the Group in May 2016. He brings extensive Lloyd's experience, having been chief executive officer of Chaucer until 2015 and having held numerous management roles at the company for over 25 years, and a deep knowledge of the Lloyd's market and distribution and operational strategies. In addition to the Beazley plc board, Bob is also a non-executive director of Beazley Furlonge Ltd, the group's Lloyd's managing agency, where he chairs the risk committee. Bob served as a member of the London Market Group and was deputy chairman of the Lloyd's Market Association board. He is currently a Liveryman and court member of The Worshipful Company of Insurers. Bob also brings the following key skills which support his re-election to the board: insurance, risk management and strategy.

**Tenure:** 11 August 2016.

**Independent:** Yes.

**Key current appointments:** Non-executive director of Beazley Furlonge Ltd.

**Committee membership:** Audit and risk committee and remuneration committee.

All the proposed appointees have been subject to a formal evaluation procedure in the last 12 months. Following that evaluation procedure, the chair confirms the continuing commitment and effective contribution of Nicola Hodson, Christine LaSala, John Reizenstein, Pierre-Olivier Desaulle and Robert Stuchbery to their roles and recommends their re-election.

As previously announced, Catherine Woods will not be standing for re-election, and will step down from the board at the conclusion of the AGM.

#### **Election of New Director (Resolution 12)**

Rajesh Agrawal is standing for election by the shareholders for the first time and is therefore seeking election through a separate resolution numbered 12.

**Relevant skills and experience:** Raj is Chief Financial Officer at Western Union. As a member of the executive team at Western Union, he also provides guidance on the company's operations and strategic direction. Raj also previously had responsibility for Western Union's global operations, helping drive the company's transformation to a more efficient, customer-focused organisation. Raj is based at the company's global headquarters in Denver, Colorado. Prior to serving as CFO, he was executive vice president and president of Western Union Business Solutions. Raj has been with Western Union since 2006 and has held roles of increasing responsibility with the company, including treasurer and senior vice president for finance in the EMEA/APAC region. Raj holds an MBA from Columbia University. Raj also brings the following key skills which support his election to the board: finance, strategy, operations, international business development.

**Tenure:** 1 August 2021

**Independent:** Yes

**Committee membership:** Audit and Risk Committee.

#### **Auditors (Resolutions 13 and 14)**

The Company is required, at each annual general meeting at which accounts are presented, to appoint auditors to hold office until the next such meeting. EY has indicated its willingness to continue in office. Accordingly, Resolution 13 proposes the re-appointment of EY as the auditors to the Company following the recommendation of the Audit and Risk Committee.

Resolution 14 authorises the Audit and Risk Committee to determine EY's remuneration.

### **Resolution to adopt the Beazley plc Save As You Earn Share Option plan (Resolution 15)**

Shareholder approval is being sought for a new save as you earn share option plan for participating employees (the "SAYE Plan"). The SAYE Plan is intended to replace the current save as you earn share option plan which is due to expire in 2022.

The SAYE Plan, for which shareholder approval is being sought, retains the key features of the current save as you earn share option plan; a summary of the principal features of the SAYE Plan can be found in Appendix 1 to this Notice of Annual General Meeting. The rules of the SAYE Plan will be available for inspection at the registered office of the Company as set out in note 7 to this Notice of Annual General Meeting.

### **Resolution to adopt the Beazley plc Long Term Incentive Plan (Resolution 16)**

Shareholder approval is being sought for a new long term incentive plan (the 'Plan'). The Plan is intended to replace the current long term incentive plan which is due to expire in 2022.

The Plan, for which shareholder approval is being sought, retains the key features of the current long term incentive plan; a summary of the principal features of the Plan can be found in Appendix 2 to this Notice of Annual General Meeting. The rules of the Plan will be available for inspection at the registered office of the Company as set out in note 7 to this Notice of Annual General Meeting.

