|  |  |  |
| --- | --- | --- |
|  | **Gulf Marine Services** | |
|  |  | |
| **Human Resources**  **Procedure** | | |
|  | | |
|  |  |  |
|  |  |  |
|  | **Rules of the Long Term Incentive Plan** | |
|  |  | |
|  |  | |
|  |  |  |

Document No: **Revision No: 0**

TABLE OF CONTENTS

[1.0 Purpose 3](#_Toc194496314)

[2.0 Scope 3](#_Toc194496315)

[3.0 Introduction 3](#_Toc194496316)

[4.0 Definitions and Interpretations 3](#_Toc194496317)

[5.0 Rules of Long Term Incentive Plan 6](#_Toc194496318)

[5.1 Grant of Awards 6](#_Toc194496319)

[5.2 Terms of Grant 6](#_Toc194496320)

[5.3 Limits 8](#_Toc194496321)

[5.4 Vesting of Awards 10](#_Toc194496322)

[5.5 Consequences of Vesting 13](#_Toc194496323)

[5.6 Exercise of Options 15](#_Toc194496324)

[5.7 Cash Alternative and Divided Equivalent Payment 16](#_Toc194496325)

[5.8 Lapse of Awards 17](#_Toc194496326)

[5.9 Leavers and Deceased Participants 17](#_Toc194496327)

[5.10 Takeovers and Other Corporate Events 19](#_Toc194496328)

[5.11 Adjustment of Awards 21](#_Toc194496329)

[5.12 Alterations 22](#_Toc194496330)

[5.13 Miscellaneous 22](#_Toc194496331)

[6.0 Schedule 1, Cash Awards 25](#_Toc194496332)

[7.0 Schedule 2, Deferred Share Bonus Plan 26](#_Toc194496333)

[7.2 Definitions and Interpretations 26](#_Toc194496334)

[7.3 Grant of Bonus Awards 27](#_Toc194496335)

[7.4 Calculating the Shares subject to a Bonus Award and Limits 28](#_Toc194496336)

[7.5 Dealing in Shares subject to Bonus Awards 29](#_Toc194496337)

[7.6 Leavers and Deceased Participants 29](#_Toc194496338)

[7.7 Malus and Clawback 30](#_Toc194496339)

[7.8 Performance Conditions 30](#_Toc194496340)

APPROVAL REGISTER

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Document Information | | | | |
| Document Title | | Rules of Long Term Incentive Plan | | |
| Document Reference No | | T3-HR-PROC-012 | | |
| Document Owner | | Company Secretary | | |
| Copy Distribution | | | | |
| This document is issued in electronic format only. Printed copies are uncontrolled. | | | | |
| Prepared by | | | | |
| Position | **Signature** | | **Name** | Date |
|  |  | |  |  |
| Reviewed by | | | | |
| Position | **Signature** | | **Name** | Date |
|  |  | |  |  |
| Approved by | | | | |
| Position | **Signature** | | **Name** | Date |
|  |  | |  |  |

REVISION HISTORY

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Rev. | Issue Date | Reason for Revision | Originator | Approver |
| 0 | [ ].03.2014 | Approved for use | HR Director | Shareholders |
| 0 | 06.04.2015 | Issued for use | HR Director | CEO |
| 1 | 19.12.2018 | Rewording of Section 2.0 Scope and Section 3.0 Introduction. | HR Director | CEO |
| 2 | 15.11.2019 | A number of amendments including malus and clawback provisions | Co Sec / Linklaters | Sub-Committee of Rem Com |
| 3 | 30.06.2021 | An amendment to the definition of “Eligible Employee” in rule 4 to allow ‘the participation of the Executive Chairman in the LTIP and to Increase of limit in rule 5.3.1 to 10%. | Co Sec /  Travers Smith | Board /Shareholders |
| 4. | [ ].[ ].2025 | Updated for use (including a Schedule to facilitate the grant of awards under the Company's deferred share bonus arrangements) | Co Sec / Travers Smith | Board |
| 5. | [ ].[ ].2025 | Approved by Shareholders | Co Sec / Travers Smith | Shareholders |

# Purpose

The Plan is a discretionary benefit offered by Gulf Marine Services PLC for the benefit of its employees. Its main purpose is to align the interest of the employees with Gulf Marine Services long term business goals and performance. The plan is an incentive for the employees’ future performance and commitment to the goals of Gulf Marine Services.

Securities purchased or received under the Plan, any cash received under the Plan and any gains obtained under the Plan are not part of salary for any purpose (except to any extent required by statute) and are not pensionable.

# Scope

The Scope of this procedure is to state the rules which apply to the Long Term Incentive Plan.

# Introduction

The Board of Gulf Marine Services PLC shall have the right to decide, in its sole discretion, whether or not awards will be granted. The detailed rules of the Plan are set out overleaf.

# Definitions and Interpretations

Set out below are common specific terms:

|  |  |
| --- | --- |
| “**Acquiring Company**” | has the meaning given to it in Rule [5.10.4](#_Rollover) (*Rollover*); |
| “**Admission**” | means the admission of the Shares (i) to the premium segment of the Official List maintained by the FCA and (ii) to trading on the main market for listed securities of the London Stock Exchange; |
| “**Announcement Date**” | means any date on which the results of the Group for any period are announced; |
| “**ABI**” | means the Investment Association, or any successor to that association; |
| “**Audit and** **Risk Committee**” | means the Gulf Marine Services Audit and Risk Committee (or a duly authorised committee thereof or a duly authorised person); |
| “**Awards**” | has the meaning given to it in Rule [5.1](#_Grant_of_Awards) (*Grant of Awards*); |
| "**Awards to Subscribe**" | means Awards that confer a right to subscribe for, receive or acquire, new issue Shares pursuant to the Plan and/or Dividend Equivalent Payments satisfied with new issue Shares pursuant to the Plan (as applicable); |
| “**Board**” | means the board of directors of the Company or a duly authorised committee of the Board or a duly authorised person; |
| “**Cash Award**” | means an Award which relates to a cash sum granted under [Schedule 1](#_Schedule_1,_Cash) to the Plan; |
| “**City Code**” | means The City Code of Takeovers and Mergers, as amended from time to time; |
| “**Committee**” | means the remuneration committee of the Board (or a duly authorised committee thereof or a duly authorised person) or, on and after the occurrence of a corporate event described in Rule [5.10](#_Takeovers_and_Other) (*Takeovers and other corporate events*), the remuneration committee of the Board as constituted immediately before such event occurs; |
| “**Company**” | means Gulf Marine Services PLC (registered in England and Wales with registered number 8860816); |
| “**Conditional Award**” | means a conditional right to acquire Securities granted under the Plan; |
| “**Control**” | means control within the meaning of section 995 of the Income Tax Act 2007; |
| “**Dividend Equivalent Payment**” | means an amount to which a Participant becomes entitled under Rule [5.7.6](#_Dividend_Equivalent_Payment) (*Dividend Equivalent Payment*), which will be satisfied through an Award of Shares (in accordance with Rule [5.2.4](#_Method_of_Satisfying) (*Method of Satisfying Awards*) or the payment of an equivalent cash amount (in accordance with Rule [5.7](#_Cash_Alternative_and) (*Cash Alternative and Dividend Equivalent Payment*); |
| “**Early Vesting Date**” | means either:   1. the date of cessation of employment of a Participant in the circumstances referred to in Rule [5.9.1](#_Deceased_Participants) (*Deceased Participants*) and Rule [5.9.2](#_Good_Leavers) (*Good leavers*); or 2. a date of notification referred to in Rule [5.10.1](#_General_Offers) (*General offers*), the date of the relevant event referred to in Rule [5.10.2](#_Schemes_of_Arrangement) (*Schemes of arrangement and winding-up*) or the date of Vesting referred to in Rule [5.10.3](#_Demerger_and_Similar) (*Demerger and similar events);* |
| “**Eligible Employee**” | means any person (other than the Non-Executive Directors) who is (i) a member of the Senior Management Team or (ii) an employee (or, if the context requires, a former employee) (including an executive director or executive chairman) of a Participating Company; |
| “**Employer**” | means the current or former Member of the Group that employs the Participant at the relevant time; |
| "**Employee Trust**" | any employee benefit trust established for the benefit of employees and former employees of the Company and its Subsidiaries and certain of their relatives; |
| “**Expected Value**” | means the value of a Security in respect of which a Conditional Award has been made or an Option has been granted (in the case of an Option, taking into account the level of the Option Price (if any)) as determined by the Committee in its absolute discretion; |
| "**Executive Director**" | means the executive directors of the Company from time to time; |
| “**Exercise Period**” | means the period referred to in Rule [5.5.2](#_Options) (*Options*) during which an Option may be exercised; |
| “**FCA**” | means the Financial Conduct Authority or any successor to that authority; |
| “**First Award**” | means the first time an Award is granted under the Plan; |
| “**Grant Date**” | means the date on which an Award is granted; |
| “**ITEPA**” | means the Income Tax (Earnings and Pensions) Act 2003; |
| “**Listing Rules**” | means the Listing Rules published by the UKLA; |
| “**London Stock Exchange**” | means London Stock Exchange PLC or any successor to that company; |
| “**Market Value**” | means, in relation to a Security and/or an Option on any date, such value of a Security and/or Option as the Committee reasonably determines; |
| “**Member of the Group**” | means:   1. a Participating Company or a body corporate which is the Company’s holding company (within the meaning of section 1159 of the Companies Act 2006) or a Subsidiary of the Company’s holding company (if any); and 2. a body corporate which is a subsidiary undertaking (within the meaning of section 1162 of that Act) of a body corporate within paragraph (a) above and has been designated by the Board for this purpose and “**Group**” shall be construed accordingly; |
| “**New Award**” | has the meaning given to it in Rule [5.10.4](#_Rollover) (*Rollover*); |
| “**Non-Executive Directors**” | means the non-executive directors of the Company from time to time; |
| “**Normal Vesting Date**” | means the date on which an Award vests under Rule [5.4.1](#_Timing_of_Vesting:) (*Timing of Vesting: Normal Vesting Date*); |
| “**Old Award**” | has the meaning given to it in Rule [5.10.4](#_Rollover) (*Rollover*); |
| “**Option**” | means a right to acquire Securities granted under the Plan which is designated as an option by the Committee; |
| “**Option Price**” | means the amount, if any, payable on the exercise of an Option; |
| “**Participant**” | means a person who holds an Award including his personal representatives; |
| “**Participating Company**” | means the Company or any Subsidiary of the Company so designated by the Committee; |
| **“Performance Condition”** | means a condition related to performance which is specified by the Committee under Rule 5.2.3 (Performance Conditions); |
| “**Plan**” | means the rules of the Plan as set out in this document and “**Rule**” shall be construed accordingly; |
| "**Remuneration Policy**" | if, and so long as, Chapter 4A of the Companies Act 2006 applies to the Company, the published directors' remuneration policy of the Company (as approved by Shareholders in accordance with such chapter) from time to time; |
| “**Restricted Share Award**” | means an award of Shares that are subject to transfer restrictions and which is designated as a restricted share award by the Committee under Schedule 2 of this Plan; |
| “**Security**” | means a Share; |
| “**Senior Management Team**” | means the senior management team of the Group, as determined by the Committee; |
| “**Shares**” | means fully paid ordinary shares in the capital of the Company; |
| "**Shareholder Approval**" | has the meaning given to it in Rule 5.2.5; |
| “**Subsidiary**” | means a body corporate which is a subsidiary (within the meaning of section 1159 of the Companies Act 2006); |
| “**Tax Liability**” | means any amount of tax or social security contributions for which a Participant would or may be liable and for which any Member of the Group or former Member of the Group would or may be obliged to (or would or may suffer a disadvantage if it were not to) account to any relevant authority; |
| "**Treasury Shares**" | Shares purchased by the Company in accordance with sections 724-732 of the Companies Act 2006 and held in treasury; |
| “**UKLA**” | means the United Kingdom Listing Authority or any successor to that authority; |
| “**Vesting**” | means:   1. in relation to a Conditional Award, a Participant becoming entitled to have Securities transferred to him (or his nominee account) subject to the Rules; 2. in relation to an Option, it becoming exercisable; 3. in relation to a Restricted Share Award, it ceasing to be subject to transfer restrictions;   and “**Vest**” shall be construed accordingly; |
| “**Vesting Period**” | means the period starting on the Grant Date and ending on the date on which Securities subject to an Award actually Vest; and |
| “**Vested Securities**” | means those Securities in respect of which an Award has Vested. |

