

MJ Gleeson plc

The MJ Gleeson plc Annual and Deferred Bonus Plan

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1. Grant of Bonus Awards

1.1 Determination of participation

Subject to the Rules, whether the Plan shall be operated for any particular Financial Year, the identity of any Participant and the terms of their participation shall be determined by the Board in its absolute discretion. The selection of an Eligible Employee to participate in the Plan and the receipt of a Bonus Award, Cash Bonus or Share Award (whether on one or more occasions) does not entitle that Eligible Employee to receive or be considered for participation in the Plan on any other occasion.

A Bonus Award may only be granted to an individual who is an Eligible Employee on the date on which the Bonus Award is granted.

Where the Company is required to have in place a Directors' Remuneration Policy, the terms of a Bonus Award to be granted to an Eligible Employee who is 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 any relevant individual limit in Rule 1.2, any Performance Targets set out in Rule 1.7 and the proportion of any Bonus Award which is delivered as a Cash Bonus and/or a Share Award.

1.2. Annual limit

The maximum Bonus made to an Executive Director Participant in respect of any Financial Year must not exceed 150% of his basic salary paid by the Group in the Financial Year to which the Bonus Award relates, expressed as an annual rate. For the avoidance of doubt, for other Participants a higher limit may be applied at the discretion of the Board.

1.3. Method of satisfying Bonus Award

At or after the date on which the Bonus Award is granted, but in any event before the amount of the Participant's Bonus Award has been determined, the Board shall, in its absolute discretion, determine the percentage of a Participant's Bonus Award which will be delivered as a Cash Bonus and the percentage (which may be nil but no more than 50% of the total Bonus Award) which will be deferred and delivered in the form of a Share Award.

After the end of the Financial Year to which a Bonus Award relates, the Board will determine the number of Plan Shares over which the Share Award shall be granted.

The number of Plan Shares subject to a Participant's Share Award shall be calculated by dividing the amount of his Bonus to be deferred and granted as a Share Award by the average Market Value (measured over the last 30 days of the Financial Year to which the Bonus Award relates or such other measurement period as determined by the Board in its absolute discretion) of a Plan Share. The number of Plan Shares shall be rounded down to the nearest whole Plan Share.

1.4. Procedure for granting and notifying Participants of Bonus Awards

The Board shall grant Bonus Awards by such method as it shall determine (which may include by the Board passing a resolution to make or approve the grant of Bonus Awards).

A Bonus Award Certificate shall be issued to each Participant as soon as reasonably practicable following the grant of the Bonus Award setting out details of the Bonus Award determined in accordance with Rule 1.5.

1.5. Contents of Bonus Award certificate

A Bonus Award certificate shall state:

1. the date on which the Bonus Award was granted;
2. the maximum potential Bonus (or how such amount will be calculated) expressed as a percentage of the Participant's basic salary;
3. how the Bonus will be calculated;
4. any Performance Targets and conditions applicable to the Bonus Award;
5. any other conditions of the Bonus Award; and
6. the Financial Year to which it relates.

Subject thereto, a Bonus Award certificate shall be in such form as the Board may determine from time to time.

1.6. Bonus Awards non-transferable

A Bonus Award shall be personal to the Participant and, except in the case of the death of a Participant, a Bonus Award shall not be capable of being transferred, charged or otherwise alienated and shall lapse immediately if the Participant purports to transfer, charge or otherwise alienate the Bonus Award.

1.7. Performance Targets and conditions

The Bonus Award will be subject to the satisfaction of the Performance Targets for the relevant Financial Year and/or any other conditions set by the Board.

If an event occurs which causes the Board to consider that any Performance Target and/or any other condition to which a Bonus Award has been made is no longer appropriate, the Board may substitute, vary or waive that Performance Target and/or any other condition in such manner (and make such consequential amendments to the Rules) as:

1. is reasonable in the circumstances; and
2. except in the case of a waiver, produces a fairer measure of performance and is not materially less difficult to satisfy than if the event had not occurred.

The Bonus Award shall then take effect subject to the Performance Targets and/or any other conditions as substituted or varied or waived.