### **Authority of Directors to allot shares (Resolution 17)**

Under the Companies Act 2006, the directors may only allot shares or grant rights to subscribe for, or convert any security into, shares if authorised to do so by the shareholders in general meeting. Accordingly, Resolution 17 seeks to grant an authority under section 551 of the Companies Act 2006 to authorise the directors to allot shares in the Company or grant rights to subscribe for, or convert any security into, shares in the Company. This resolution will expire at the conclusion of the next Annual General Meeting of the Company or, if earlier, 25 June 2023. Upon the passing of this resolution, the board will have authority (pursuant to paragraph (a) of the resolution) to allot relevant securities up to a maximum aggregate nominal amount of £10,154,049 representing approximately one third of the current issued ordinary share capital of the Company as at 10 February 2022, being the latest practicable date before the publication of this Notice. In addition, in accordance with the latest institutional guidelines from the Investment Association ("IA") on the expectations of institutional investors in relation to the authority of directors to allot shares, upon the passing of this resolution the board will have authority (pursuant to paragraph (b) of the resolution) to allot an additional number of ordinary shares up to a maximum aggregate nominal amount of £20,308,099 which is approximately a further third of the current issued ordinary share capital as at 10 February 2022 being the latest practicable date before the publication of this Notice. However, the directors will only be able to allot those shares for the purposes of a rights issue in which the new shares are offered to existing shareholders in proportion to their existing shareholdings.

As a result, if this resolution is passed, the board could allot shares representing up to two-thirds of the current issued ordinary share capital pursuant to a rights issue.

There is no present intention of exercising this authority except in connection with the Company's employee share schemes. However, it is considered prudent to maintain the flexibility that this authority provides. If they do exercise the authority, the directors intend to follow emerging best practice as regards its use as recommended by the IA.

As of 10 February 2022, being the last practicable date prior to the publication of this Notice, the Company did not hold any treasury shares.

### **Disapplication of pre-emption rights (Resolution 18)**

Under section 561(1) of the Companies Act 2006, if the directors wish to exercise the authority under Resolution 17 and allot any shares for cash, or grant rights to subscribe for, or convert securities into, shares, they must offer them in the first instance to existing shareholders in proportion to their existing shareholdings. In certain circumstances, it may be in the best interests of the Company to allot new shares (or to grant rights over shares) for cash without first offering them to existing shareholders in proportion to their shareholdings. This cannot be done under the Companies Act 2006 unless the shareholders have first waived their pre-emption rights.

This resolution, which is to be proposed as a special resolution and which is conditional on Resolution 17 having been passed, asks the shareholders to do this by allowing the directors to allot shares (including treasury shares) for cash (i) by way of a rights issue in which the new shares are offered to existing shareholders in proportion to their existing shareholdings; and (ii) to persons other than existing shareholders up to a maximum aggregate nominal amount of £1,523,107; which is equivalent to 5 per cent of the nominal amount of the issued share capital of the Company on 10 February 2022 being the latest practicable date prior to the publication of this Notice.

If given, the authority will expire at the conclusion of the next Annual General Meeting in 2023 or, if earlier, 25 June 2023. The directors intend to renew such power at subsequent Annual General Meetings in accordance with current best practice.

The directors have no current plans to allot shares, except in connection with employee share schemes. In accordance with The Pre-Emption Group's Statement of Principles, the directors confirm that they do not intend to issue more than 7.5 per cent of the issued ordinary share capital of the Company on a non pre-emptive basis in any rolling three-year period without prior consultation with the relevant investor groups.

#### **Authority for the Company to purchase its own shares (Resolution 19)**

This resolution gives the Company the authority to buy back Ordinary Shares in accordance with the Companies Act 2006. The maximum aggregate number of Ordinary Shares that may be purchased pursuant to this authority will be limited to 60,924,299 Ordinary Shares, which represents approximately 10 per cent of the Company's issued ordinary share capital as at 10 February 2022, being the latest practicable date before the publication of this Notice. The authority would expire at the conclusion of the 2023 Annual General Meeting or, if earlier, 25 June 2023. The board intends to seek renewal of this power at subsequent Annual General Meetings in accordance with current best practice.

The minimum price (excluding expenses) that may be paid by the Company for an Ordinary Share is its nominal value and the maximum price which may be paid by the Company for an Ordinary Share is the higher of:

- (a) an amount (excluding expenses) equal to 105 per cent of the average of the middle market quotations of an Ordinary Share (as derived from the London Stock Exchange Daily Official List) for the five business days immediately preceding the date on which that Ordinary Share is contracted to be purchased; and
- (b) an amount (excluding expenses) equal to the higher of (i) the price of the last independent trade of an Ordinary Share; and (ii) the highest current independent bid for an Ordinary Share on the London Stock Exchange at the time the purchase is carried out.

Any buy back of Ordinary Shares would be made on the London Stock Exchange.