Any reference in the Plan to any enactment includes a reference to that enactment as from time to time modified, extended or re-enacted. Where the context permits, the singular shall include the plural and vice versa and the masculine gender shall include the feminine.

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

# Rules of Long Term Incentive Plan

## Grant of Awards

Subject to the Rules, the Committee may from time to time, in its absolute discretion, grant a Conditional Award or an Option (or other such form of award as determined by the Committee on or before the Grant Date which relates to Shares) (“**Awards**”) to such Eligible Employees as it shall, in its absolute discretion, select.

Awards granted to Executive Directors under the Plan shall be granted subject to, and in accordance with, the requirements of the Company's Remuneration Policy.

## Terms of Grant

### Introduction

The Awards shall be granted subject to:

1. The Rules; and
2. such additional terms (whether a Performance Condition and/or any other terms) as the Committee may specify, including (without limitation) the application of an additional holding period applying to the Securities following Vesting as the Committee may decide at its absolute discretion.

The Committee may grant an Award subject to such Performance Condition as it, in its absolute discretion, thinks fit which must (save as otherwise provided in the Rules) be fulfilled before the Award may Vest. No such Performance Condition may subsequently be altered unless circumstances occur which cause the Committee to determine that such Performance Condition shall have ceased to be appropriate, whereupon the Committee may, in its absolute discretion, alter the Performance Condition or replace it with a new Performance Condition which will, in the absolute discretion of the Committee, be not materially less difficult to satisfy than the unaltered Performance Condition would have been but for the event in question.

The grant of an Award to any Eligible Employees will not constitute an increase in salary for such Eligible Employees and will not, in any circumstances, be included in any calculation for any statutory end of service benefits to which such Eligible Employees will be entitled under the laws of the United Arab Emirates. For the purpose of this Rule [5.2.1](#_Introduction) (*Introduction*) an Eligible Employee’s “**salary**” shall have the meaning assigned to it in Rule [5.3.4](#_Individual_Limits) (*Individual limits*).

### Method of Grant

If an Award is an Option, the Committee shall determine the Option Price (if any) on or before the Grant Date, provided that the Committee may reduce or waive such Option Price on or prior to the exercise of the Option.

Each Participant shall, as soon as reasonably practicable after the Grant Date, be issued with a certificate or notification evidencing his Award and setting out its terms and conditions (including whether the Participant will be required to pay the nominal value of any Securities that he receives under this Award) and any Performance Condition determined under Rule [5.2](#_Terms_of_Grant) (*Terms of grant*).

### Performance Conditions

#### The Committee may make each Award subject to one or more Performance Conditions, and may impose other conditions of Vesting in its absolute discretion.

1. The Committee may in its absolute discretion determine that, having regard to:

##### the personal performance of the Participant;

##### the performance of the Group; or

##### any other factor (relating to such other different consideration or criteria) which the Committee in its sole discretion determines to be appropriate to take into account in relation to the Participant’s Award, that all or some of the Award which would have not Vested will Vest or which would have Vested will not Vest and will instead lapse.

### Method of Satisfying Awards

Subject to Rule 5.3 (*Limits*) and unless specified to the contrary by the Committee on the Grant Date an Award of Shares may be satisfied:

#### by the issue of new Shares; and/or

#### by the transfer of Shares (including open-market purchases of Shares, off-market purchase of Shares and the transfer of Shares out of treasury).

The Committee may decide to change the way in which it is intended that an Award granted as a Conditional Award or an Option may be satisfied after it has been granted, having regard to the provisions of Rule [5.3](#_Limits) (*Limits*).

### Timing of Grant

Subject to Rule [5.2.7](#_Approvals_and_Consents) (*Approvals and consents*), an Award may only be granted at the following times:

#### in respect of First Awards, within the period of forty-two (42) days of the date of Admission;

#### within the period of forty-two (42) days after an Announcement Date; or

#### at any other time when the Committee so decides, provided that it is not restricted from granting Awards at that time by law or regulation,

#### but an Award to Subscribe and/or an Award to an Executive Director of the Company may not be granted after the expiry of the period of ten (10) years (beginning with the date on which the Plan is first approved by the shareholders of the Company), unless and until the Plan has been renewed for a further period of ten (10) years as approved by the shareholders of the Company (or such longer or shorter period approved by the shareholders of the Company) from time to time ("**Shareholder's Approval**").

### Non-transferability and Bankruptcy

An Award granted to any person shall not be transferred, assigned, charged or otherwise disposed of except on his death to his personal representatives and shall lapse immediately on any attempt to do so and shall lapse immediately if he is declared bankrupt.

### Approvals and Consents

The grant of any Award shall be subject to the obtaining of any approval or consent required under the Listing Rules, any relevant share dealing code of the Company, the City Code, or any other UK or overseas regulation or enactment.

## Limits

### Awards to Subscribe and Awards granted to Executive Directors

### In accordance with Rule 5.2.5, no Awards to Subscribe shall be granted at any time to any Eligible Employee when the Plan does not have Shareholder Approval. Awards granted to Eligible Employees (other than Executive Directors) prior to Shareholder Approval, shall be granted conditional upon being satisfied using existing Shares held in an Employee Trust (if applicable) and/or purchased in the market from time to time.

### Once Shareholder Approval is received, all Awards granted under the Plan (including any Awards granted prior to Shareholder Approval) will be capable of being satisfied using either newly issued Shares, Treasury Shares and/or existing/market purchase shares.

### Without prejudice to the above, any Awards granted to an Executive Director of the Company when the Plan does not have Shareholder Approval, shall only be granted conditional upon Shareholder Approval and shall lapse, and cease to be capable of vesting and/or exercise, to the extent that Shareholder Approval is not received. For the avoidance of doubt, once Shareholder Approval is received, this condition shall be satisfied and any Award granted subject to this condition shall become fully capable of vesting and/or exercise in accordance with its terms.