The Board shall, as soon as practicable, notify each Participant concerned of any determination made by it under this Rule 1.7.

2. Testing of Performance Targets and conditions and calculation of Bonus

2.1. Testing of Performance Targets and conditions

As soon as practicable following the end of the Financial Year in respect of which a Bonus Award was granted, the Board shall determine the extent to which the Performance Targets and/or any other conditions imposed on the Bonus Award under Rule 1.7, in their original form or as substituted or varied from time to time, have been satisfied and the Board shall determine the Bonus (if any) in respect of the relevant Bonus Award.

2.2. Payment of Cash Bonus

When the Board makes its determinations under Rule 2.1, it shall also determine the amount of any Cash Bonus payable in respect of the Bonus Award. Payment of any Cash Bonus shall be made as soon as practicable after the Board has made its determinations under Rule 2.1.

2.3. Effect of cessation of Relevant Employment

Subject to Rule 2.4, a Bonus shall be delivered only while the Participant is in Relevant Employment and if a Participant ceases to be in Relevant Employment, any Bonus Award granted to him shall lapse on the date the Participant ceases to be in Relevant Employment.

2.4. Cessation of Relevant Employment during Financial Year

Notwithstanding Rule 2.3, if a Participant ceases to be in Relevant Employment during the relevant Financial Year to which the Bonus Award applies by reason of:

1. death;
2. injury, ill-health or disability evidenced to the satisfaction of the Board;
3. redundancy within the meaning of the Employment Rights Act 1996 (or any applicable equivalent overseas legislation) evidenced to the satisfaction of the Board;
4. retirement by agreement with the company by which he is employed;

5. the Participant being employed by a company which ceases to be a Group Member;
6. the Participant being employed in an undertaking or part of an undertaking which is transferred to a person who is not a Group Member; or
7. any other circumstances if the Board decides in any particular case (apart from dishonesty, fraud, misconduct or any other circumstances justifying summary dismissal),

the Board may at its absolute discretion determine that the Bonus Award will continue with the Performance Targets for the relevant Financial Year and any other conditions imposed under Rule 1.7 considered at the time the Bonus is determined under Rule 2.1. Any Bonus payable in respect of the Bonus Award shall be delivered in the same way and at the same time as if the Participant had not ceased to be in Relevant Employment, unless the Board in its absolute discretion decides otherwise.

Unless the Board in its absolute discretion decides otherwise, the Bonus will be reduced pro rata to reflect the number of whole months from the beginning of the relevant Financial Year to which the Bonus Award relates until the date of cessation of Relevant Employment as a proportion of the relevant Financial Year.

2.5. Cessation of Relevant Employment after the Financial Year

Notwithstanding Rule 2.3, if a Participant ceases to be in Relevant Employment (apart from gross misconduct) after the relevant Financial Year to which the Bonus Award relates but before the time when the Cash Bonus relating to that Bonus Award is due to be paid, the Board may at its absolute discretion determine that the Participant shall remain eligible for the delivery of a Bonus of such amount as it determines at its absolute discretion based on its assessment of the extent to which the Performance Targets for the relevant Financial Year and any other conditions imposed under Rule 1.7 have been met. Any Bonus payable in respect of the Bonus Award shall be delivered in the same way and at the same time as if the Participant had not ceased to be in Relevant Employment, unless the Board in its absolute discretion decides otherwise.

2.6. Meaning of ceasing to be in Relevant Employment

For the purposes of the Plan, a Participant 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, unless the Board otherwise decides, a Participant shall not be treated as so ceasing if within 7 days he recommences employment or becomes an office holder with any Group Member.

The Board may decide that a Participant will be treated as ceasing to be in Relevant Employment when he gives or receives notice of termination of his employment (whether or not lawful).

2.7. Takeover

Subject to Rule 2.12, where a person obtains Control of the Company as a result of making an offer to acquire Plan Shares, any outstanding Bonus Awards shall be determined by the Board on or as soon as practicable after the person obtains Control as set out below.

The amount of the Bonus shall 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 Performance Targets for the relevant Financial Year and any other condition imposed under Rule 1.7.