The directors will exercise this power only when, in the light of market conditions prevailing at the time, they believe that the effect of such purchases will be in the best interests of shareholders. The directors consider it to be desirable for this general authority to be available to provide flexibility in the management of the Company's capital resources over the next 12 months. In addition, other investment opportunities, appropriate gearing levels and the overall position of the group will also be taken into account when determining whether to exercise this authority.

The Company may hold in treasury any of its own shares that it purchases pursuant to the authority conferred by this resolution. This gives the Company the ability to reissue treasury shares quickly and cost-effectively and provides the Company with greater flexibility in the management of its capital base. It also gives the Company the opportunity to satisfy employee share scheme awards with treasury shares. Accordingly, if the directors exercise the authority conferred by this resolution, the Company will have the option of holding those shares in treasury, rather than cancelling them. The directors will have regard to any guidelines published by investor groups in force at the time of any market purchase, holding or resale of treasury shares.

In the financial year ended 31 December 2021, the Company did not purchase any of its own shares. In the period from 1 January 2022 to 10 February 2022 (being the latest practicable date prior to the publication of this Notice), the Company did not purchase any of its own shares.

The total number of options to subscribe for shares outstanding as at 10 February 2022 being the latest practicable date before the publication of this Notice, was 14,924,546. This represents 2.4 per cent of the issued share capital at that date. If the Company was to buy back the maximum number of Ordinary Shares permitted pursuant to this resolution, then the total number of options to subscribe for Ordinary Shares outstanding at 10 February 2022 would represent 2.7 per cent of the reduced share capital.

#### **Notice period for general meetings (Resolution 20)**

The Companies (Shareholders' Rights) Regulations 2009 (the "Shareholders' Rights Regulations") increased the notice period for general meetings to 21 clear days unless shareholders approve a shorter period, which cannot be less than 14 clear days. Resolution 20 seeks the approval of shareholders to grant the authority to be able to call general meetings (other than an Annual General Meeting) on not less than 14 clear days' notice. The flexibility offered by Resolution 20 will be used where, taking into account the circumstances, the directors consider this appropriate in relation to the business to be considered at the meeting and in the interests of the Company and shareholders as a whole. In doing so, the directors will note the recommendations of the UK Corporate Governance Code.

The Company will meet the requirements for electronic voting under the Shareholders' Rights Regulations before calling a general meeting on less than 21 clear days' notice. If given, the approval will be effective until the Company's next Annual General Meeting, when it is intended that a similar resolution will be proposed.

## APPENDIX 1

### SUMMARY OF THE BEAZLEY PLC SAVE AS YOU EARN SHARE OPTION PLAN 2022

The terms of the Beazley Plc Save As You Earn Share Option Plan 2022 (the “**Sharesave**”) are summarised below.

#### **INTRODUCTION**

The Company has previously operated the Beazley plc Save As You Earn Share Option Plan 2016, which expires for the purposes of granting new options on 27 March 2022. It is proposed that the Sharesave will replace the existing plan. The Sharesave is very similar to the existing plan, but has been updated to reflect current practice and legislative changes.

#### **OVERVIEW**

The Sharesave is an ‘all employee’ share option plan, which is intended to satisfy the requirements of Schedule 3 to the Income Tax (Earnings and Pensions) Act 2003 and will give participating employees the opportunity to acquire ordinary shares in the Company (“**Shares**”). The Sharesave will be administered and operated by the Board or a duly authorised committee, and references in this summary to the Board should be read accordingly.

Shares may be acquired using savings of up to £500 per month or such other amount permitted under the relevant legislation governing UK ‘tax-advantaged’ SAYE plans from time to time over a period of three or five years.

#### **ELIGIBILITY**

Each time that the Board decides to operate the Sharesave, it must invite all employees (excluding any directors that, under their employment contract, are required to work 25 hours or less per week) of the Company and designated participating subsidiaries of the Company who are UK-resident taxpayers, to apply for options over Shares. The Board may set a qualifying period of employment of up to five years.

Other employees (including executive directors) of the group may also be invited to participate.

#### **SAVINGS CONTRACTS**

Under the Sharesave, employees will be required to make regular savings under a savings contract (a “**Savings Contract**”) with a financial institution.

#### **EXERCISE PRICE**

The proceeds of the Savings Contract can be used to exercise an option to acquire Shares at an exercise price set at the date of invitation. The exercise price may not be less than 80 per cent. (or such other percentage as may be permitted by the relevant legislation from time to time) of the market value of a Share at the date of invitation.