### 10 per cent. In 10 years Limit

An Award shall not be granted in any calendar year if, at the time of its proposed Grant Date, it would cause the number of Shares allocated in the period of ten (10) calendar years ending with that calendar year under the Plan and under any other executive share plan adopted by the Company to exceed such number as represents ten (10) per cent. of the ordinary share capital of the Company in issue at that time.

### Meaning of ‘Allocated”

For the purposes of Rule [5.3.1](#_5_per_cent.) (10 *per cent. in 10 years limit*):

#### Shares are allocated when an option, award or other contractual right to acquire unissued Shares is granted and, where Shares are issued or transferred otherwise than pursuant to an option, award or other contractual right to acquire Shares, when those Shares are issued or those Shares are transferred;

#### any Shares which have been issued or which may be issued to any trustees to satisfy the exercise of any option, award or other contractual right granted under any employee share plan shall count as allocated unless they are already treated as allocated under this Rule [5.3](#_Limits) (Limits); and

#### for the avoidance of doubt, existing Shares other than Shares over which options, awards or other contractual rights are granted shall not count as allocated.

### Post-Grant Events Affecting Numbers of “Allocated” Shares

For the purposes of Rule [5.3.2](file:///C:/Users/jayross.juan/AppData/Local/Microsoft/Windows/INetCache/Content.Outlook/5WAT95F9/#_Meaning_of_‘Allocated) (*Meaning of “Allocated”*):

#### where:

##### any option, award or other contractual right to acquire unissued Shares is released or lapses (whether in whole or in part); or

##### after the grant of an option, award or other contractual right, the Committee determines that:

* where an amount is normally payable on its exercise, it shall be satisfied without such payment but instead by the payment of cash equal to the gain made on its exercise; or

it shall be satisfied by the transfer of existing Shares (other than the transfer of Treasury Shares, for as long as required by the ABI guidelines), the unissued Shares which consequently cease to be subject to the option, award or other contractual right shall not count as allocated; and

#### the number of Shares allocated in respect of an option, award or other contractual right shall be such number as the Board shall reasonably determine from time to time.

### Individual Limits

The maximum total Expected Value of Securities over which Awards may be granted to an Eligible Employee as an annual limit is:

#### 200 per cent. of his salary (as defined in this Rule); or

1. where the Committee in its absolute discretion decides that exceptional circumstances exist in relation to such Eligible Employee, up to a maximum of 300 per cent. of his salary (as defined in this Rule).

For the purpose of this Rule [5.3.4](#_Individual_Limits) (*Individual limits*), the Expected Value of an Award shall be determined on the date on which Awards are made and an Eligible Employee’s “**salary**” shall be taken to be his base salary (excluding any bonus, cash allowance, Employer pension contribution or other benefits in kind), expressed as an annual rate payable by the Participating Companies to him on the Grant Date (or such earlier date as the Committee shall determine). Where a payment of salary is made in a currency other than pound sterling, the payment shall be treated as equal to the equivalent amount of pound sterling determined by using any rate of exchange which the Committee may in its absolute discretion select.

### Effects of Limits

Any Award shall be limited and take effect so that the limits in this Rule [5.3](#_Limits) (*Limits*) are complied with.

### Restriction on Use of Unissued Shares

No Shares may be issued to satisfy the Vesting of any Award or the exercise of any Option to the extent that such issue would cause the number of Shares allocated (as defined in Rule [5.3.2](file:///C:/Users/jayross.juan/AppData/Local/Microsoft/Windows/INetCache/Content.Outlook/5WAT95F9/#_Meaning_of_‘Allocated) (*Meaning of “allocated”*) and adjusted under Rule [5.3.3](#_Post-Grant_Events_Affecting) (*Post-grant events affecting numbers of “allocated” Shares*)) to exceed the limit in Rule [5.3.1](#_5_per_cent.) (10 *per cent. in 10 years limit*) except where there is a variation of share capital of the Company which results in the number of Shares so allocated exceeding such limits solely by virtue of that variation.

## Vesting of Awards

### Timing of Vesting: Normal Vesting Date

Subject to Rule [5.4.3](#_Restrictions_on_Vesting:) (*Restrictions on Vesting: regulatory and tax issues*), an Award shall Vest on the later of:

#### the date on which the Committee determines whether or not any Performance Condition and any other condition imposed on the Vesting of the Award has been satisfied (in whole or part); and

#### the date or dates determined by the Committee as the Normal Vesting Date(s) except where earlier Vesting occurs on an Early Vesting Date under Rule [5.9](#_Leavers_and_Deceased) (Leavers and Deceased Participants) or Rule [5.10](#_Takeovers_and_Other) (Takeovers and other corporate events).

### Extent of Vesting

An Award shall only Vest to the extent:

#### that any Performance Condition is satisfied on the Normal Vesting Date or, if appropriate, the Early Vesting Date;

#### as permitted by any other term imposed on the Vesting of the Award; and

#### in relation to Vesting before the Normal Vesting Date, as permitted by Rule [5.9](#_Leavers_and_Deceased) (Leavers and Deceased Participants) or Rule [5.10](#_Takeovers_and_Other) (Takeovers and other corporate events).

Where, under Rule [5.9](#_Leavers_and_Deceased) (*Leavers and Deceased Participants*) or Rule [5.10](#_Takeovers_and_Other) (*Takeovers and other corporate events*), an Award would (subject to the satisfaction of any Performance Condition) Vest before the end of the full period over which performance would be measured under the Performance Condition then, unless provided to the contrary by the Performance Condition, the extent to which the Performance Condition has been satisfied in such circumstances shall be determined by the Committee in its absolute discretion.

### Restrictions on Vesting: Regulatory and Tax Issues

An Award shall not Vest unless and until the following conditions are satisfied:

#### the Vesting of the Award, and the issue or transfer of Securities after such Vesting would be lawful in all relevant jurisdictions and in compliance with the Listing Rules, any relevant share dealing code of the Company, the City Code and any other relevant UK or overseas regulation or enactment;

#### if, on the Vesting of the Award, a Tax Liability would arise by virtue of such Vesting and the Committee decides that such Tax Liability shall not be satisfied by the sale of Securities pursuant to Rule [5.4.5](#_Payment_of_Tax) (Payment of Tax Liability), then the Participant must have entered into arrangements acceptable to the Committee that the relevant Member of the Group will receive the amount of such Tax Liability;

#### the Participant has entered into such arrangements as the Committee in its absolute discretion requires (and where permitted in the relevant jurisdiction) to satisfy a Member of the Group’s liability to social security contributions in respect of the Vesting of the Award; and

1. where the Committee requires, the Participant has entered into, or agreed to enter into, a valid election under Part 7 of ITEPA (Employment income: election for full or partial disapplication of Chapter 2 Part 7 of ITEPA) or any similar arrangement in any overseas jurisdiction.

For the purposes of this Rule [5.4.3](#_Restrictions_on_Vesting:) (*Restrictions on Vesting: regulatory and tax issues*), references to Member of the Group include any former Member of the Group.

### Tax Liability before Vesting

If a Participant will, or is likely to, incur any Tax Liability before the Vesting of an Award then that Participant must enter into arrangements acceptable to any relevant Member of the Group to ensure that it receives the amount of such Tax Liability. If no such arrangement is made then the Company may sell, or procure the sale on behalf of the Participant of, a sufficient number of the Securities subject to his Award on his behalf to ensure that the relevant Member of the Group receives the amount required to discharge the Tax Liability and the number of Securities subject to his Award shall be reduced accordingly.

For the purposes of this Rule [5.4.4](#_Tax_Liability_before) (*Tax liability before Vesting*), references to Member of the Group include any former Member of the Group.

### Payment of Tax Liability

The Participant authorises the Company to sell or procure the sale of sufficient Vested Securities on or following the Vesting of his Award on his behalf to ensure that any relevant Member of the Group or former Member of the Group receives the amount required to discharge the Tax Liability which arises on Vesting except to the extent that the Committee decides that all or part of the Tax Liability shall be funded in a different manner, in which case Rule [5.4.3 (b)](#_if,_on_the) (*Restrictions on Vesting: regulatory and tax issues*) shall apply.

### Prudent Financial Control

Notwithstanding any other provision of the Plan, and irrespective of whether any Performance Condition attached to an Award has been satisfied, if the Committee determines in its absolute discretion that over the whole or any part of the Vesting Period the underlying financial health of the Group has significantly deteriorated such that there are severe financial constraints on the Group which preclude or limit the Group’s ability to facilitate funding of Awards, then:

#### the Committee may in its absolute discretion determine that the number of Securities subject to an Award that may otherwise Vest may be limited, reduced and/or made subject to any other condition as the Committee considers in its absolute discretion appropriate; and

#### in the absence of any determination under Rule [5.4.6(a)](#_the_Committee_may) (Prudent Financial Control), the Vesting of any Securities that may otherwise Vest (including any Securities that have not Vested due to the exercise of discretion under Rule [5.4.6(a)](#_the_Committee_may) (Prudent Financial Control) shall be suspended until such time as the Committee in its absolute discretion lifts such suspension or exercises discretion under Rule [5.4.6(a)](#_Prudent_Financial_Control) (Prudent Financial Control); provided that to the extent that the Committee has not lifted such suspension or exercised discretion under Rule [5.4.6(a)](#_the_Committee_may) (Prudent Financial Control) within three (3) years from the date specified at the Grant Date as the final date on which such Securities may Vest, any Award over such Securities shall lapse in its entirety, unless otherwise determined by the Committee in exceptional circumstances.

