

Rules of the Saga plc 2023 Deferred Bonus Plan for approval at the Annual General Meeting of Saga plc to be held on 20 June 2023.

The Saga plc 2023 Deferred Bonus Plan

Saga plc

The Saga plc 2023 Deferred Bonus Plan

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Schedule A

Rules of the Saga plc 2023 Deferred Bonus Plan for approval at the Annual General Meeting of Saga plc to be held on 20 June 2023.

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1 Grant of Awards

1.1 Deferral of Bonus and Determination of Award

After the beginning of the performance period to which a Bonus relates but before the amount of the Eligible Employee's Bonus has been determined, the Board shall, in its absolute discretion, determine what percentage (which may be nil) of an Eligible Employee's Bonus will be paid in cash and what percentage (which may be nil) will be delivered in the form of an Award.

The maximum number of Plan Shares subject to an Eligible Employee's Award shall be calculated by dividing the amount of his Bonus to be deferred by the Market Value of a Plan Share on the Award Date. The number of Plan Shares shall be rounded down to the nearest whole Plan Share.

At or as soon as practicable after the end of the performance period to which a Bonus relates, the Board will determine the number of Plan Shares over which the Award shall be made.

Where the Company is required to have in place a Directors' Remuneration Policy, the terms of an Award to be granted to an Eligible Employee who is or was a director of the Company must fall within the scope of the Directors' Remuneration Policy most recently approved by the Company in a general meeting. Such terms may include by way of example but without limitation the proportion of any Bonus which shall be delivered in the form of an Award.

1.2 Procedure for grant of Awards and Grant Date

The Grantor shall grant an Award by passing a resolution. The Grant Date shall be the date on which the Grantor passes the resolution or such later date as specified in the resolution and allowed by Rule 1.4. The grant of an Award shall be evidenced by a deed executed by or on behalf of the Company. An Award Certificate shall be issued to each Award Holder as soon as reasonably practicable following the grant of the Award.

The Grantor may require an individual who is (or is to be) granted an Award to confirm his acceptance of the Rules and the terms of any Award granted to him by a specified date. Such confirmation will be in a form set by the Grantor (which may require the individual to execute a document). The Grantor may provide that the Award will lapse (and as a result be treated as never having been granted) if the confirmation of acceptance is not provided by the specified date.

1.3 Contents of Award Certificate

An Award Certificate shall state:

1. whether the Award comprises an Option, a Conditional Share Award or an award of Restricted Shares;
2. the Grant Date;
3. the number of Plan Shares subject to the Award;
4. the Award Price (if any);
5. the date or dates on which the Award will Vest, which shall not normally be earlier than three years after the Grant Date;
6. whether or not any dividend equivalents will be payable under Rule 7.9;
7. in the case of an Option, the Exercise Period;
8. any Holding Period; and
9. any further conditions of the Award.

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1.4 When Awards may be granted

Subject to Rule 1.5, the Grantor may grant Awards only during the 42 days beginning on:

- the date of shareholder approval of the Plan;
- the day after the announcement of the Company's results, including a preliminary announcement, for any period through a Regulatory Information Service;
- any day on which the Board determines that circumstances are sufficiently exceptional to justify the making of the Award at that time; or
- the day after the lifting of any Dealing Restrictions which prevented the granting of Awards during any of the times described above.

1.5 When Awards may not be granted

Awards may not be granted:

- when prevented by any Dealing Restrictions; or
- after the 10th anniversary of shareholder approval of the Plan.

1.6 Who can be granted Awards

1. Subject to paragraph 2 below, an Award may not be granted to an individual who is not an Eligible Employee at the Grant Date. Unless the Board decides otherwise, an Award will not be granted to an Eligible Employee who on or before the Grant Date has given or received notice of termination of employment.
2. The Board may at its absolute discretion grant an Award to an individual who was an employee of a Group Member during the Financial Year to which the Award relates and to whom the Board has determined to make a Bonus.

1.7 Right to refuse Awards

An Award Holder may by notice in writing to the Company within 30 days after the Grant Date say he does not want it in whole or part. In such a case, the Award shall to that extent be treated as never having been granted. No payment is required from the Award Holder or the Company.

1.8 Awards non-transferable

An Award shall be personal to the Award Holder and, except:

- in the case of the death of an Award Holder or
- where the Company has permitted the Award to be held by a trustee on behalf of the Award Holder (in which case the trustee will be able to transfer the benefit of the Award to the Award Holder)

an Award shall not be capable of being transferred, charged or otherwise alienated and shall lapse immediately if the Award Holder purports to transfer, charge or otherwise alienate the Award.

1.9 Awards of Restricted Shares

This Rule 1.9 sets out specific provisions in relation to an Award of Restricted Shares.

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- An Award Holder who is granted an Award of Restricted Shares must enter into an agreement with the Company providing that to the extent the Award lapses, the Plan Shares are forfeit and the Plan Shares will immediately be transferred for no (or nominal) consideration to any person specified by the Grantor. The Restricted Share Agreement will also provide that except for transfer on death of the Award Holder to his personal representatives, or to the extent agreed by the Grantor (and subject to such conditions as it may decide) the Award Holder will not transfer or assign the Plan Shares subject to his Award.
- The Award Holder will sign any document (including a blank stock transfer form) requested by the Grantor. The Grantor may provide that the Award will lapse if the documents are not signed within any specified period.
- As soon as practicable after the Grant Date of an Award of Restricted Shares the Grantor will procure that the relevant number of Restricted Shares are transferred (including out of treasury or otherwise) to the Award Holder or another person to be held for the benefit of the Award Holder.
- Except to the extent set out in the Restricted Share Agreement, the Award Holder shall have all the rights in respect of Restricted Shares from the date of transfer until the date the Restricted Share Award lapses.

2 Plan Limits

2.1 General

The aggregate number of Plan Shares over which Awards may be granted shall be limited as set out in this Rule 2. In the event of any conflict between the limits in this Rule 2, the lower limit shall prevail.

2.2 10 per cent in 10 years

An Award may not be granted if the result of granting the Award would be that the aggregate number of Plan Shares issued or committed to be issued in the preceding 10 year period under

- Awards under the Plan; or
- options or awards granted under any other Employees' Share Scheme (whether or not discretionary) operated by the Group

would exceed 10 per cent of the Company's issued ordinary share capital at that time.

2.3 5 per cent in 10 years

An Award may not be granted if the result of granting the Award would be that the aggregate number of Plan Shares issued or committed to be issued in the preceding 10 year period under

- Awards under the Plan; or
- options or awards granted under any other discretionary Employees' Share Scheme adopted by the Group

would exceed 5 per cent of the Company's issued ordinary share capital at that time.

2.4 Calculation

For the purpose of the limits contained in this Rule 2:

- for as long as required by The Investment Association guidelines treasury shares shall be included in the limit as if they were new issue shares;

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- there shall be disregarded any Plan Shares where the right to acquire the Plan Shares has lapsed or been renounced;
- there shall be disregarded any Plan Shares which the Trustees have purchased, or determined that they will purchase, in order to satisfy an Award or the exercise of an option or the vesting of other rights of an employee under any other Employees' Share Scheme operated by the Group;
- any Plan Shares issued in relation to an Award, or on the exercise of an option or the vesting of other rights of an employee under the Plan or any other Employees' Share Scheme operated by the Group, shall be taken into account once only (when the Award is granted or the option is granted or the right awarded) and shall not fall out of account when the Award Vests, the option is exercised or other rights vest; and
- there shall be disregarded any Plan Shares subject to an option or other rights of an employee under an Employees' Share Scheme which were granted before the Flotation Date or in the 42 days beginning on the Flotation Date.