Unless the Board in its absolute discretion decides otherwise, the Bonus will be reduced pro rata to reflect the number of whole months from the beginning of the relevant Financial Year to which the Bonus Award relates until the person obtains Control as a proportion of the relevant Financial Year.

Any Bonus determined under this Rule 2.7 shall be paid in the form of a Cash Bonus as soon as practicable following the Board's determination.

2.8. *Compulsory acquisition of shares in the Company*

Subject to Rule 2.12, if a person becomes entitled or bound to acquire shares in the Company under sections 979 to 982 of the Companies Act 2006, any outstanding Bonus Awards shall be determined by the Board on or as soon as practicable after the person becomes so entitled or bound as set out below.

The amount of the Bonus shall 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 Performance Targets for the relevant Financial Year and any other condition imposed under Rule 1.7.

Unless the Board in its absolute discretion decides otherwise, the Bonus will be reduced pro rata to reflect the number of whole months from the beginning of the relevant Financial Year to which the Bonus Award relates until the person becomes so bound or entitled as a proportion of the relevant Financial Year.

Any Bonus determined under this Rule 2.8 shall be paid in the form of a Cash Bonus as soon as practicable following the Board's determination.

2.9. *Scheme of arrangement*

Subject to Rule 2.12, 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 any outstanding Bonus Award shall be determined by the Board on or as soon as practicable after the date of the court sanction as set out below.

The amount of the Bonus shall 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 Performance Targets for the relevant Financial Year and any other condition imposed under Rule 1.7.

Unless the Board in its absolute discretion decides otherwise, the Bonus will be reduced pro rata to reflect the number of whole months from the beginning of the relevant Financial Year to which the Bonus Award relates until the date the compromise or arrangement becomes (or is expected to become) effective as a proportion of the relevant Financial Year.

Any Bonus determined under this Rule 2.9 shall be paid in the form of a Cash Bonus as soon as practicable following the Board's determination.

2.10. *Demergers and other events*

The Board may determine that a Bonus shall be payable in respect of a Bonus Award 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 amount of the Bonus which shall be determined by the Board in its absolute discretion taking into account any Performance Targets and/or any other conditions imposed under Rule 1.7.

Unless the Board in its absolute discretion decides otherwise, the Bonus will be reduced pro rata to reflect the number of whole months from the beginning of the relevant Financial Year to which the Bonus Award relates until the relevant event as a proportion of the relevant Financial Year.

Any Bonus determined under this Rule 2.10 shall be paid in the form of a Cash Bonus as soon as practicable following the Board's determination but conditional on the relevant event taking place.

2.11. *Meaning of "obtains Control of the Company"*

For the purpose of Rule 2 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.

2.12. Reorganisation or merger

Where an event occurs under Rules 2.7, 2.8 or 2.9 and:

1. 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
2. the obtaining of Control amounts in the opinion of the Board to a merger with the Company

the Board, with the consent of the person acquiring Control (if relevant) may determine that Rules 2.7, 2.8 and 2.9 will not apply and Bonus Awards shall continue and the amount of any Bonus shall be considered in accordance with Rule 2.1.

2.13. Notification of Participants

The Board shall, as soon as reasonably practicable, notify each Participant of the occurrence of any of the events referred to in this Rule 2 and explain how this affects their position under the Plan.

2.14. Tax and social security withholding

Where, in relation to any payment under this Plan, any Group Member or former Group Member is liable, or is in accordance with current practice believed by the Board to be liable, to account to any revenue or other authority (whether in the UK or overseas) for any sum in respect of any tax or social security contributions liability of the Participant, his employer (or former employer as the case may be) may deduct, or procure the deduction of, such amount from the value of the payment before paying, or procuring the payment of, the net amount to the Participant.

2.15. References to Board within this Rules 2.7 to 2.12

For the purposes of Rules 2.7 to 2.12, 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 Rules 2.7 to 2.12 applies.