### Malus

Notwithstanding any other provision of the Plan, and irrespective of whether any Performance Condition attached to an Award has been satisfied, the Committee may determine in its absolute discretion that the number of Securities subject to an Award that may otherwise Vest may be reduced (to nil if appropriate) or which have Vested but have not been exercised should lapse as a result of:

#### the Group or any Subsidiary’s financial statements having been materially restated at any time during the Vesting Period other than restatement due to a change in accounting policy or to rectify a minor error;

#### the Participant having, in the reasonable opinion of the Committee, following consultation with his Employer, deliberately misled the management of the Company, the market and/or the Company’s shareholders regarding the financial performance of the Group or of any Subsidiary at any time during the Vesting Period;

#### the Participant’s actions, in the reasonable opinion of the Committee, following consultation with his Employer, caused material harm to the reputation of the Group and/or the Participant’s business unit;

#### the Participant’s actions having, in the reasonable opinion of the Committee, following consultation with his Employer, amounted to gross negligence, breach of duty, breach of trust or other malfeasance, serious misconduct or such other grounds as would justify the summary termination of the Participant’s employment with the Group; or

1. the Group or the business in which the Participant works having, in the reasonable opinion of the Committee, following consultation with the Audit and Risk Committee, suffered a material failure of risk management.

### Further Malus

Notwithstanding any other provision of the Plan, and irrespective of whether any Performance Condition attached to an Award has been satisfied, in respect of any Award granted on or after *15 November 2019* the Committee may determine in its absolute discretion that the number of Securities subject to an Award that may otherwise Vest may be reduced (to nil if appropriate) or which have Vested but have not been exercised should lapse as a result of:

#### the Committee determining, in its absolute discretion, the assessment of any Performance Condition or condition in respect of an Award, or the related extent of Vesting, was based on error, or inaccurate or misleading information;

#### the Participant having, in the reasonable opinion of the Committee, following consultation with his Employer, breached any material legislation, regulation, rule, or any code of conduct of the Company or any relevant Member of the Group at any time during the Vesting Period;

#### facts emerging in relation to a Participant who has already left the Group that would, in the reasonable opinion of the Committee, if known earlier resulted in the Committee lapsing the Participant’s Award or exercising any available discretion in respect of the Award in a manner less favourable to the Participant;

#### the Participant’s actions having, in the reasonable opinion of the Committee, following consultation with his Employer, amounted to serious misconduct; or

1. the Company or entities representing a material proportion of the Group becomes insolvent or otherwise suffers a corporate failure so that Shares in the Company cease to have material value, provided that the Committee determines, following an appropriate review of accountability, that the Participant should be held responsible (in whole or in part) for that insolvency or failure.

### Change of Jurisdiction

If a Participant relocates to another jurisdiction before his Award Vests and, as a result of the relocation, the Participant or any Member of the Group would be subject to additional tax or social security on the Vesting of the Award or the Vesting of the Award in that other jurisdiction would be subject to any regulatory restriction, approval or consent, the Committee may determine that the Award may:

#### Vest on such terms and during such period preceding the date on which the Participant relocates as the Committee may determine; or

1. be released by the Participant for a Cash Award

## Consequences of Vesting

### Conditional Awards

On or as soon as reasonably practicable after the Vesting of a Conditional Award, the Committee shall, subject to Rule [5.4.5](#_Payment_of_Tax) (*Payment of Tax Liability*) and any arrangement made under Rules [5.4.3(b)](#_if,_on_the) and [5.4.3(c)](#_the_Participant_has) (*Restrictions on Vesting: regulatory and tax issues*), transfer or procure the transfer of the Vested Securities to the Participant (or his nominee account).

### Options

An Option shall, subject to Rule [5.6.1](#_Restrictions_on_the) (*Restrictions on the exercise of an Option: regulatory and tax issues*), be exercisable in respect of Vested Securities for a period determined by the Committee at the Grant Date in its absolute discretion, but being a period of no less than ten (10) years from the Grant Date, beginning with the date on which the Option Vests unless:

#### it lapses earlier under Rule 5.9.1 (Deceased participants), Rule 5.9.2 (Good leavers), Rule [5.9.3](#_Cessation_of_Employment) (Cessation of employment in other circumstances), Rule 5.9.5 (Death following cessation of employment), Rule [5.10.1](#_General_Offers) (General offers), Rule [5.10.2](#_Schemes_of_Arrangement) (Schemes of arrangement and winding-up) or Rule [5.10.3](#_Demerger_and_Similar) (Demergers and similar events), or

#### the Committee in its absolute discretion determines a shorter period than ten (10) years from the Grant Date, beginning with the date on which the Option Vests.

If an Option is not exercised during the last thirty (30) days of the Exercise Period because of any regulatory restrictions referred to in Rule [5.6.1(a)](#_Restrictions_on_the) (*Restrictions on the exercise of an Option: regulatory and tax issues*), the Committee may extend the period during which the Option may be exercised so as to permit the Option to be exercised as soon as those restrictions cease to apply.

### Clawback

Notwithstanding any other provision of the Plan, in respect of any Award granted on or after *15 November 2019* and in respect of such Award the Grant Date of was no longer than six years ago, the Committee may determine in its absolute discretion that the number of Securities subject to an Award that has already Vest (or, in the case of an Option, has already been exercised), should be adjusted (to nil if appropriate) or which have Vested but have not been exercised should lapse as a result of:

1. the Group or any Subsidiary’s financial statements relating to any time falling within the Vesting Period having been materially restated other than restatement due to a change in accounting policy or to rectify a minor error;
2. the Participant having, in the reasonable opinion of the Committee, following consultation with his Employer, deliberately misled the management of the Company, the market and/or the Company’s shareholders regarding the financial performance of the Group or of any Subsidiary at any time during the Vesting Period;
3. the Participant’s actions, in the reasonable opinion of the Committee, following consultation with his Employer, caused material harm to the reputation of the Group and/or the Participant’s business unit;
4. the Participant’s actions having, in the reasonable opinion of the Committee, following consultation with his Employer, amounted to gross negligence, breach of duty, breach of trust or other malfeasance, serious misconduct or such other grounds as would justify the summary termination of the Participant’s employment with the Group;
5. the Group or the business in which the Participant works having, in the reasonable opinion of the Committee, following consultation with the Audit and Risk Committee, suffered a material failure of risk management;
6. the Committee determining, in its absolute discretion, the assessment of any Performance Condition or condition in respect of an Award, or the related extent of Vesting, was based on error, or inaccurate or misleading information;
7. the Participant having, in the reasonable opinion of the Committee, following consultation with his Employer, breached any material legislation, regulation, rule, or any code of conduct of the Company or any relevant Member of the Group at any time during the Vesting Period;
8. facts emerging in relation to a Participant who has already left the Group that would, in the reasonable opinion of the Committee, if known earlier resulted in the Committee lapsing the Participant’s Award or exercising any available discretion in respect of the Award in a manner less favourable to the Participant;
9. the Participant’s actions having, in the reasonable opinion of the Committee, following consultation with his Employer, amounted to serious misconduct; or
10. the Company or entities representing a material proportion of the Group becomes insolvent or otherwise suffers a corporate failure so that Shares in the Company cease to have material value.

Where the Committee makes such determination, the Committee may in its absolute discretion require the relevant Participant:

1. to transfer to the Company (or, if required by the Company, any other person specified by the Company) all or some of the Securities acquired by the Participant (or his nominee) pursuant to the Vesting of the Award or, in the case of an Award which is an Option, the exercise of that Option; and/or
2. to pay to the Company (or if required by the Company, any other person specified by the Company) an amount equivalent to all or part of the proceeds of sale or, in the event of a disposal of the Securities at a price which the Committee reasonably determines was less than market value at the time of disposal and where the disposal was not made at arm’s length, an amount equivalent to the market value (as reasonably determined by the Committee) at the time of disposal of all or some of the Securities acquired pursuant to the Vesting of the Award or, in the case of an Award that is an Option, the exercise of that Option; and/or
3. to pay to the Company (or, if required by the Company, any other person specified by the Company) an amount equivalent to all or part of the amount of any cash in respect of an Award paid to or for the benefit of the Participant; and/or
4. to pay to the Company (or, if required by the Company, any other person specified by the Company) an amount equivalent to all or part of any benefit or value derived from or attributable to the relevant Securities (including but not limited to any Dividend Equivalent Payment, ordinary dividend, special dividend or additional or replacement shares) on such terms as the Committee may reasonably direct.