2.5 *Scaling down*

If the granting of an Award would cause the limits in this Rule 2 to be exceeded, such Award shall take effect as an Award over the maximum number of Plan Shares which does not cause the limit to be exceeded. If more than one Award is granted on the same Grant Date, the number of Plan Shares which would otherwise be subject to each Award shall be reduced pro rata.

3 *Individual Limit*

3.1 *Limit*

An Award must not be granted to an Eligible Employee if the result of granting the Award would be that, at the proposed Grant Date, the Market Value of the Plan Shares (as at the Grant Date) subject to the Award granted to him in the Financial Year, would exceed 50% of his Bonus.

3.2 *Scaling down*

If the granting of an Award would cause the limit in Rule 3.1 to be exceeded, such Award shall take effect as an Award over the maximum number of Plan Shares which does not cause the limit to be exceeded.

4 *Award Price*

The Award Price shall be determined by the Board and may be any price.

Where the Grantor has determined that an Award will be satisfied by the issue of new shares and the Award Price is less than the nominal value of a Plan Share, the Company will ensure that at the time of the issue of the Plan Shares arrangements are in place to pay up the nominal value of the relevant Plan Shares.

5 *Conditions*

5.1 *Setting of conditions*

The Vesting of an Award and the extent to which it Vests will be subject to the satisfaction of any conditions set by the Grantor.

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5.2 *Nature of conditions*

Any condition imposed under Rule 5.1 shall be:

- objective; and
- set out in, or attached in the form of a schedule to, the Award Certificate.

5.3 *Substitution, variation or waiver of conditions*

If an event occurs which causes the Grantor to consider that any condition imposed under Rule 5.1 subject to which an Award has been granted is no longer appropriate, the Grantor may substitute, vary or waive the condition in such manner (and make such consequential amendments to the Rules) as:

- is reasonable in the circumstances; and
- except in the case of waiver produces a fairer result and is not materially less difficult to satisfy.

The Award shall then take effect subject to the condition as substituted, varied or waived.

5.4 *Notification of Award Holders*

The Grantor shall, as soon as practicable, notify each Award Holder concerned of any determination made by it under this Rule 5.

6 *Reduction of Awards*

6.1 *Malus*

Notwithstanding any other provision of the Rules, the Grantor may, at the time of Vesting of an Award (or, in the case of an Option, exercise of the Option) or at any time before, cancel or reduce the number of Plan Shares subject to an Award in whole or in part (including, for the avoidance of doubt, to nil) or impose additional conditions in the following circumstances:

- discovery of a material misstatement resulting in an adjustment in the audited consolidated accounts of the Company or the audited accounts of any Group Member; and/or
- the assessment of any performance target or condition in respect of an Award was based on error, or inaccurate or misleading information; and/or
- the discovery that any information used to determine the Bonus and/or the number of Plan Shares subject to an Award was based on error, or inaccurate or misleading information; and/or
- action or conduct of an Award Holder or Award Holders which, in the reasonable opinion of the Board, amounts to fraud or gross misconduct; and/or
- events or behaviour of an Award Holder or Award Holders have led to the censure of a Group Member by a regulatory authority or have had a significant detrimental impact on the reputation of any Group Member provided that the Board is satisfied that the relevant Award Holder or Award Holders were responsible for the censure or reputational damage and that the censure or reputational damage is attributable to him or them; and/or
- a material failure of risk management of the Company, a Group Member or a business unit of the Group; and/or
- the Company or any Group Member(s) or business(es) of the Group becomes insolvent or otherwise suffers a corporate failure so that the value of ordinary shares of the Company is materially reduced provided that the Board determines following an appropriate review of

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accountability that the Award Holder should be held responsible (in whole or in part) for that insolvency or failure.

In determining any reduction which should be applied under this Rule 6, the Board shall act fairly and reasonably but its decision shall be final and binding.

For the avoidance of doubt, any reduction under this Rule 6 may be applied on an individual basis as determined by the Board. Whenever a reduction is made under this Rule 6.1, the relevant Award shall be treated to that extent as having lapsed.

6.2 Clawback: Trigger Events

In this Rule 6, a “Trigger Event” means:

- discovery of a material misstatement resulting in an adjustment in the audited consolidated accounts of the Company or the audited accounts of any Group Member; and/or
- the assessment of any performance target or condition in respect of an Award was based on error, or inaccurate or misleading information; and/or
- the discovery that any information used to determine the number of Plan Shares subject to an Award was based on error, or inaccurate or misleading information; and/or
- action or conduct of an Award Holder or Award Holders which, in the reasonable opinion of the Board, amounts to fraud or gross misconduct; and/or
- events or behaviour of an Award Holder or Award Holders have led to the censure of a Group Member by a regulatory authority or have had a significant detrimental impact on the reputation of any Group Member provided that the Board is satisfied that the relevant Award Holder or Award Holders were responsible for the censure or reputational damage and that the censure or reputational damage is attributable to him or them; and/or
- a material failure of risk management of the Company, a Group Member or a business unit of the Group; and/or
- the Company or any Group Member(s) or business(es) of the Group becomes insolvent or otherwise suffers a corporate failure so that the value of ordinary shares of the Company is materially reduced provided that the Board determines following an appropriate review of accountability that the Award Holder should be held responsible (in whole or in part) for that insolvency or failure.

6.3 Application

Notwithstanding any other provision of the Rules, if at any time during the period of three years following the determination by the Board of the Bonus to which the Award relates a Trigger Event occurs, then:

1. Rules 6.4 to 6.8 and 6.10 shall apply; and
2. where the Award takes the form of an Option and the Award Holder has not exercised such Option, Rule 6.9 shall also apply.

If an investigation into the conduct or actions of any Eligible Employee or any Group Member has started before the third anniversary of the date on which the determination of the Bonus was made, the Board may, in its absolute discretion, determine that the provisions of Rules 6.3 to 6.9 may be applied to an Award until such later date as the Board may determine to allow that investigation to be completed.

6.4 Clawback methods

Where Rule 6.3 applies, the Board may in its absolute discretion require the relevant Award Holder to:

1. transfer to the Company (or, if required by the Company, any other person specified by the Company) all or some of the Plan Shares acquired by the Award Holder (or his nominee)

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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. 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 Plan Shares at a price which the Board 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 Board) at the time of disposal of all or some of the Plan Shares 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. 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 Award Holder; and/or
4. 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 Plan Shares referred to in paragraph 1 above (including but not limited to any special dividend or additional or replacement shares) on such terms as the Board may reasonably direct.

In determining the number of Plan Shares which the Board requires to be transferred or the amount which it requires to be paid under this Rule 6.4, the Board may at its absolute discretion take into account any tax and social security contributions actually paid (or due to be paid) by the Award Holder in respect of the acquisition of the Plan Shares and/or payment of cash in respect of an Award. If the Board so exercises its discretion, Rule 6.5 shall also apply.

6.5 Award Holder's obligation to recover tax

In addition to the obligation of the Award Holder as described above, the Board may require that the Award Holder shall use his best endeavours to seek and obtain repayment or credit from HMRC or any relevant overseas tax authority of the tax and social security contributions paid on the Award Holder's behalf in relation to the Award as soon as reasonably practicable and to notify the Company of such claim and/or receipt of any credit or payment by HMRC (or any relevant overseas tax authority) in this regard. Following such notification the Company will be entitled to require the Award Holder to make a payment to it within 30 days of an amount equivalent to the amount of any payment or credit received from HMRC (or any relevant overseas tax authority).