When calculating the market value of a Share for setting the exercise price, share prices may only be used from within the six week period following: (i) the announcement of the Company’s results for any period; (ii) any day on which changes to UK legislation affecting tax-qualifying Sharesave schemes are proposed or made; (iii) any day on which a new Savings Contract prospectus is announced or comes into effect; or (iv) any day on which the Board determines that exceptional circumstances exist. However, if restrictions apply on dealing in Shares during these periods, share prices in the period of six weeks following the relevant restriction being lifted may be used.

#### **EXERCISE OF OPTIONS**

Ordinarily, an option may be exercised within six months of the date the Savings Contract matures.

#### **CESSATION OF EMPLOYMENT**

If an employee or director dies while holding an option, the participant’s personal representatives will normally have up to a year from the date of the participant’s death to exercise the option.

Options may also be exercised early for a period of up to six months from the date the participant ceases to be an employee or director with the group because of: (i) their injury or disability; (ii) redundancy or retirement; (iii) the sale of the entity that employs the participant out of the group; or (iv) provided the option has been held for at least three years, any other reason apart from dismissal for misconduct.

If a participant ceases to be an employee or director with the group in any other circumstances, any option held by the participant will lapse on the date on which the participant ceases employment.

## **CORPORATE EVENTS**

In the event of a takeover or winding up of the Company (which is not an internal reorganisation of the group), options may be exercised early. Alternatively, options may be exchanged (with the agreement of the acquiring company) for equivalent options over shares in the acquiring company. Options will be exchanged (or will lapse) in the event of a takeover which is an internal reorganisation.

## **OVERALL PLAN LIMITS**

The Sharesave may operate over new issue Shares, treasury Shares or Shares purchased in the market.

In any ten-year period, the Company may not issue (or grant rights to issue) more than 10 per cent. of the issued ordinary share capital of the Company under the Sharesave and any other employee share plan adopted by the Company.

Treasury Shares will count as new issue Shares for the purposes of these limits unless institutional investors consider they need not count.

## **VARIATION OF CAPITAL**

In the event of any variation of the Company's share capital, the Board may make such adjustments as it considers appropriate to the number or description of Shares subject to an option or to the exercise price applicable to an option or the limits on the maximum number of Shares that may be used in connection with the Sharesave.

Any adjustment to an option may only be made in accordance with the requirements of the applicable legislation.

## **ALTERATIONS, TERMINATION AND FURTHER TERMS OF THE SHARES SAVE**

The Board may, at any time, amend the Sharesave in any respect, provided that prior approval of the Company's shareholders in a general meeting will be required for amendments to the advantage of participants relating to the rules governing eligibility, limits on participation, the basis for determining a participant's entitlement to, and the terms of, the Shares subject to an option and the adjustments that may be made to an option in the event of a variation of capital.

The requirement to obtain the prior approval of shareholders will not, however, apply to any minor alteration made to benefit the administration of the Sharesave, to take account of a change in legislation or to maintain favourable tax, exchange control or regulatory treatment for participants or for any company in the group.

The Sharesave will terminate on the tenth anniversary of its approval by shareholders but the rights of existing participants will not be affected by any termination.

Options granted under the Sharesave are not transferable other than to the participant's personal representatives in the event of death. Options will not form part of pensionable earnings.



## APPENDIX 2

### SUMMARY OF THE BEAZLEY PLC LONG TERM INCENTIVE PLAN

The terms of the Beazley plc Long Term Incentive Plan (the 'Plan') are summarised below.

#### **OPERATION**

The Plan will be administered by the board of directors of the Company or by any duly authorised committee of it (the "Board"). Decisions in relation to any participation in the Plan by the Company's executive directors will always be taken by the Company's Remuneration Committee. Any employee of the Company's group ("Group") is eligible to participate at the Board's discretion.

#### **GRANT OF AWARDS**

Awards may be granted by the Board as conditional awards of, or nil-cost options over, ordinary shares in the Company ("**Shares**").

Awards can only be granted in the six weeks following the day on which the Plan is approved by shareholders, the announcement by the Company of its results for any period, any day on which a restriction on the grant of awards is lifted or any day on which the Board determines that exceptional circumstances exist which justify the grant of awards. Awards are not transferable except on death and will not form part of pensionable earnings.