Where any payment or transfer of value is due by the Participant to the Company (or, if required by the Company, to any other person specified by the Company) under this Rule, the Company may offset such payment against any and all amounts owing to the Participant, including but not limited to salary, bonus, termination payments and/or long term incentive awards.

## Exercise of Options

### Restrictions on the exercise of an Option: Regulatory and Tax Issues

An Option which has vested may not be exercised unless the following conditions are satisfied:

1. the exercise of the Option and the issue or transfer of Securities after such exercise would be lawful in all relevant jurisdictions and in compliance with the Listing Rules, any relevant share dealing code of the Company, the City Code and any other relevant UK or overseas regulation or enactment;
2. if, on the exercise of the Option, a Tax Liability would arise by virtue of such exercise and the Committee decides that such Tax Liability shall not be satisfied by the sale of Securities pursuant to Rule [5.4.5](#_Payment_of_Tax) (*Payment of Tax Liability*), then the Participant must have entered into arrangements acceptable to the Committee that the relevant Member of the Group will receive the amount of such Tax Liability;
3. the Participant has entered into such arrangements as the Committee requires (and where permitted in the relevant jurisdiction) to satisfy a Member of the Group’s liability to social security contributions in respect of the exercise of the Option; and

#### where the Committee requires, the Participant has entered into, or has agreed to enter into, a valid election under Part 7 of ITEPA (Employment income: elections to disapply tax charge on restricted securities) or any similar arrangement in any overseas jurisdiction.

For the purposes of this Rule [5.6.1](#_Restrictions_on_the) (*Restriction on exercise of an Option: regulatory and tax issues),* references to Member of the Group include any former Member of the Group.

### Method of Exercise

The exercise of any Option shall be effected in the form and manner prescribed by the Committee. Unless the Committee acting fairly and reasonably determines otherwise, any notice of exercise shall, subject to Rule [5.6.1(b)](#_Restrictions_on_the) (*Restrictions on the exercise of an Option: regulatory and tax issues*), take effect only when the Committee receives it, together with payment of any relevant Option Price (or, if the Committee so permits, an undertaking to pay that amount).

### Transfer or Allotment Timetable

As soon as reasonably practicable after an Option has been exercised, the Company shall, subject to Rule [5.4.5](#_Payment_of_Tax) (*Payment of Tax Liability*) and any arrangement made under Rules [5.6.1(b)](#_Restrictions_on_the) and [5.6.1(c)](#_Restrictions_on_the) (*Restrictions on the exercise of an Option: regulatory and tax issues*), transfer or procure the transfer to him (or his nominee account) or, if appropriate, allot to him (or his nominee account) the number of Securities in respect of which the Option has been exercised.

## Cash Alternative and Divided Equivalent Payment

### Committee Determination

Where a Conditional Award Vests or where an Option has been exercised and Vested Securities have not yet been allotted or transferred to the Participant (or his nominee), the Committee may determine that, in substitution for his right (if any) to acquire such number of Vested Securities as the Committee may in its absolute discretion decide (but in full and final satisfaction of his right (if any) to acquire those Securities), he shall be paid by way of additional employment income a sum equal to the cash equivalent (as defined in Rule [5.7.3](#_Cash_Equivalent) (Cash equivalent)) of that number of Securities in accordance with the following provisions of this Rule [5.7](#_Cash_Alternative_and) (Cash alternative and Dividend Equivalent Payment).

### Limitation on the Application of Rule 5.7.1

Rule [5.7.1](#_Committee_Determination) (*Committee Determination*) shall not apply in relation to an Award made to a Participant in any jurisdiction where the presence of Rule [5.7.1](#_Committee_Determination) (*Committee determination*) would cause the grant of the Award to be unlawful or for it to fall outside any applicable securities law exclusion or exemption or adverse tax or social security contributions consequences for the Participant or any Member of the Group as determined by the Committee, provided that this Rule [5.7.2](#_Limitation_on_the) (Limitation on application of Rule 5.7.1) shall apply only if its application would prevent the occurrence of a consequence referred to in this Rule [5.7.2](#_Limitation_on_the) (Limitation on application of Rules 5.7.1).

### Cash Equivalent

For the purpose of this Rule [5.7](#_Cash_Alternative_and) (*Cash alternative and Dividend Equivalent Payment*), the cash equivalent of a Security is:

1. in the case of a Conditional Award, the Market Value of a Security on the day when the Award Vests;
2. in the case of an Option, the Market Value of a Security on the day when the Option is exercised, reduced by the Option Price in respect of that Security.

### Payment of Cash Equivalent

Subject to Rule [5.7.5](#_Deductions) (*Deductions*), as soon as reasonably practicable after the Committee has determined under Rule [5.7.1](#_Committee_Determination) (*Committee Determination*) that a Participant shall be paid a sum in substitution for his right to acquire any number of Vested Securities:

#### the Company shall pay to him or procure the payment to him of that sum in cash; and

#### if he has already paid the Company the Option Price, the cash equivalent will take this into account.

### Deductions

There shall be deducted from any payment under this Rule [5.7](#_Cash_Alternative_and) (*Cash alternative and Dividend Equivalent Payment*) such amounts (on account of tax or similar liabilities) that the Committee reasonably considers necessary.

### Dividend Equivalent Payment

The Committee may in its absolute discretion determine at the time an Award (or equivalent cash amount in accordance with the provisions of this Rule [5.7](#_Cash_Alternative_and) (*Cash Alternative* *and Dividend Equivalent Payment*) is granted to a Participant that, following Vesting, the Participant will also be entitled to receive a Dividend Equivalent Payment. The terms of the Dividend Equivalent Payment will be at the sole discretion of the Committee and the Dividend Equivalent Payment will be delivered to the Participant as soon as reasonably practicable following Vesting.

## Lapse of Awards

An Award shall lapse in accordance with the Rules or to the extent it does not Vest under these Rules.

## Leavers and Deceased Participants

### Deceased Participants

If a Participant dies at a time when he is a director or employee of a Member of the Group before the Normal Vesting Date then, subject to Rule [5.4.3](#_Restrictions_on_Vesting:) (*Restrictions on Vesting: regulatory and tax issues*) and the remainder of this Rule [5.9](#_Leavers_and_Deceased) (*Leavers and Deceased Participants*), his Award shall Vest on the earlier of the Normal Vesting Date and the date on which the Committee is notified of the death and, subject to Rule 5.6.1 (*Restrictions on the exercise of an Option*), Rule [5.10.1](#_General_Offers) (*General offers*), Rule [5.10.2](#_Schemes_of_Arrangement) (*Schemes of arrangement and winding-up*) and Rule [5.10.3](#_Demerger_and_Similar) (*Demergers and similar events*), any Vested Award (if it is an Option) held by him shall continue to be exercisable by his personal representatives at any time within the period of twelve (12) months from (and including) the date of death (or such longer period as is determined by the Committee), after which they shall lapse for no payment.

### Good Leavers

If a Participant ceases to be a director or employee of a Member of the Group before the Normal Vesting Date by reason of:

1. an illness or disability which, in the opinion of the Committee, permanently prevents the Participant from carrying out his or her normal duties;
2. ill health, injury or disability;
3. redundancy (within the meaning of the Employment Rights Act 1996) or any overseas equivalent;
4. his office or employment being with either a company which ceases to be a Member of the Group or relating to a business or part of a business which is transferred to a person who is not a Member of the Group; or
5. for any other reason, if the Committee so decides at its discretion,

(in each case a "**Good Leaver**") then subject to Rule [5.4.3](#_Restrictions_on_Vesting:) (*Restrictions on Vesting: regulatory and tax issues*), Rule [5.10](#_Takeovers_and_Other) (*Takeovers and Other Corporate Events*) and the remainder of this Rule [5.9](#_Leavers_and_Deceased) (*Leavers and Deceased Participants*), his Award shall Vest on the Normal Vesting Date unless the Committee decides that his Award shall Vest on the date of cessation.

If a Participant becomes a Good Leaver, subject to Rule 5.6.1 (*Restrictions on the exercise of an Option*), Rule [5.10.1](#_General_Offers) (*General offers*), Rule [5.10.2](#_Schemes_of_Arrangement) (*Schemes of arrangement and winding-up*) and Rule [5.10.3](#_Demerger_and_Similar) (*Demergers and similar events*), any Vested Award (if it is an Option) held by him shall continue to be exercisable for a period of six (6) months commencing on the later of:

1. the date on which the Award Vested; or
2. if applicable, the end of any holding period in respect of that Award under Rule 5.2.1,

and, to the extent that the Award is not exercised, it shall lapse at the end of that period.