6.6 Authorisation of deductions

By accepting the grant of an Award, the Award Holder authorises the Company or such other Group Member as may be the employer of the Award Holder to make deductions from any payment owing to him including but not limited to salary, bonus, holiday pay or otherwise in respect of any sum which would otherwise be payable by the Award Holder under this Rule 6.

6.7 Timing of transfers, payments and repayments

Any transfers, payments or repayments to be made by the Award Holder under this Rule 6 shall be made within 30 days of the date the Award Holder is notified in writing of the transfer required or the amount due, as appropriate.

6.8 Additional methods of effecting clawback

In addition to or in substitution for the actions described above that the Board may take under Rule 6.4 (the "**Actions**"), the Board may:

1. reduce the amount (including, for the avoidance of doubt, to nil) of any future bonus payable to the Award Holder; and/or
2. determine that the number of Plan Shares over which an award or right to acquire Plan Shares that may otherwise be granted to the Award Holder under any Employees' Share Scheme operated by any Group Member (other than any tax-advantaged employee share plan that

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- complies with the requirements of Schedules 2 or 3 of ITEPA 2003) shall be reduced by such number as the Board may determine (including for the avoidance of doubt to nil); and/or
3. reduce the number of Plan Shares (including, for the avoidance of doubt, to nil) subject to any award or right to acquire Plan Shares which has been granted to the Award Holder under any Employees' Share Scheme operated by any Group Member (other than any tax-advantaged employee share plan that complies with the requirements of Schedules 2 to 4 of ITEPA 2003) before the date on which the relevant award or right vests or becomes exercisable by such number as the Board may determine; and/or
 4. reduce the number of Plan Shares (including, for the avoidance of doubt, to nil) subject to any option to acquire Plan Shares which has been granted to the Award Holder under any Employees' Share Scheme operated by any Group Member (other than any tax-advantaged employee share plan that complies with the requirements of Schedules 2 to 4 of ITEPA 2003) which has vested but not yet been exercised by such number as the Board may determine,

provided that the total amount represented by:

- a. reductions under this Rule 6.8;
- b. reductions under Rule 6.9; and
- c. the amount represented by any transfer and any amount or value payable under Rule 6.4,

shall not, in the Board's reasonable opinion, exceed the amount represented by any transfer and any amount or value which would have been due if the Board had only carried out the Actions.

6.9 Reduction of unexercised Option

Where Rule 6.3 applies and the Award takes the form of an Option which the Award Holder has not exercised in full, the Board may in its absolute discretion reduce the number of Plan Shares which remain subject to such Option (including, for the avoidance of doubt, to nil). In addition to or in substitution for reducing such Option, the Board may take any of the actions set out in Rules 6.8.1 to 6.8.4 provided that the total amount represented by reductions under Rules 6.8.1 to 6.8.4 and any reduction of the Option under this Rule 6.9 shall not, in the Board's reasonable opinion, exceed the amount which would have been represented by the reduction of the Option only.

6.10 General provisions

In carrying out any action under Rules 6.2 to 6.11, the Board shall act fairly and reasonably but its decision shall be final and binding.

For the avoidance of doubt, any action carried out under this Rule 6.10 may be applied on an individual basis as determined by the Board. Whenever a reduction of an award, right to acquire Plan Shares or option is made under Rules 6.2 to 6.11, the relevant award, right to acquire Plan Shares or option shall be treated to that extent as having lapsed.

6.11 Interaction with other plans

The Board may determine at any time to reduce the number of Plan Shares subject to an Award (including, for the avoidance of doubt, to nil) either:

1. to give effect to one or more provisions of any form which are equivalent to those in Rules 6.2 to 6.9 ("**Clawback Provisions**") contained in any Employees' Share Scheme operated by any Group Member (other than the Plan) or any bonus plan operated by any Group Member; or
2. as an alternative to giving effect to any such Clawback Provisions.

The value of any reduction under Rule 6.11.1 shall be determined in accordance with the terms of the relevant Clawback Provisions in the relevant Employees' Share Scheme or bonus plan as interpreted by the Board in its absolute discretion.

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The value of any reduction under Rule 6.11.2 shall be determined as if the terms of the relevant Clawback Provisions in the relevant Employees' Share Scheme or bonus plan applied as interpreted by the Board in its absolute discretion.

7 Vesting of Awards (and Exercise of Options)

7.1 Earliest date for Vesting of Awards

Subject to Rules 5, 9 and 10, an Award will Vest on the latest of:

- the relevant date specified in the Award Certificate under Rule 1.4; and
- the date on which the Board determines that any condition imposed under Rule 5.1 has been satisfied.

The Grantor may determine that Vesting of the Award shall be delayed until any relevant investigation or other procedure relevant to an event falling within the scope of Rule 6 has been completed.

7.2 Effect of Award Vesting

Subject to the Rules, the effect of an Award Vesting shall be:

- in the case of an Option, that the Award Holder is entitled to exercise the Option at any time during the Exercise Period to the extent that it has Vested;
- in the case of a Conditional Share Award, that the Award Holder shall become entitled to the Plan Shares to the extent that the Award has Vested; and
- in the case of an Award of Restricted Shares, the restrictions set out in the Restricted Share Agreement shall cease to apply to the extent that the Award has Vested.

7.3 No Vesting or Exercise while Dealing Restrictions apply

Where the Vesting of an Award is prevented by any Dealing Restriction, the Vesting of that Award shall be delayed until the Dealing Restriction no longer prevents it. Plan Shares may not be issued or transferred to an Award Holder (nor, in the case of an Option, may the Option be exercised) while Dealing Restrictions apply.

Where the Company is required to have in place a Directors' Remuneration Policy:

1. the Vesting of an Award held by an Award Holder who is or was a director of the Company;
2. the delivery of Plan Shares or payment of cash pursuant to the Vesting of an Award held by an Award Holder who is or was a director of the Company; and
3. the case of an Option held by an Award Holder who is or was a director of the Company, the exercise of the Option

must where relevant fall within the scope of the Directors' Remuneration Policy most recently approved by the Company in a general meeting prior to the relevant event in paragraphs 1 to 3 above.

7.4 Effect of Cessation of Relevant Employment

Subject to Rule 9, an Award shall Vest and an Option may be exercised only while the Award Holder is in Relevant Employment and if an Award Holder ceases to be in Relevant Employment, any Award granted to him shall lapse on cessation. This Rule 7.4 shall apply where the Award Holder ceases to

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be in Relevant Employment in any circumstances (including, in particular, but not by way of limitation, where the Award Holder is dismissed unfairly, wrongfully, in breach of contract or otherwise).

Unless the Board otherwise determines, an Award Holder who has given or received notice of termination of Relevant Employment (whether or not lawful) may exercise an Option during any period when the notice is effective.

An Award granted to an Award Holder who has given or received notice of termination of Relevant Employment (whether or not lawful) shall not Vest during this period. If an Award would otherwise have Vested during this period, and the notice is withdrawn by the relevant party, subject to Rule 7.3 the Award will Vest when the notice is withdrawn.