3. Grant of Share Awards

3.1. Procedure for grant of Share Awards and Award Date

A Share Award shall be granted by the Board passing a resolution. The Award Date shall be the date on which the Board passes the resolution or any later date specified in the resolution and allowed by Rule 3.3. The grant of a Share Award shall be evidenced by a deed executed by or on behalf of the Board.

Where the Company is required to have in place a Directors' Remuneration Policy, the terms of a Share Award to be granted to a Participant who is 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.

A Share Award Certificate or Restricted Share Agreement (as applicable) shall be issued to each Share Award Holder as soon as reasonably practicable following the grant of the Share Award setting out details of the Share Award determined in accordance with Rule 3.2 and, where applicable, Rule 3.10.

3.2. Terms and conditions set at grant

The Board shall, at the time of grant, determine:

1. whether the Share Award comprises an Option, a Conditional Share Award or Restricted Shares;
2. the Award Date;
3. the number of Plan Shares subject to the Share Award or the basis on which the number of Plan Shares will be calculated;
4. the Award Price (if any);
5. the date or dates on which the Share Award will normally Vest;
6. whether or not any dividend equivalents will be payable under Rule ~~10.8~~10.8-10.9;
7. in the case of an Option, the Exercise Period;

8. any Holding Period;
9. any other conditions of the Share Award imposed under Rule 7; and
10. where the Award comprises Restricted Shares, any provisions which must be determined under Rule 3.10.

3.3. *When Share Awards may be granted*

Subject to Rule 3.4, the Board may grant Share Awards only during the 42 days beginning on:

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

3.4. *When Share Awards may not be granted*

Share Awards may not be granted:

1. when prevented by any Dealing Restrictions; or
2. after the 10th anniversary of adoption of the Plan.

3.5. *Who can be granted Share Awards*

A Share Award may only be granted to a Participant to whom the Board has determined to make a Bonus under Rule 2.

Unless the Board decides otherwise, a Share Award will not be granted to a Participant who on or before the Award Date has given or received notice of termination of employment (whether or not lawful).

3.6. *Confirmation of acceptance of Share Award*

The Board may require an Eligible Employee who is (or is to be) granted a Share Award to confirm his acceptance of the Rules and the terms of any Share Award granted to him by a specified date. Such confirmation will be in a form set by the Board (which may require the Eligible Employee to execute a document). If the acceptance is not confirmed by the specified date, unless the Board waives the requirement to confirm acceptance, the Share Award may not Vest and the Board may determine that the Share Award will lapse.

3.7. *Right to refuse Share Award*

A Share Award Holder may by notice in writing to the Company within 30 days after the Award Date say he does not want his Share Award in whole or part. In such a case, the Share Award shall to that extent be treated as never having been granted.

3.8. *No payment for a Share Award*

A Share Award Holder shall not be required to make payment for the grant of a Share Award unless the Board determines otherwise. Where a Share Award Holder refuses his Share Award pursuant to the terms of Rule 3.7, no payment in connection with the refusal is required from the Share Award Holder or the Company.

3.9. *Share Awards non-transferable*

A Share Award shall be personal to the Share Award Holder and, except in the case of the death of a Share Award Holder, a Share Award shall not be capable of being transferred, charged or otherwise alienated and shall lapse immediately if the Share Award Holder purports to transfer, charge or otherwise alienate the Share Award.

3.10. *Awards which are Restricted Shares*

This Rule 3.10 sets out specific provisions in relation to Restricted Shares.

1. A Participant who is to be granted Restricted Shares must enter into a Restricted Share Agreement with the Company providing that to the extent the Share Award lapses, the Restricted Shares are forfeit and the Restricted

Shares will immediately be transferred for no (or nominal) consideration to any person specified by the Board. The Restricted Share Agreement will also provide that, except for transfer on death of the Share Award Holder to his personal representatives or to the extent agreed by the Board (and subject to such conditions as it may decide), the Share Award Holder will not transfer or assign the Restricted Shares subject to his Share Award during the Vesting Period.