### Cessation of Employment in Other Circumstances

If a Participant ceases to be a director or employee of a Member of the Group for any reason other than those specified in Rule [5.9.1](#_Deceased_Participants) (*Deceased Participants*) or Rule [5.9.2](#_Good_Leavers) (*Good Leavers*) then any unvested Award held by him shall lapse immediately on such cessation and, subject to Rule 5.6.1 (*Restrictions on the exercise of an Option*), Rule [5.10.1](#_General_Offers) (*General offers*), Rule [5.10.2](#_Schemes_of_Arrangement) (*Schemes of arrangement and winding-up*) and Rule [5.10.3](#_Demerger_and_Similar) (*Demergers and similar events*), any Vested Award (if it is an Option) held by him shall continue to be exercisable for a period of six (6) months commencing on the later of:

1. the date on which the Award Vested; or
2. if applicable, the end of any holding period in respect of that Award under Rule 5.2.1,

and, to the extent that the Award is not exercised, it shall lapse at the end of that period.

### Meaning of Ceasing Employment

A Participant shall not be treated for the purposes of this Rule [5.9](#_Leavers_and_Deceased) (*Leavers and Deceased Participants*) as ceasing to be a director or employee of a Member of the Group until such time as he is no longer a director or employee of any Member of the Group. If any Participant ceases to be such a director or employee before the Vesting of his Award in circumstances where he retains a statutory right to return to work then he shall be treated as not having ceased to be such a director or employee until such time (if at all) as he ceases to have such a right to return to work while not acting as an employee or director.

### Death Following Cessation of Employment

If a Participant dies following cessation of employment in circumstances where his Award did not lapse but it has not Vested by the time of his death, such Award shall Vest on the Normal Vesting Date unless the Committee decides that his Award shall Vest immediately on his death to the extent determined by reference to the time of cessation of employment in accordance with Rule [5.9.1](#_Deceased_Participants) (*Deceased Participants*) and, subject to Rule 5.6.1 (*Restrictions on the exercise of an Option*), Rule [5.10.1](#_General_Offers) (*General offers*), Rule [5.10.2](#_Schemes_of_Arrangement) (*Schemes of arrangement and winding-up*) and Rule [5.10.3](#_Demerger_and_Similar) (*Demergers and similar events*), any Vested Award (if it is an Option) held by him shall continue to be exercisable by his personal representatives at any time within the period of twelve (12) months from (and including) the date of death (or such longer period as is determined by the Committee), after which they shall lapse for no payment.

### Calculating Number of Securities which Vest

For the purposes of this Rule, the Committee shall determine the number of Securities which Vest by applying the Performance Condition and any condition imposed on the Vesting of Awards and shall reduce the number of Securities pro rata to reflect any unexpired part of the Vesting Period as at the time that the Participant ceases to be a director or employee, unless in each case the Committee decides otherwise in its absolute discretion.

## Takeovers and Other Corporate Events

### General Offers

If any person (or group of persons acting in concert):

1. obtains Control of the Company as a result of making a general offer to acquire Securities;
2. having obtained Control of the Company makes such an offer and such offer becomes unconditional in all respects; or
3. effects a compulsory acquisition of Shares under Section 979 of the Companies Act,the Committee shall, subject to Rule [5.10.5](#_Internal_Reorganisations) (*Internal Reorganisations*), have absolute discretion to determine whether Awards shall, subject to Rule [5.4.3](#_Restrictions_on_Vesting:) (*Restrictions on Vesting: regulatory and tax issues*), Vest if they have not then Vested. In the case of any Option that the Committee allows to Vest, that Option may, subject to Rule [5.6.1](#_Restrictions_on_the) (*Restrictions on the exercise of an Option: regulatory and tax issues*) be exercised within two (2) months of the date on which the Committee determines that Vesting is permitted, but to the extent that an Option is not exercised within that period, that Option shall (regardless of any other provision of the Plan) lapse at the end of that period.

### Schemes of Arrangement and Winding-Up

In the event that:

#### a compromise or arrangement is sanctioned by the Court under Section 899 of the Companies Act 2006 in connection with or for the purposes of a change in Control of the Company;

#### the Company passes a resolution for a voluntary winding-up of the Company; or

#### an order is made for the compulsory winding-up of the Company,

1. the Committee shall, subject to Rule [5.10.5](#_Internal_Reorganisations) (*Internal Reorganisations*), have absolute discretion to determine whether Awards shall, subject to Rule [5.4.3](#_Restrictions_on_Vesting:) (*Restrictions on Vesting: regulatory and tax issues*), Vest if they have not then Vested. In the case of any Option that the Committee allows to Vest, that Option may, subject to Rule [5.6.1](#_Restrictions_on_the) (*Restrictions on the exercise of an Option: regulatory and tax issues*) be exercised within two (2) months of the date on which the Committee determines that Vesting is permitted, but to the extent that an Option is not exercised within that period, that Option shall (regardless of any other provision of the Plan) lapse at the end of that period.

### Demerger and Similar Events

If a demerger, special dividend or other similar event is proposed which, in the opinion of the Committee, would affect the market price of Shares to a material extent, then the Committee may, at its discretion, decide that Awards shall Vest on such terms as the Committee may decide.

### Rollover

If any company (“**Acquiring Company**”) obtains Control of the Company as a result of making an offer referred to in Rule [5.10.1](#_General_Offers) (*General offers*) or a compromise or arrangement referred to in Rule [5.10.2(a)](#_a_compromise_or) (*Schemes of arrangement and winding-up*) any Participant must, if required to do so by the Committee, release any Award (“**Old Award**”) in consideration of the grant to him of an Award (“**New Award**”) which is equivalent to the Old Award except that it will be over securities in the Acquiring Company or some other company.

The Rules will apply to any New Award granted under this Rule [5.10.4](#_Rollover) (*Rollover*) as if references to Securities were references to securities over which the New Award is granted and references to the Company were references to the company whose securities are subject to the New Award.

### Internal Reorganisations

In the event that:

1. an Acquiring Company is expected to obtain Control of the Company as a result of an offer referred to in Rule [5.10.1](#_General_Offers) (*General Offers*) or a compromise or arrangement referred to in Rule [5.10.2(a)](#_a_compromise_or) (*Schemes of arrangement and winding-up*); and
2. at least 75% of the securities in the Acquiring Company are expected to be held by substantially the same persons who immediately before the obtaining of Control of the Company were shareholders in the Company, then the Committee, with the consent of the Acquiring Company, may decide before the obtaining of such Control that an Award shall not Vest under Rule [5.10.1](#_General_Offers) (*General Offers*) or Rule [5.10.2](#_Schemes_of_Arrangement) (*Schemes of arrangement and winding-up*) but shall be automatically surrendered in consideration for the grant of a New Award under Rule [5.10.4](#_Rollover) (*Rollover*).

### Corporate Events: Reduction in Number of Vested Securities

If an Award Vests under any of Rules [5.10.1](#_General_Offers) (*General Offers*), [5.10.2](#_Schemes_of_Arrangement) (*Schemes of arrangement and winding-up*) and [5.10.3](#_Demerger_and_Similar) (*Demerger and Similar Events*), the Committee shall determine the number of Vested Securities of that Award by the following steps:

#### if and in so far as the Committee so in its absolute discretion decides, by applying any Performance Condition and any other condition imposed on the Vesting of the Award; and

#### if the Committee so in its absolute discretion decides, by applying a pro rata reduction to the number of Securities determined under Rule [5.10.6(a)](#_applying_any_Performance) (Corporate events: reduction in number of Vested Securities) to reflect the unexpired part of the Vesting Period.

If an Award Vests under any of Rules [5.10.1](#_General_Offers) (*General Offers*) to [5.10.3](#_Demerger_and_Similar) (*Demerger and similar events*) after the holder of that Award has ceased to be a director or employee of a Member of the Group then Rule [5.9.6](#_Calculating_Number_of) (*Calculating number of Securities which Vest*) shall take precedence over this Rule [5.10.6](#_Corporate_Events:_Reduction) (*Corporate events: reduction in number of Vested Securities*)

## Adjustment of Awards

### General Rule

In the event of any variation of the share capital of the Company or a demerger, special dividend or other similar event which affects the market price of Securities to a material extent the Committee may make such adjustments as it considers appropriate under Rule [5.11.2](#_Method_of_Adjustment) (*Method of Adjustment*).

### Method of Adjustment

An adjustment made under this Rule [5.11](#_Adjustment_of_Awards) (*Adjustment of Awards*) shall be to one or more of the following:

#### the number of Securities comprised in an Award;

#### subject to Rule [5.11.3](#_Adjustment_Below_Nominal) (Adjustment below nominal value), the Option Price; and

1. where any Award has Vested or any Option has been exercised but no Securities have been transferred or allotted after such Vesting or exercise, the number of Securities which may be so transferred or allotted and (if relevant) the price at which they may be acquired.

### Adjustment Below Nominal Value

An adjustment under Rule [5.11.2](#_Method_of_Adjustment) (*Method of Adjustment*) may have the effect of reducing the price at which Shares may be subscribed for on the exercise of an Option to less than their nominal value, but only if and to the extent that the Board is authorised:

#### to capitalise from the reserves of the Company a sum equal to the amount by which the nominal value of the Shares in respect of which the Option is exercised and which are to be allotted after such exercise exceeds the price at which the Shares may be subscribed for; and

#### to apply that sum in paying up such amount on such Shares so that on exercise of any Option in respect of which such a reduction shall have been made the Board shall capitalise that sum (if any) and apply it in paying up that amount.