7.5 Options may be exercised in whole or in part

Subject to Rules 7.3, 7.4 and 14, a Vested Option may be exercised in whole or in part at any time. If exercised in part, the unexercised part of the Option shall not lapse as a result and shall remain exercisable until such time as it lapses in accordance with the Rules.

7.6 Procedure for exercise of Options

- An Option shall be exercised by the Award Holder delivering to the Grantor a duly completed notice of exercise in the form from time to time prescribed by the Company, specifying the number of Plan Shares in respect of which the Option is being exercised, and either accompanied by the Award Price (if any) in full or confirmation of arrangements satisfactory to the Grantor for the payment of the Award Price, together with any payment and/or documentation required under Rule 14 and, if required, the Award Certificate.
- For the avoidance of doubt, the date of exercise of an Option shall be the date of the receipt of the notice of exercise and compliance with the first paragraph of this Rule 7.6.
- To the extent that a Vested Option remains unexercised on the last day of the Exercise Period, the Company will, subject to the conditions set out below being satisfied, be deemed to have received a valid notice of exercise for such Option with a direction to sell a sufficient number of Plan Shares arising on the exercise of the Option to fund the Award Price. The condition referred to is that $A - B$ is greater than C , calculated as follows: A equals the expected sale proceeds of the Plan Shares resulting from the exercise of the Option; B equals any costs of any sale; and C equals the Award Price. An Award Holder may give notice (in a form determined by the Board) that this paragraph is not to apply in respect of an Option.

7.7 Issue or transfer of Plan Shares

Subject to Rules 7.3, 7.8 and 14 and to any necessary consents and to compliance by the Award Holder with the Rules, the Grantor shall, as soon as reasonably practicable and in any event not later than 30 days after:

- the exercise date, in the case of an Option, arrange for the issue or transfer to the Award Holder (or a nominee specified or permitted by the Company) of the number of Plan Shares specified in the notice of exercise together with, in the case of the partial exercise of an Option, an Award Certificate in respect of, or the original Award Certificate endorsed to show, the unexercised part of the Option; and
- the Vesting of an Award, in the case of a Conditional Share Award, arrange for the issue or transfer to the Award Holder (or a nominee specified or permitted by the Company) of the number of Plan Shares in respect of which the Award has Vested.

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7.8 Net or Cash Settling

Subject to Rule 14, the Grantor may on exercise of an Option:

- make a cash payment to the Award Holder equal to the Gain on the date of exercise of the Option; or
- arrange for the transfer or issue to the Award Holder of Plan Shares with a Market Value equal to the Gain on the date of exercise of the Option (rounded down to the nearest whole Plan Share). The Award Holder shall not be required to make payment for these Plan Shares.

Subject to Rule 14, the Grantor may on the Vesting of a Conditional Award make a cash payment to the Award Holder equal to the Market Value of the Plan Shares in respect of which the Conditional Share Award has Vested.

Where the Grantor settles an Award in the manner described in this Rule 7.8, this shall be in full and final satisfaction of the Award Holder's rights under the Award.

7.9 Dividend Equivalents

An Award (except an Award of Restricted Shares where the right to dividends has not been waived) may include the right to receive an amount in Plan Shares or cash on Vesting equal in value to the dividends which were payable on the number of Plan Shares in respect of which the Award has Vested during the period between the Grant Date and the date of Vesting (or in the case of an Option the number of Plan Shares subject to the Option shall be increased by the relevant value in Plan Shares at the date of Vesting). The payment shall not include any associated tax credit.

The Grantor may decide at any time not to apply this Rule 7.9 to all or any part of a special dividend or dividend in specie.

7.10 US Taxpayers

This Rule 7.10 shall apply to US Taxpayers.

Notwithstanding anything to the contrary contained in the Plan:

- No Option may be exercised later than 2.5 calendar months after the end of the Taxable Year in which the Option first becomes no longer subject to a substantial risk of forfeiture (as that term is defined for purposes of section 409A of the US Internal Revenue Code), provided that the Option shall lapse on the date it would have lapsed had this rule not applied. The Rules of the Plan shall be interpreted accordingly.
- A Conditional Share Award shall be settled as soon as practicable upon Vesting and in no event later than 2.5 calendar months after the end of the Taxable Year in which the Conditional Share Award is no longer subject to a substantial risk of forfeiture (as that term is defined for purposes of section 409A of the US Internal Revenue Code).
- Any dividend equivalents must be paid within 2.5 calendar months after the end of the Taxable Year in which the underlying Award is no longer subject to a substantial risk of forfeiture (as that term is defined for purposes of section 409A of the US Internal Revenue Code).

For the purposes of this Rule 7.10, "**Taxable Year**" means the 12 month period in respect of which the Award Holder is obliged to pay US tax or, if it would result in a longer exercise period, the 12 month period in respect of which the Award Holder's employing company is obliged to pay tax. "**US Taxpayer**" means a person who is subject to taxation under the tax rules of the United States of America which does not include an Award Holder who is a non-resident alien throughout the period of participation in the Plan and who has no US workdays during such participation.

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Awards under the Plan are intended to be exempt from the requirements of section 409A of the US Internal Revenue Code and shall be construed and operated in accordance with that intent.

8 *Holding Period*

8.1 *Application*

This Rule 8 applies to the extent that Plan Shares acquired on Vesting of an Award (or exercise of an Option) are subject to a Holding Period.

8.2 *Commencement of Holding Period*

The Holding Period will begin on the date on which an Award Vests and will apply in relation to the Award to the extent determined by the Board at the Grant Date in accordance with Rule 1 and specified in the Award Certificate.

8.3 *Issue or transfer to Holder*

Instead of arranging for the issue or transfer of the Holding Period Shares to the Award Holder on Vesting or exercise under Rule 7.7, the Board will arrange for the Holding Period Shares to be issued or transferred to a trustee or nominee (the “**Holder**”), as designated by the Board, to be held for the benefit of the Award Holder. Any balance of the Plan Shares in respect of which an Award Vests or is exercised will be issued or transferred as described in Rule 7.7.

If the Award took the form of Restricted Shares, the Holding Period Shares will be transferred to (or continue to be held by) the Holder on the terms of this Rule 8 and the Restricted Share Agreement will cease to apply.

8.4 *No transfer during Holding Period*

The Award Holder may not transfer, assign or otherwise dispose of any of the Holding Period Shares or any interest in them (or instruct the Holder to do so) during the Holding Period except in the case of the sale of sufficient entitlements nil-paid in relation to a Share to take up the balance of the entitlements under a rights issue.

For the avoidance of doubt, the Recipient may sell sufficient Holding Period Shares to satisfy any liability to tax or employee social security contributions arising in relation to the vesting of his Award or exercise of his Options.

8.5 *Shareholder rights during Holding Period*

Unless the Board decides otherwise, the restrictions in this Rule 8 will apply to any cash or assets (other than ordinary dividends) received in respect of the Holding Period Shares and they will be held by the Holder until the end of the Holding Period.

Unless the Board decides otherwise, during the Holding Period, the Recipient will be entitled to receive dividends in respect of the Holding Period Shares. In any event, during the Holding Period, the Recipient will be entitled to vote and have all other rights of a shareholder in respect of the Holding Period Shares.

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8.6 *Ceasing Relevant Employment during the Holding Period*

Ceasing Relevant Employment during the Holding Period will have no impact on the provisions of this Rule 8, save where cessation is by reason of death in which case the Holding Period shall immediately be deemed to have ended.