#### **PERFORMANCE CONDITIONS**

Unless the Board determines otherwise, the vesting of awards will be subject to the satisfaction of performance conditions. Awards granted to Executive Directors, other than on recruitment, must always be subject to performance conditions. The period over which any performance condition will be assessed will, unless the Board determines otherwise, be not less than three years. Awards may also be subject to meeting any shareholding requirement imposed by the Board.

Any performance condition may be amended or substituted if one or more events occur which cause the Board to consider that an amended or substituted performance condition would be more appropriate and would not be materially less difficult to satisfy.

Details of the performance conditions applicable to the awards proposed to be granted to the Company's executive directors are set out in the Directors' Remuneration Report set out on pages 95 to 113 of the Company's annual report and accounts.

#### **INDIVIDUAL LIMIT**

Save in respect of a recruitment award, awards will not be granted to a participant under the Plan in respect of any financial year of the Company over Shares with a market value (as determined by the Board) in excess of 250% of salary.

#### **OVERALL LIMITS**

In any ten year period, the number of Shares which may be issued under the Plan and any other employee share plan adopted by the Company may not exceed 10% of the issued ordinary share capital of the Company from time to time.

In addition, in any ten year period, the number of Shares which may be issued under the Plan and any other discretionary employee share plan adopted by the Company may not exceed 5% of the issued ordinary share capital of the Company from time to time.

Treasury Shares will be treated as newly issued for the purpose of these limits until such time as guidelines published by institutional investor representative bodies determine otherwise.

#### **VESTING, EXERCISE AND RELEASE OF AWARDS**

Awards subject to performance conditions will normally vest as soon as reasonably practicable after the end of the performance period (or on such later date as the Board determines) to the extent that the performance conditions have been satisfied.

The Board may reduce (including by reducing to nil) the extent to which an award vests, if it considers that the vesting level does not reflect the underlying financial or non-financial performance of the participant or the Group over the vesting period, the vesting level is not appropriate in the context of circumstances that were unexpected or unforeseen when the award was granted, or there exists any other reason why an adjustment is appropriate (the "**underpin**").

In addition, the Board may determine that a vested award will be subject to an additional "holding period" (a "**Holding Period**") during which Shares subject to an award will not be delivered to participants and at the end of which awards will be "released" (i.e. participants will be entitled to receive their Shares under their awards). The release of an award may be subject to the participant complying with any shareholding requirements imposed by the Board. The Board will determine the length of the Holding Period (which will start on the date an award vests), provided that the Holding Period will, for awards granted to the Company's executive directors, normally end no earlier than the fifth anniversary of the grant date.



Nil-cost options will then normally be exercisable from the point of vesting (or, where relevant, release) until the tenth anniversary of the grant date. At any time before the point at which an award has vested/been released, or a nil-cost option has been exercised, the Board may decide to pay a participant a cash amount equal to the value of the Shares they would have otherwise received.

#### **DIVIDEND EQUIVALENT PAYMENTS**

The Board may decide to award dividend equivalent payments in respect of the Shares that vest under awards in respect of dividends paid in the period between grant and vesting (or, where relevant, release). Dividend equivalents may be paid in Shares or cash and may assume the reinvestment of the dividends in Shares.

#### **LEAVERS**

Awards will usually lapse on the individual's cessation of office or employment with the Group except where cessation is as a result of the individual's death, ill health, injury or disability, where the participant's employer is no longer a member of the Group, or for any other reason that the Board determines, except where a participant is summarily dismissed ("**Good Leavers**").

If a participant dies, an unvested award will, unless the Board determines otherwise, vest and be released at the time of the participant's death to the extent that the Board determines. The Board will take into account the satisfaction of any performance condition, the underpin and, unless it determines otherwise, the proportion of the period of time between grant and the normal vesting date that has elapsed. A participant's personal representatives will normally have 12 months from the participant's death to exercise any vested and released nil-cost options.

Unvested awards held by other Good Leavers will usually continue until the normal vesting date (or where an award is subject to a Holding Period, the end of the Holding Period), unless the Board determines that the award will vest (and be released) as soon as reasonably practicable following the date of cessation. Nil-cost options will normally be exercisable for six months after vesting (or, where relevant, release). The Board will take into account the satisfaction any performance condition, the underpin and, unless it determines otherwise, the proportion of the period of time between grant and the normal vesting date that has elapsed.