## Alterations

### General Rule on Alterations

Except as described in Rule [5.12.2](#_Shareholder_Approval) (Shareholder Approval) and Rule [5.12.4](#_Alterations_to_Disadvantage) (Alterations to Disadvantage of Participants), the Committee in its absolute discretion may at any time alter the Plan or the terms of any Award.

### Shareholder Approval

Except as described in Rule [5.12.3](#_Exceptions_to_Shareholder) (*Exceptions to Shareholder Approval*), no alteration to the advantage of an individual to whom an Award has been or may be granted shall be made under Rule [5.12.1](#_General_Rule) (*General Rule on Alterations*) to the provisions concerning:

#### eligibility;

#### the individual limits on participation;

#### the overall limits on the issue of Shares;

#### the basis for determining a Participant’s entitlement to, and the terms of, Securities or cash provided under the Plan; and

#### the terms of this Rule [5.12.2](#_Shareholder_Approval) (Shareholder Approval)

### Exceptions to Shareholder Approval

Rule [5.12.2](#_Shareholder_Approval) (*Shareholder Approval*) shall not apply to any alteration to correct any inconsistency or manifest error, or any minor alteration to benefit the administration of the Plan that the Committee considers necessary or desirable to take account of a change in legislation or to obtain or maintain favourable (in the opinion of the Committee) tax, exchange control or regulatory treatment for Participants or any Member of the Group.

### Alterations to Disadvantage of Participants

No alteration (other than any alteration to correct any inconsistency or manifest error) to the material disadvantage of Participants (other than to any Performance Condition) shall be made under Rule [5.12.1](#_General_Rule_on) (*General Rule on Alterations*) unless the Committee shall have invited every relevant Participant to indicate whether or not he approves the alteration and the alteration is approved by a majority of those Participants who have given such an indication.

## Miscellaneous

### Administration and Delegation of Power

The Plan shall be administered by the Committee, whose decisions on any matter connected with the Plan shall be final and binding. The Committee may, in its absolute discretion, delegate any of the powers and authority that it holds under the Rules to any persons and the Rules shall apply to such persons in the same way that they apply to the Committee.

### Employment

The rights and obligations of any Participant under the terms of his office or employment with any Member of the Group shall not be affected by his participation in the Plan or any right which he may have to participate in it. Participants shall waive any and all rights to compensation or damages in consequence of the termination of the office of employment for any reason whatsoever (and regardless of whether such termination is lawful or unlawful) insofar as such rights arise or may arise from the cessation of his rights under the Plan as a result of such termination. Participation in the Plan shall not confer a right to continued employment upon any individual who participates in it. The grant of any Award under the Plan implies neither that any further Award will be granted nor that a Participant has any right to receive any further Award. The terms of the Plan are separate from and do not form a term of or any part of, or create any obligations or rights pursuant to, an individual’s contract of employment.

### Disputes

In the event of any dispute or disagreement as to the interpretation of the Plan, or as to any question or right arising from or relating to the Plan, the decision of the Committee shall be final and binding upon all persons. The exercise of any power or discretion by the Committee shall not be open to question by any person and a Participant or former Participant shall have no rights in relation to the exercise of or omission to exercise any such power or discretion.

### Share Rights

All Shares allotted under the Plan shall rank equally in all respects with Shares then in issue except for any rights attaching to such Shares by reference to a record date before the date of the allotment.

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

### Notices

Any notice or other communication under or in connection with the Plan may be given in such manner as the Board considers to be appropriate, which may include communication by email or intranet or by personal delivery or by sending the same by post, in the case of a company to its registered office, and in the case of an individual to his last known address, or, where he is a director or employee of a Member of the Group, either to his last known address or to the address of the place of business at which he performs the whole or substantially the whole of the duties of his office or employment.

Where any such notice or other communication is given by a Participant to the Company, it shall be effective only on receipt by the Company.

### Third Parties

No third party has any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Plan.

### Benefits Not Pensionable

Benefits provided under the Plan shall not be pensionable.

### Severability of Provisions

If any provision in this Plan is for any reason held by any Court or other competent authority of any jurisdiction to be illegal, invalid or unenforceable in whole or in part, the remaining provisions of this Plan shall continue to be valid and, if appropriate, the affected provision and the legality, validity or enforceability of such provision in any other jurisdiction shall be unaffected.

### Data Protection

#### The Company will store and process information about a Participant on their computers and in other ways. By “information about a Participant” the Company means personal information they have obtained from the Participant, the Employer and any other Group companies or other organisations in anticipation of a Participant’s participation in the Plan and during the term of the Plan.

#### The Company will use information about a Participant to manage and administer the Plan, to give the Participant information about the Plan and his Award and to develop and improve their services to the Participant and others and to protect their interests.

#### The Company may give information about a Participant and his participation in the Plan to the following:

##### a Participant’s Employer and its agents or service providers where disclosure is necessary to enable the Company to discharge its duties and obligations in the management and administration of the Plan (including any disclosure of information as may be necessary to enable the Employer to comply with the requirements of any relevant tax, social security or other governmental authority). (For the purposes of this Rule “**Employer**” includes any company or other entity of the Group who may become the Participant’s employer during the term of the Plan and any other company or entity which has a duty to comply with any requirements imposed, any relevant tax, social security or other governmental authority in connection with his participation in the Plan);

##### people who provide a service to the Company or are acting as their agents on the understanding that they will keep the information confidential;

##### anyone to whom the Company transfers or may transfer its rights and duties under the Plan; or

##### where the Company has a duty to do so or if the law allows the Company to do so (including any relevant tax, social security or other governmental authority).

Otherwise the Company will keep information about a Participant confidential.

1. If the Company transfers information about a Participant to a service provider or agent in another country, they will procure that the service provider or agent agrees to apply the same levels of protection as the Company is required to apply in the UK and other EU jurisdictions and to use information about a Participant only for the purpose of providing the service to the Company.

### Governing Law

This Plan shall be construed, administered and governed in all respects under and by the law of England and Wales and the Courts of England and Wales have exclusive jurisdiction to hear any dispute.

# Schedule 1, Cash Awards

The Rules of the Plan shall apply to a Cash Award granted or to be granted under this Schedule as if it was a Conditional Award or an Option over Securities as determined by the Committee, except as set out in this Schedule. References in the Rules of the Plan to Securities shall be read as references to a cash sum where the context so requires. Where there is any conflict between the Rules and this Schedule, the terms of this Schedule shall prevail.

1. The Committee may grant or procure the grant of a Cash Award.
2. The Committee shall determine the form of a Cash Award (Conditional Award or Option) on or before the Grant Date of that Cash Award.
3. Each Cash Award shall relate to a given number of notional Securities.
4. On or as soon as reasonably practicable after the Vesting of a Cash Award structured as a Conditional Award, the holder of that Award shall be entitled to a cash sum which shall be equal to the Cash Value of the notional Vested Securities.
5. A Cash Award structured as an Option shall be exercisable in respect of notional Vested Securities for a period determined by the Committee at the Grant Date in its absolute discretion (being a period of no longer than ten (10) years from the Grant Date) beginning with the date on which the Cash Award Vests (unless it lapses earlier under Rule [5.9.3](#_Cessation_of_Employment) (Cessation of Employment in other Circumstances) or Rule [5.10](#_Takeovers_and_Other) (Takeovers and Other Corporate Events). Following the exercise of a Cash Award structured as an Option, the holder of that Award shall be entitled to a cash sum which shall be equal to the Cash Value of the notional Vested Securities less the Option Price (if any).
6. For the purposes of this Schedule:
   1. the “**Cash Value**” of a notional Security is the Market Value of a Security on the date of Vesting of a Cash Award structured as a Conditional Award and on the date of exercise of a Cash Award structured as an Option; and
   2. the Market Value of a Security on any day shall be determined in accordance with Rule [5.7.3](#_Cash_Equivalent) (*Cash Equivalent*).
7. Any cash sum payable under paragraph (d) or (e) above shall be paid by the Employer as soon as practicable after the Vesting of the Cash Award under paragraph (d) or its exercise under paragraph (e), net of any deductions (on account of any Tax Liabilities) as may be required by law.
8. For the avoidance of doubt, a Cash Award shall not confer any right on the holder of such an Award to receive Securities or any interest in Securities.

# Schedule 2, Deferred Share Bonus Plan

### The Rules of the Plan (including Schedule 1, where applicable) shall apply to a Bonus Award granted or to be granted under this Schedule 2 as if it was an Award or Cash Award, as determined by the Committee, except as set out in this Schedule 2. Where there is any conflict between the Rules and this Schedule 2, the terms of this Schedule 2 shall prevail.