8.7 *Clawback*

For the avoidance of doubt, Rule 6.2 shall apply to the Holding Period Shares in the same way that it applies to Shares acquired by an Award Holder following Vesting of an Award which are not Holding Period Shares.

8.8 *End of Holding Period*

Subject to the provisions of this Rule 8, the Holding Period will end on the earliest of the following:

- the date set under Rule 1;
- 2 years from the date the Award Vests;
- the relevant date on which an Award would have Vested under Rules 10.1 to 10.4;
- if the Board so allows, the circumstances in which any event described in Rule 10.5 would apply; and
- any other circumstances in the absolute discretion of the Board.

9 *Vesting of Awards (and Exercise of Options) in Special Circumstances*

9.1 *Death*

Notwithstanding Rule 7.1, if an Award Holder dies, a proportion of his Awards shall Vest immediately. The proportion of the Awards which shall Vest will be determined by the Board in its absolute discretion taking into account such factors as the Board may consider relevant including, but not limited to, any condition imposed under Rule 5.1.

Unless the Board in its absolute discretion decides otherwise, the number of Plan Shares which Vest will be reduced pro rata to reflect the number of whole months from the Grant Date until the date of cessation of employment as a proportion of the original Vesting period.

In the case of Options, if an Award Holder dies, his personal representatives shall be entitled to exercise the Vested proportion of his Options at any time during the 12 month period following his death. If not so exercised, the Option shall lapse at the end of such period.

9.2 *Injury, disability, redundancy, retirement etc*

Notwithstanding Rule 7.1 if an Award Holder ceases to be in Relevant Employment by reason of:

- injury, ill-health or disability;
- redundancy within the meaning of the Employment Rights Act 1996;

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- retirement by agreement with the company by which he is employed;
- the Award Holder being employed by a company which ceases to be a Group Member;
- the Award Holder being employed in an undertaking or part of an undertaking which is transferred to a person who is not a Group Member; or
- any other circumstances if the Board decides in any particular case

the Award will continue until the normal time of Vesting and with any condition imposed under Rule 5.1 considered at the time of Vesting unless the Board at its absolute discretion decides that the Plan Shares under the Award will Vest (to the extent set out below) on the date of cessation of employment.

In either case the number of the Award Holder's Plan Shares which shall Vest shall be determined on the following basis:

- unless the Board in its absolute discretion decides otherwise, taking into account any applicable condition imposed under Rule 5.1; and
- unless the Board in its absolute discretion decides otherwise, the number of Plan Shares which Vest will be reduced pro rata to reflect the number of whole months from the Grant Date until the date of cessation of employment as a proportion of the original Vesting period.

In the case of Options, the Award Holder shall be entitled to exercise the Vested proportion of his Options at any time during the period ending 6 months after the normal time of Vesting or during such other longer period as the Board determines. If not so exercised, the Option shall lapse at the end of such period.

9.3 *Award Holder relocated abroad*

Notwithstanding Rule 7.1 if it is proposed that an Award Holder, while continuing to be in Relevant Employment, should work in a country other than the country in which he is currently working and, by reason of the change, the Award Holder would:

- suffer less favourable tax treatment in respect of his Awards; or
- become subject to a restriction on his ability to exercise an Option, to have issued or transferred to him the Plan Shares subject to an Award or to hold or deal in such Plan Shares or the proceeds of sale of such Plan Shares

his Awards may, at the discretion of the Grantor, Vest immediately either in full or to the extent determined by the Board in its absolute discretion taking into account such factors as the Board may consider relevant including, but not limited to, the time the Award has been held by the Award Holder and having regard to any condition imposed under Rule 5.1. Where the Award is an Option, the Award Holder may exercise his Vested Option at any time during the period beginning three months before the proposed date of his transfer and ending three months after the date of his actual transfer. If not so exercised, the Option shall not lapse but shall cease to be treated as having Vested and shall continue in force in accordance with the Rules of the Plan.

9.4 *Meaning of ceasing to be in Relevant Employment*

For the purposes of the Plan, an Award Holder shall not be treated as ceasing to be in Relevant Employment until he no longer holds any office or employment with any Group Member. In addition, an Award Holder shall not be treated as so ceasing if within 7 days he recommences employment or becomes an office holder with any Group Member. Unless the Board determines otherwise an Award Holder will be treated as ceasing to be in Relevant Employment when he gives or receives notice of termination of his employment.

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9.5 *Interaction of Rules*

In the case of an Option:

- If the Option has become exercisable under Rule 9.2 and, during the period allowed for the exercise of the Option under Rule 9.2 the Award Holder dies, the period allowed for the exercise of the Option shall be the period allowed by Rule 9.1;
- If the Option has become exercisable under Rule 9 and, during the period allowed for the exercise of the Option under Rule 9, the Option becomes exercisable under Rule 10 also (or vice versa), the period allowed for the exercise of the Option shall be the shorter of the period allowed by Rule 9 and the period allowed by Rule 10.

10 *Takeover, Scheme of Arrangement or Winding-up of Company*

10.1 *Takeover*

Subject to Rule 11, where a person obtains Control of the Company as a result of making an offer to acquire Plan Shares, Awards shall Vest on the date the person obtains Control as set out below.

The proportion of the Awards which shall Vest will be determined by the Board in its absolute discretion taking into account such factors as the Board may consider relevant including, but not limited to, the time the Award has been held by the Award Holder and having regard to any condition imposed under Rule 5.1.

In the case of Options, the Vested proportion of the Options (whether Vested under this Rule 10.1 or otherwise) may be exercised at any time during the period of 6 months (or, if the Board determines a longer period shall apply, that period) beginning with the time when the person making the offer has obtained Control. If not so exercised, the Options shall lapse at the end of such period unless the Board determines otherwise, in which case the Options shall continue in force until such time as they lapse in accordance with the Rules.

10.2 *Compulsory acquisition of Company*

Subject to Rule 11, if a person becomes entitled or bound to acquire shares in the Company under section 979 of the Companies Act 2006, a proportion of the Awards shall Vest as set out below.

The proportion of the Awards which shall Vest will be determined by the Board in its absolute discretion taking into account such factors as the Board may consider relevant including, but not limited to, the time the Award has been held by the Award Holder and having regard to any condition imposed under Rule 5.1.

In the case of Options, the Vested proportion of the Options (whether Vested under this Rule 10.2 or otherwise) may be exercised at any time during the period beginning with the date the person serves a notice under section 979 and ending seven clear days before the date on which the person ceases to be entitled to serve such a notice. If not so exercised, the Options shall lapse at the end of the seven days.

10.3 *Scheme of Arrangement of Company*

Subject to Rule 11, if a person proposes to obtain Control of the Company in pursuance of a compromise or arrangement sanctioned by the court under section 899 of the Companies Act 2006 Awards will Vest on the date of the court sanction as set out below.

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The proportion of the Awards which shall Vest will be determined by the Board in its absolute discretion taking into account such factors as the Board may consider relevant including, but not limited to, the time the Award has been held by the Award Holder and having regard to any condition imposed under Rule 5.1.

A Vested Option may be exercised at any time during the period of 6 months from the compromise or arrangement being sanctioned by the court and if not exercised within that period it shall lapse.

10.4 *Winding-up of Company*

Subject to Rule 11, if notice is given of a resolution for the voluntary winding-up of the Company Awards will Vest on the date notice is given.

The proportion of the Awards which shall Vest will be determined by the Board in its absolute discretion taking into account such factors as the Board may consider relevant including, but not limited to, the time the Award has been held by the Award Holder and having regard to any condition imposed under Rule 5.1.