If a participant ceases to be an officer or employee of the Group during a Holding Period, his award will normally be released at the end of the Holding Period, unless the Board determines that it should be released as soon as reasonably practicable following his cessation of office or employment. However, if a participant is summarily dismissed during a Holding Period, his award will lapse immediately. Nil-cost options will normally be exercisable for six months after release.

If a participant ceases to be an officer or employee of the Group whilst holding a vested nil-cost option which is not (or is no longer) subject to a Holding Period, he will normally have six months from his cessation of office or employment to exercise that nil-cost option, unless he is summarily dismissed, in which case his nil-cost option will lapse immediately.

#### **MALUS AND CLAWBACK**

Where the Board considers that any of the following have occurred it may, at any time prior to vesting, reduce awards (to zero if appropriate) or impose additional conditions on the vesting of awards:

- a participant has engaged in conduct justifying summary dismissal;
- an exceptional development (as listed below) which has a material adverse impact on the Company or any other member of the Group has taken place; or
- forfeiture of all or part of an award is necessary to comply with any law or regulatory requirement.

An exceptional development includes, but is not limited to:

- any extreme financial loss which is so material it has a significant impact on the Company's share price or the share price of any holding company of the Company;
- any reputational damage;
- a material failure of risk management;
- a material restatement in any of the group accounts;
- any significant sanction from any government agency or regulatory authority; and
- a material corporate failure in any group company or relevant business unit; or
- any other circumstances that the Board, in its discretion, considers to be similar in their nature or effect.

In addition, in relation to awards granted to Executive Directors only, where the Board determines that any of the following circumstances applies:

- a material misstatement of the consolidated financial results of the Company or any other member of the Group in respect of a financial year in the performance period to which the award related;
- gross misconduct on the part of the participant;
- an error in assessing a performance condition applicable to some or all of an award or in assessing the information on which some or all of the award was granted or vested;
- serious reputational damage to any group company or relevant business unit;
- a material corporate failure in any group company or relevant business unit, or
- any other circumstances that the Board, in its discretion, considers to be similar in their nature or effect,

then during the period commencing on the grant date (or, where the award is subject to a performance condition, the start of the performance period) and ending on the second anniversary of the vesting date, the Board may:

- reduce awards (to zero if appropriate) or impose additional conditions on the awards at any time prior to the vesting or release; and/or
- require that the participant must either return some or all of the Shares acquired under an award or make a cash payment to the Company in respect of the Shares delivered on vesting or exercise of an Award.

Where an investigation in the action or conduct of a participant, the Company or any member of the Group has been commenced, the period during which malus and clawback may be applied may be extended by such period as the Board considers appropriate.

#### **CORPORATE EVENTS**

In the event of a change of control of the Company, unvested awards will vest to the extent determined by the Board, taking into account the extent to which any performance condition has been satisfied, the underpin and the proportion of the period of time between grant and the normal vesting date that has elapsed at the date of the relevant event. Awards to the extent vested will then be released.

Alternatively, the Board may permit awards to be exchanged for shares in the acquiring company. If the change of control is an internal reorganisation of the Group or if the Board so decides, participants will be required to exchange their awards (rather than awards vesting/being released as part of the transaction).

If other corporate events occur such as a winding-up of the Company, demerger, delisting, special dividend or other event which, in the opinion of the Board, may affect the current or future value of Shares, the Board may determine that awards will vest taking into account the satisfaction of any performance condition and, unless the Board determines otherwise, the proportion of the period of time between grant and the normal vesting date that has elapsed at the date of the relevant event.

#### **ADJUSTMENT OF AWARDS**

The Board may adjust the number of Shares under an award or any performance condition applicable to an award in the event of a variation of the Company's share capital or any demerger, delisting, special dividend or other event which, in the opinion of the Board, may affect the current or future value of Shares.

#### **AMENDMENTS**

The Board may amend the Plan at any time, provided that prior approval of the Company's shareholders will be required for amendments to the advantage of eligible employees or participants relating to eligibility, limits, the basis for determining a participant's entitlement to, and the terms of, the Shares comprised in an award and the impact of any variation of capital. However, any minor amendment to benefit the administration of the Plan, to take account of legislative changes, or to obtain or maintain favourable tax, exchange control or regulatory treatment may be made by the Board without shareholder approval.

#### **SATISFYING AWARDS AND TERMINATION OF PLAN**

Awards may be satisfied using newly issued Shares, Shares held in treasury or Shares purchased in the market. Awards may not be granted under the Plan after the tenth anniversary of its approval by shareholders.