## Definitions and Interpretations

In addition to the definitions set out in Rule 4, each of the following words and expressions shall have the following meanings in this Schedule 2:

|  |  |
| --- | --- |
| “**Bonus**” | means such discretionary bonus as the Committee determines is payable to an Eligible Employee for a Financial Year (but, for the avoidance of doubt, has not yet been paid), (as amended from time to time); |
| “**Bonus Award**” | means an award granted under the DSBP in the form of a Conditional Award, Option, Restricted Share Award or Cash Award; |
| “**Bonus Award Holder**” | means a participant who holds a Bonus Award or, where appropriate, the personal representatives of such a person; |
| “**Bonus Grant Date**” | means the date on which a Bonus Award is granted; |
| "**Bonus Normal Vesting Date**" | means the date on which the Deferred Period comes to an end; |
| “**Bonus Payment Date**” | means the date on which a Bonus to which a Bonus Award relates is paid, or if the Committee sees fit in its absolute discretion, the earlier date on which a Bonus to which a Bonus Award relates is approved to be paid; |
| "**Bonus Vesting Date**" | means the Bonus Normal Vesting Date, or such earlier date on which a Bonus Award or part of a Bonus Award Vests under the DSBP; |
| "**Closing Price**" | means on any date, the amount equal to the closing middle market quotation of a Share as derived from the Official List for the immediately preceding Dealing Day or, if the Committee sees fit in its absolute discretion, the amount equal to an average Closing Price of up to 5 or more consecutive Dealing Days preceding such date (so long as any such Dealing Day is not in a closed period prior to the announcement of the Company's financial results for any period); |
| "**Dealing Day**" | means a day on which the London Stock Exchange is open for the transaction of business; |
| "**Dealing Restriction**" | means a restriction on dealing in Shares imposed by any law, order, regulation, directive or rules (including, but not limited to, the any other regulation, order or requirement imposed by the London Stock Exchange or the FCA, the Market Abuse Regulation and any sector specific regulatory regime applicable to the Company), and/or any internal share dealing code operated by the Company; |
| “**Deferred Period**” | in relation to any Bonus Award, the period of time commencing on the first day following the end of the Financial Year in respect of which the Bonus in question is earned, (or such other period of time as the Committee shall determine on the Bonus Grant Date and shall specify in the certificate evidencing the Bonus Award), which for a Bonus Award granted to an individual who is, on the Bonus Grant Date, an executive director of the Company, shall normally be a minimum of two years; |
| "**DSBP**" | means the Gulf Marine Services PLC Deferred Share Bonus Plan as more particularly set out in this Schedule 2 and as amended from time to time; |
| "**DSBP Rules**" | means the rules of the DSBP as set out in this Schedule 2; |
| “**Financial Year**” | means a financial year of the Company within the meaning of section 390 of the Companies Act 2006; |
| “**Nominee**” | means such nominee as is selected or approved by the Board in its absolute discretion, including (but not limited to) (i) a trustee of an employment benefit trust established for the benefit of employees and former employees of any Member of the Group in its capacity as nominee, (ii) a share plan administrator of a share dealing platform made available by the Company to its employees or (iii) a personal brokerage account or custodian of the Bonus Award Holder; |
| “**Restricted Share Agreement**” | means an agreement in the form approved by the Committee and executed by (where applicable) the Nominee, the Bonus Award Holder and the Company that sets out the terms on which the Nominee holds the Shares on behalf of the Bonus Award Holder during the period that they are restricted. |

## Grant of Bonus Awards

### General

The Committee may from time to time, in its absolute discretion, grant a Bonus Award to such Eligible Employees as it shall, in its absolute discretion, select.

On or before the Bonus Grant Date, the Committee shall determine:

1. whether a Bonus Award shall be a Conditional Award, Option, Restricted Share Award or Cash Award, provided that if the Committee does not specify the type of Award on or before the Bonus Grant Date then a Bonus Award shall be an Option;
2. the duration of the Deferred Period; and
3. the Bonus Normal Vesting Date of a Bonus Award.

### Restricted Share Awards

If a Bonus Award is granted as a Restricted Share Award, the amount of Bonus deferred (net of income tax and employee social security contributions or their overseas equivalents) may be used to either calculate the number of Shares awarded or to fund the purchase of Shares on behalf of the Bonus Award Holder to be held subject to the terms of a Restricted Share Agreement.

The Restricted Share Agreement will provide that the Shares will be registered in the name of a Nominee until the Bonus Normal Vesting Date, except where the Shares Vest early under the DSBP Rules.

### Dividend Equivalent Payments

In the case of Restricted Share Awards, the Committee will decide on or before the Bonus Grant Date whether a holder of a Restricted Share Award will be entitled to receive any final or interim dividends that are declared and paid in relation to the Shares subject to the Bonus Award between the Bonus Grant Date and the Bonus Vesting Date and will not, therefore, accrue Dividend Equivalent Payments (in cash or shares).

The Committee will determine whether such dividends will be paid in cash or will be reinvested in Shares and the Bonus Award Holder will receive further details if this is applicable to them at the time.

To the extent that the dividends are reinvested in Shares, those Shares will become restricted and subject to the same Deferred Period as the Shares subject to the original Bonus Award are. The Committee, acting fairly and reasonably, may decide (at any time up to and including the Bonus Vesting Date) to exclude all or part of a special dividend or dividend in specie from this decision.

## Calculating the Shares subject to a Bonus Award and Limits

### Restricted Share Awards

The maximum number of Shares subject to a Restricted Share Award will be determined by applying the following formula:

**A/B**

Where:

"**A**" is the amount of the Bonus that the Eligible Employee has agreed, or has been required to, defer net of income tax and employee social security contributions or their overseas equivalents (expressed in pence); and

"**B**" is the Closing Price of a Share on the Bonus Payment Date (expressed in pence), or, if later, the Closing Price of a Share on the date on which the Bonus Award is made (expressed in pence).

### Conditional Awards and Options

The maximum number of Shares subject to an Option, Conditional Award and/or the maximum number of notional Shares subject to a Cash Award shall be determined by applying the following formula:

**A/B**

Where:

"**A**" is the amount of the Bonus that the Eligible Employee has agreed, or has been required to, defer gross of income tax and employee social security contributions or their overseas equivalents (expressed in pence); and

"**B**" is the Closing Price of a Share on the Bonus Payment Date (expressed in pence) or if later, the Closing Price of a Share on the date on which the Bonus Award is made (expressed in pence).

### Individual Limits

No Bonus Award shall be granted to an Eligible Employee in respect of any Financial Year if the Bonus Award would result in the aggregate Market Value of all the Shares (calculated on the Bonus Grant Date) comprised in Bonus Awards granted to them in respect of that Financial Year under the DSBP, exceeding 100 per cent. of the Bonus the Eligible Employee has agreed to, or has been required to, defer for that Financial Year.

In determining the limit, no account shall be taken of any increase to the number of Shares subject to a Bonus Award pursuant to Rule 5.7 of the Plan and DSBP Rule 7.2.3(Dividend Equivalent Payments).

## Dealing in Shares subject to Bonus Awards

Holders of Restricted Share Awards will be free to deal in the Shares subject to their Bonus Awards at any time on or following the Bonus Vesting Date (subject to any Dealing Restriction) and the Company shall arrange for any corresponding nominee or custody arrangements to be updated accordingly.

Holders of Restricted Share Awards are prohibited from dealing in the Shares subject to their Bonus Awards during the Deferred Period, save for when any event described in Rule 5.10 of the Plan occurs which gives rise to a change of Control, thereby causing the Deferred Period to end early.

## Leavers and Deceased Participants

### General

Save as otherwise provided in this DSBP Rule 7.5, if a Bonus Award Holder ceases to be an employee or office holder of the Group, all their outstanding Bonus Awards shall continue to subsist in accordance with their original terms (including the original Deferred Periods).

### Deceased Participants

If a Bonus Award Holder ceases to be an employee or office holder of the Group by reason of their death, the Committee may determine (in its absolute discretion) that the Deferred Period in relation to some or all their outstanding Bonus Awards shall come to an end early, and with effect from the date of death.

In the case of Options, where this determination is made, Bonus Awards may be exercised by the personal representatives of the deceased Bonus Award Holder at any time within the period of twelve (12) months from (and including) the date of death (or such longer period as is determined by the Committee), after which they shall lapse for no payment.

### Good Leavers

If a Bonus Award Holder ceases to be an employee or office holder of the Group in any other circumstances that the Committee determines, in its absolute discretion are justified good leaver circumstances, the Committee may also determine (in its absolute discretion) that the Deferred Period in relation to some or all of their outstanding Bonus Awards shall come to an end early, with effect from the date of cessation of employment.

### Bad Leavers

If a Bonus Award Holder ceases to be an employee or office holder of the Group in circumstances of gross misconduct and/or circumstances justifying their summary dismissal (as determined by the Committee in its absolute discretion), they will forfeit all their outstanding Bonus Awards (including, for the avoidance of doubt, Restricted Share Awards) for no payment and with effect from the date of such cessation.

By participating in the DSBP, each Bonus Award Holder irrevocably agrees and authorises the Company to arrange for the transfer of the Bonus Award Holder's Shares to either the Company or as the Company may direct for nil in these circumstances.

## Malus and Clawback

For the avoidance of doubt, Rules 5.4.5 (Malus), 5.4.8 (Further Malus) and 5.5.3 (Clawback) shall apply to Bonus Awards.

## Performance Conditions

Other than with the express written agreement of the Award Holder, no additional Performance Conditions can be applied to a Bonus Award during the Deferred Period.