A Vested Option may be exercised at any time during the period of 6 months from the date of the notice and if not exercised within that period it shall lapse.

10.5 *Demergers and Other Events*

Subject to Rule 11, the Board may determine that Awards Vest if it becomes aware that the Company will be affected by a demerger, distribution (which is not an ordinary dividend) or other transaction not otherwise covered by the Rules.

The proportion of the Awards which shall Vest will be determined by the Board in its absolute discretion taking into account such factors as the Board may consider relevant including, but not limited to, the time the Award has been held by the Award Holder and having regard to any condition imposed under Rule 5.1.

A Vested Option may be exercised at any time during the period determined by the Board and if not exercised within that period it shall lapse.

10.6 *Meaning of “obtains Control of the Company” and “Board”*

For the purpose of Rule 10 a person shall be deemed to have obtained Control of the Company if he and others Acting In Concert with him have together obtained Control of it.

For the purposes of this Rule 10, any reference to the Board shall be taken to be a reference to those individuals who were members of the Board immediately before the event by virtue of which this Rule 10 applies.

10.7 *Notification of Award Holders*

The Board shall, as soon as reasonably practicable, notify each Award Holder of the occurrence of any of the events referred to in this Rule 10 and explain how this affects their position under the Plan.

10.8 *Vesting of Awards and corporation tax deduction*

Where the Board is aware that an event is likely to occur under Rule 10

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- in respect of which Awards will Vest in circumstances where the conditions for relief under Part 12 of the Corporation Tax Act 2009 may not be satisfied, or
- if the Board in its absolute discretion considers it appropriate

the Board may determine that the Awards Vest, in accordance with Rule 10, immediately prior to the event taking place.

11 Exchange of Awards

11.1 Reorganisation or merger

Where an event occurs under Rules 10.1, 10.2, or 10.3 and:

- the shareholders of the acquiring company, immediately after it has obtained Control, are substantially the same as the shareholders of the Company immediately before the event; or
- the obtaining of Control amounts to a merger with the Company, and
- the Board and the acquiring company so agree,

Options will not Vest. Instead Rule 11.2 will apply.

11.2 Where Exchange applies

An Award will not Vest under Rule 10 but will be exchanged for a new award ("**New Award**") under this Rule to the extent that:

- an offer to exchange the Award for a New Award is made and accepted by the Award Holder; or
- the Board, if relevant, with the consent of the persons acquiring Control, decide that Awards will be automatically exchanged for New Awards.

11.3 Terms of Exchange

The following applies in respect of the New Award:

1. The Grant Date of the New Award shall be deemed to be the same as the Grant Date of the Award.
2. The New Award will be in respect of the shares in a company determined by the Board.
3. In the application of the Plan to the New Award, where appropriate, references to "Company" and "Plan Shares" shall be read as if they were references to the company to whose shares the New Award relates save that in the definition of "Board" the reference to "Company" shall be read as if it were a reference to Saga plc.
4. The New Award must be equivalent to the Award and subject to paragraph 5 below it will Vest at the same time and in the same manner as the Award.
5. Either the Vesting of the New Award must be subject to any conditions imposed under Rule 5.1 which are so far as possible equivalent to any conditions applying to the Award or no conditions will apply but the value of shares comprised in the New Award shall be the value of the number of Plan Shares which would have Vested under Rule 10 as applicable.

12 Lapse of Awards

Notwithstanding any other provision of the Rules, an Award shall lapse on the earliest of:

- in the case of Options, the expiry of the Exercise Period;

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- the Board determining that any condition imposed under Rule 5.1 has not been satisfied either in whole nor in part in respect of the Award and can no longer be satisfied in whole or in part in which case the Award shall lapse either in whole or as to such part in relation to which the conditions imposed under Rule 5.1 can no longer be satisfied;
- subject to Rule 9, the Award Holder ceasing to be in Relevant Employment;
- any date provided for under these Rules;
- the date on which the Award Holder becomes bankrupt or enters into a compromise with his creditors generally.

13 *Adjustment of Awards on Reorganisation*

13.1 *Power to adjust Awards*

In the event of a Reorganisation, the number of Plan Shares subject to an Award which is an Option or a Conditional Share Award, the description of the Plan Shares, the Award Price, or any one or more of these, shall be adjusted in such manner as the Grantor shall determine.

Subject to the Restricted Share Agreement, the Award Holder shall have the same rights as any other shareholder in respect of Restricted Shares in the event of a Reorganisation. Any shares, securities or other rights allotted to an Award Holder for no consideration or with the proceeds of sale of such rights (but not with new consideration provided by the Award Holder) as a result of such Reorganisation shall be treated as if they were awarded to the Award Holder at the same time as the Restricted Shares in respect of which the rights were conferred and subject to the rules of the Plan and the terms of the Restricted Share Agreement.

13.2 *Award Price*

No adjustment shall be made to the Award Price which would result in the Plan Shares subject to an Option being issued at a price per Plan Share lower than the nominal value of a Plan Share except where the Board puts in place arrangements to pay up the nominal value at the date of issue of the Plan Shares (or the difference between the adjusted Award Price and the nominal value as the case may be).

13.3 *Notification of Award Holders*

The Grantor shall, as soon as reasonably practicable, notify each Award Holder of any adjustment made under this Rule 13 and explain how this affects their position under the Plan.

14 *Accounting for PAYE and National Insurance Contributions*

14.1 *Deductions*

Unless the Award Holder discharges any liability that may arise himself, the Grantor, the Company or any Group Member or former Group Member (as the case may be) may withhold such amount, or make such other arrangements as it may determine appropriate, for example to sell or withhold Plan Shares, to meet any liability to taxes or social security contributions in respect of Awards.

14.2 *Transfer of Employer's NIC*

The Grantor may, at its discretion and to the extent permitted by law, require the Award Holder to pay all or any part of the Employer's NIC in relation to an Award under the Plan.

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14.3 *Execution of Document by Award Holder*

The Grantor may require an Award Holder to execute a document in order to bind himself contractually to any such arrangement as is referred to in Rules 14.1 and 14.2 and return the executed document to the Grantor by a specified date. It shall be a condition of Vesting of the Award that the executed document be returned by the specified date unless the Grantor determines otherwise.

14.4 *Tax elections*

The Board may, at its discretion, determine that an Option may not be exercised and/or the Plan Shares subject to a Conditional Share Award or the Plan Shares the subject of an Award of Restricted Shares may not be issued or transferred to the Award Holder (or for his benefit) unless the Award Holder has beforehand signed an election under Chapter 2 of Part 7 of ITEPA 2003 and/or section 165 of the Taxation of Chargeable Gains Act 1992 or entered into broadly similar arrangements in countries outside the UK.

15 *Issue and Listing of Plan Shares*

15.1 *Rights attaching to Plan Shares*

Except as set out in Rule 1.9 (Restricted Shares), all Plan Shares issued and/or transferred under the Plan shall, as to voting, dividend, transfer and other rights, including those arising on a liquidation of the Company, rank equally in all respects and as one class with the shares of the same class in issue at the date of issue or transfer save as regards any rights attaching to such Plan Shares by reference to a record date prior to the date of such issue or transfer.

15.2 *Listing of Plan Shares*

If and so long as Plan Shares are listed on the Official List and traded on the London Stock Exchange, the Company will apply for the listing of any Plan Shares issued under the Plan as soon as reasonably practicable.

16 *Relationship of Plan to Contract of Employment*

16.1 *Contractual Provisions*

Notwithstanding any other provision of the Plan:

- the Plan shall not form part of any contract of employment between any Group Member and an Eligible Employee;
- unless expressly so provided in his contract of employment, an Eligible Employee has no right to be granted an Award and the receipt of an Award in one year (and the calculation of the Award Price in a particular way) is no indication that the Award Holder will be granted any subsequent Awards;
- the Plan does not entitle any Award Holder to the exercise of any discretion in his favour;
- the benefit to an Eligible Employee of participation in the Plan (including, in particular but not by way of limitation, any Awards held by him) shall not form any part of his remuneration or count as his remuneration for any purpose and shall not be pensionable; and
- if an Eligible Employee ceases to be in Relevant Employment for any reason, he shall not be entitled to compensation for the loss or diminution in value of any right or benefit or prospective right or benefit under the Plan (including, in particular but not by way of limitation, any Awards held by him which lapse by reason of his ceasing to be in Relevant Employment) whether by way of damages for unfair dismissal, wrongful dismissal, breach of contract or otherwise.

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16.2 *Deemed Agreement*

By accepting the granting of an Award, an Award Holder is deemed to have agreed to the provisions of these Rules, including this Rule 16.

17 *Administration of Plan*

17.1 *Responsibility for administration*

The Grantor shall be responsible for, and shall have the conduct of, the administration of the Plan. The Grantor may from time to time make, amend or rescind regulations for the administration of the Plan provided that such regulations shall not be inconsistent with the Rules.

17.2 *Board's decision final and binding*

The decision of the Board shall be final and binding in all matters relating to the Plan, including but not limited to the resolution of any dispute concerning, or any inconsistency or ambiguity in the Rules or any document used in connection with the Plan.

17.3 *Discretionary nature of Awards*

All Awards shall be granted entirely at the discretion of the Grantor.

17.4 *Cost of Plan*

The cost of introducing and administering the Plan shall be met by the Company. The Company shall be entitled, if it wishes, to charge an appropriate part of such cost to a Subsidiary.

17.5 *Data protection*

- For the purposes of operating the Plan, the Company's Employee Privacy Statement (Privacy Statement) will inform the Award Holder whether his or her personal data is processed under the EU's General Data Protection Regulation (2016/679) (or any successor or implementing laws) (the "GDPR"). Where processing of the Award Holder's personal data is subject to the GDPR, the basis for processing such data is set out in the Privacy Statement.
- Where processing of the Award Holder's personal data is not subject to the GDPR, personal data will be processed under the Award Holder's consent. In such circumstances, the Award Holder gives their consent to the holding, processing and transfer of personal data in relation to the Award Holder by or to the Company, the Grantor, any Group Member, the Trustees, any third party broker, registrar or administrator or any future purchaser of the Company or relevant Group Member employing the Award Holder for all purposes relating to the operation of the Plan and this consent shall include transferring or processing personal data to a country or territory that may not provide the same statutory protection for the information as the Award Holder's home country.

17.6 *Third party rights*

Nothing in these Rules confers any benefit, right or expectation on a person who is not an Award Holder. No such third party has any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any terms of these Rules.

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18 Amendment of Plan

18.1 Power to amend Plan

Subject to Rules 18.2 and 18.3, the Board may from time to time amend the Rules (including, for the purposes of establishing a sub-plan for the benefit of employees located overseas).

18.2 Amendments to Plan

Without the prior approval of the Company in general meeting, an amendment may not be made for the benefit of existing or future Award Holders to the Rules relating to:

- the basis for determining an Eligible Employee's entitlement (or otherwise) to be granted an Award and/or to acquire Plan Shares on the exercise of an Option and/or to become absolutely entitled to Plan Shares subject to a Conditional Share Award (as the case may be) under the Plan;
- the persons to whom an Award may be granted;
- the limit on the aggregate number of Plan Shares over which Awards may be granted;
- the limit on the number of Plan Shares over which Awards may be granted to any one Eligible Employee;
- the price at which Plan Shares may be acquired under an Award;
- the adjustment of Awards on a Reorganisation;
- this Rule 18.2

except for:

- an amendment which is of a minor nature and benefits the administration of the Plan; or
- an amendment which is of a minor nature and is necessary or desirable in order to take account of a change of legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants in the Plan, the Company or some other Group Member.

18.3 Rights of existing Award Holders

An amendment may not adversely affect the rights of an existing Award Holder except:

- where the amendment is made to take account of any matter or circumstance which the Board reasonably considers is a legal or regulatory requirement which the Board reasonably considers is relevant and requires an amendment to be made in order for any Group Member to comply with such requirement; or
- where the Award Holder affected by the change has been notified of such amendment and the majority of Award Holders holding Awards under the Plan have approved the amendment.

19 Notices

19.1 Notice by Grantor

Save as provided for by law, any notice, document or other communication given by, or on behalf of, the Grantor or to any person in connection with the Plan shall be deemed to have been duly given if delivered to him at his place of work, if he is in Relevant Employment, if sent by e-mail to such e-mail address as may be specified by him from time to time, or sent through the post in a pre-paid envelope to the postal address last known to the Company to be his address and, if so sent, shall be deemed to have been duly given on the date of posting.

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19.2 Deceased Award Holders

Save as provided for by law, any notice, document or other communication so sent to an Award Holder shall be deemed to have been duly given notwithstanding that such Award Holder is then deceased (and whether or not the Grantor has notice of his death) except where his personal representatives have established their title to the satisfaction of the Grantor and supplied to the Grantor an e-mail or postal address to which notices, documents and other communications are to be sent.

19.3 Notice to Grantor

Save as provided for by law any notice, document or other communication given to the Grantor in connection with the Plan shall be delivered by hand or sent by email, fax or post to the Company Secretary at the Company's registered office or such other e-mail or postal address as may from time to time be notified to Award Holders but shall not in any event be duly given unless it is actually received at the registered office or such e-mail or postal address.

20 Governing Law and Jurisdiction

20.1 Plan governed by English law

The formation, existence, construction, performance, validity and all aspects whatsoever of the Plan, any term of the Plan and any Award granted under it shall be governed by English law.

20.2 English courts to have jurisdiction

The English courts shall have jurisdiction to settle any dispute which may arise out of, or in connection with, the Plan.

20.3 Jurisdiction agreement for benefit of Company

The jurisdiction agreement contained in this Rule 20 is made for the benefit of the Company only, which accordingly retains the right to bring proceedings in any other court of competent jurisdiction.

20.4 Award Holder deemed to submit to such jurisdiction

By accepting the making of an Award, an Award Holder is deemed to have agreed to submit to such jurisdiction.

21 Interpretation

21.1 Definitions

In this Plan, unless the context otherwise requires, the following words and expressions have the following meanings:

Acting In Concert has the meaning given to that expression in The City Code on Takeovers and Mergers in its present form or as amended from time to time;

Award means an Option, a Conditional Share Award or Restricted Shares granted under the Plan;

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Award Certificate means a statement in a form determined by the Company setting out details of the Award as set out in Rule 1.3;

Award Holder means an individual who holds an Award or, where the context permits, his legal personal representatives;

Award Price means the amount (if any), such amount being expressed either as an amount per Plan Share or an amount payable in respect of the exercise of an Option Or Vesting or a Conditional Share Award, payable in pounds sterling on the exercise of an Option or the Vesting of a Conditional Share Award, determined in accordance with Rule 4;

Board means the board of directors of the Company or a duly authorised committee of it;

Bonus means value which may be provided to the Employee if the performance conditions and other conditions applicable to it are satisfied;

Company means Saga plc incorporated in England and Wales under company number 08804263;

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

Control has the meaning given to it by section 995 of ITA 2007;

Daily Official List means the Financial Conduct Authority's list of securities that have been admitted to listing and which is maintained by the Financial Conduct Authority;

Dealing Day means any day on which the London Stock Exchange is open for the transaction of business;

Dealing Restrictions means restrictions on dealings imposed by statute, order or regulation or Government directive, or any code or guidance on share dealing adopted by the Company;

Directors' Remuneration Policy has the meaning given to it by section 422A(6) of the Companies Act 2006;

Eligible Employee means an individual who at the Grant Date is an employee of a Group Member;

Employees' Share Scheme has the meaning set out in section 1166 of the Companies Act 2006;

Employer's NIC means employer's national insurance contributions liability or any local equivalent;

Exercise Period means the period set by the Board on the Grant Date during which an Option may be exercised, ending no later than the 10th anniversary of the Grant Date;

Financial Conduct Authority means the "competent authority" as that expression is defined in Part VI of the Financial Services and Markets Act 2000;

Financial Year means the financial year of the Company;

Flotation means the admission by the Financial Conduct Authority (or any other competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000) of any of the issued equity share capital of the Company to the Official List and such admission becoming effective;

Flotation Date means the date on which Flotation occurs;

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Gain means the difference between (i) the Market Value of a Plan Share on the date of exercise of an Option and (ii) the Award Price, multiplied by the number of Plan Shares in respect of which the Option is being exercised;

Grant Date means the date on which an Award is granted in accordance with Rule 1.2;

Grantor means in relation to an Award made by the Company, the Board;

Group means the Company and its Subsidiaries from time to time and **Group Member** shall be interpreted accordingly;

Holder means a trustee or nominee designated by the Grantor in accordance with Rule 8;

Holding Period means the period (if any) set out in the Award Certificate (commencing from the Vesting Date of the relevant Award) during which the restrictions contained in Rule 8 apply;

Holding Period Shares means Plan Shares which are or were the subject of an Award to which a Holding Period applies, and in respect of which the Holding Period has not ended in accordance with Rule 8;

ITA 2007 means the Income Tax Act 2007;

ITEPA 2003 means the Income Tax (Earnings and Pensions) Act 2003;

London Stock Exchange means the London Stock Exchange plc or any successor body;

Market Value on any day means

(a) if at the relevant time Plan Shares are listed in the Daily Official List of the London Stock Exchange (or any other recognised stock exchange within the meaning of section 1005 of ITA 2007 or the Alternative Investment Market of the London Stock Exchange), the middle market quotation (as derived from that List) on the preceding Dealing Day; or

(b) where Plan Shares are not so listed, the market value of a Plan Share calculated as described in the Taxation of Chargeable Gains Act 1992;

Option means a right to acquire Plan Shares granted under the Plan;

Plan means The Saga plc 2023 Deferred Bonus Plan as amended from time to time;

Plan Shares means ordinary shares in the capital of the Company (or any shares representing them);

Recipient means a person who, by virtue of being an Award Holder, had Plan Shares transferred to them (or to the Holder or to another party to be held on their behalf) on Vesting of their Award (or, where the Award is in the form of an Option, exercise of that Option);

Regulatory Information Service means a service that is approved by the Financial Conduct Authority on meeting the Primary Information Provider criteria and is on the list of Regulatory Information Services maintained by the Financial Conduct Authority (or any overseas equivalent);

Relevant Employment means employment with any Group Member;

Reorganisation means any variation in the share capital of the Company, including but without limitation a capitalisation issue, rights issue, demerger or other distribution, a special dividend or

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distribution, rights offer or bonus issue and a sub-division, consolidation or reduction in the capital of the Company;

Restricted Shares means Shares where the Award Holder is the owner of the Plan Shares from the Grant Date subject to the Restricted Share Agreement;

Restricted Share Agreement means the agreement referred to in Rule 1.9;

Rules mean the rules of the Plan;

Subsidiary has the meaning set out in section 1159 of the Companies Act 2006;

Trustees means the trustees of any trust created by a Group Member which, when taken together with the Plan, constitutes an Employees' Share Scheme;

Vest means an Award Holder becoming entitled to exercise an Option and in relation to a Conditional Share Award, means an Award Holder becoming entitled to have the Plan Shares transferred to them (or a nominee specified or permitted by the Company) and in relation to Restricted Shares means the restrictions set out in the Restricted Share Agreement ceasing to have effect;

Vesting Period means the period from the Grant Date to the normal date of Vesting.

21.2 *Interpretation*

In the Plan, unless otherwise specified:

- save as provided for by law a reference to writing includes any mode of reproducing words in a legible form and reduced to paper or electronic format or communication including, for the avoidance of doubt, correspondence via e-mail; and
- the Interpretation Act 1978 applies to the Plan in the same way as it applies to an enactment.

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Schedule A

Phantom Award Schedule

A1. Application of the Rules

The Rules shall apply to Awards granted under this Schedule A, as amended by the terms of this Schedule A.

A2. Definitions

The following definitions shall apply in addition to the definitions set out in the Rules:

Phantom Award means an Award of a Phantom Conditional Share Award or a Phantom Option;

Phantom Conditional Share Award means a conditional right under the Plan to be paid a cash payment equal to the Market Value of a notional Plan Share as at the date of Vesting; and

Phantom Option means a right in relation to notional Plan Shares which, when exercised, entitles the Award Holder to be paid a cash amount equal to the Gain on an equivalent Option.

A3. Terms of Phantom Awards

The Grantor may determine that Awards shall be granted under this Schedule A in the form of Phantom Awards. If so, the Award Certificate must state that the Award is in the form of a Phantom Award. Each Phantom Award will be in respect of a specified number of notional Plan Shares.

The Rules shall apply mutatis mutandis to a Phantom Option as if were an Option and an Award comprising a Phantom Conditional Share Award as if it were an Award comprising a Conditional Share Award.

A4. Settlement of Phantom Awards

Subject to the Rules of the Plan and any necessary consent and compliance by the Award Holder with the Rules, the Company shall, as soon as reasonably practicable and in any event not later than 30 days after the Vesting of a Phantom Conditional Share Award or the exercise of a Phantom Option, arrange for the payment to the Award Holder of an amount in cash equal to:

- in the case of a Phantom Option, the Gain on the notional Plan Shares as at the date of exercise in relation to which the Award has been exercised; or
- in the case of an Award comprising a Phantom Conditional Share Award, the Market Value as at the date of Vesting of the notional Plan Shares in relation to which the Award has Vested

in each case less:

- any deductions (on account of tax or similar liabilities) as may be required by law; and
- if the Board so determines, an amount considered by the Board to be equivalent to the sale costs that an Award Holder would incur if he sold a number of actual Shares equal to the number of Shares in respect of which the Phantom Award relates.

A5. Award Price

The Award Price for a Phantom Option shall be determined by the Board.

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A6. Lapse

On lapse of a Phantom Award, it shall cease to be realisable with immediate effect.

A.7 No Share rights

A Phantom Award will give the holder of the Phantom Award no rights to acquire nor any rights in relation to Plan Shares and the Rules shall be construed accordingly.