2. The Share Award Holder must sign any document (including a blank stock transfer form) requested by the Board relating to the Restricted Shares. The Board may provide that the Share Award will lapse if any such document is not signed within any specified period.
3. On or as soon as practicable after the Award Date of Restricted Shares the Board will procure that the relevant number of Restricted Shares are transferred (including out of treasury or otherwise) to the Share Award Holder or another person to be held for the benefit of the Share Award Holder.
4. Except to the extent set out in the Restricted Share Agreement, the Share Award Holder shall have all the rights in respect of Restricted Shares from the date of transfer until any date on which the Share Award comprising the Restricted Shares lapses (whether in whole or in part).

4. Plan limits

4.1. General

The aggregate number of Plan Shares over which Share Awards may be granted shall be limited as set out in this Rule 4. In the event of any conflict between the limits in this Rule 4, the lower limit shall prevail.

4.2. 10 per cent in 10 years

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

1. Share Awards under the Plan; or
2. 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.

4.3. 5 per cent in 10 years

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

1. Share Awards under the Plan; or
2. 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.

4.4. Calculation

For the purpose of the limits contained in this Rule 4:

1. for as long as required by The Investment Association guidelines treasury shares shall be included in the limit as if they were new issue Plan Shares;
2. there shall be disregarded any Plan Shares where the right to acquire the Plan Shares has lapsed or been renounced;
3. there shall be disregarded any Plan Shares which the Trustees have purchased, or determined that they will purchase, in order to satisfy a Share 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;
4. any Plan Shares issued in relation to a Share Award, or on the exercise of an option or the vesting of other rights of an employee under any other Employees' Share Scheme operated by the Group, shall be taken into account

once only (when the Share Award is granted or the option is granted or the right awarded) and shall not fall out of account when the Share Award Vests, the option is exercised or other rights vest.

4.5. *Scaling down*

If the granting of a Share Award would cause the limits in this Rule 4 to be exceeded, such Share Award shall take effect as a Share Award over the maximum number of Plan Shares which does not cause the limit to be exceeded. If more than one Share Award is granted on the same Award Date, the number of Plan Shares which would otherwise be subject to each Share Award shall be reduced pro rata.

5. *Individual limit*

5.1. *General*

The number of Plan Shares over which Share Awards may be granted to any one Eligible Employee shall be limited as set out in this Rule 5.

5.2. *Limit*

A Share Award must not be granted to an Eligible Employee if the result of granting that Share Award would be that, at the proposed Award Date, the average Market Value (measured over the last 30 days of the Financial Year to which the Bonus Award relates) of the Plan Shares subject to that Share Award would exceed 50 % of his Bonus.

5.3. *Scaling down*

If the grant of a Share Award would cause the limit in Rule 5.2 to be exceeded, such Share Award shall take effect as a Share Award over the maximum number of Plan Shares which does not cause the limit to be exceeded.

6. *Award Price*

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

Where the Board has determined that a Share Award will be satisfied by the issue of new shares and the Award Price per Plan Share 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 at least the nominal value of the relevant Plan Shares.

7. *Conditions*

7.1. *Setting of conditions*

The Vesting of a Share Award and the extent to which it Vests may be subject to the satisfaction of any applicable conditions set by the Board on or before the Award Date.

7.2. *Nature of conditions*

Any condition imposed under Rule 7.1 shall be:

1. objective; and
2. set out in, or attached in the form of a schedule to, the Share Award Certificate or Restricted Share Agreement, as applicable.

7.3. *Substitution, variation or waiver of conditions*

If an event occurs which causes the Board to consider that any condition imposed under Rule 7.1 subject to which a Share Award has been granted is no longer appropriate, the Board may substitute, vary or waive that condition in such manner (and make such consequential amendments to the Rules) as:

1. is reasonable in the circumstances; and
2. except in the case of waiver, produces a fairer result and is not materially less difficult to satisfy than if the event not occurred.

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

7.4. Notification of Share Award Holders

The Board shall, as soon as practicable, notify each Share Award Holder concerned of any determination made by it under this Rule 7.

8. Malus

Notwithstanding any other provision of the Rules, the Board may,

1. at (or at any time before) the time of determination of a Cash Bonus, reduce the Cash Bonus payable or potentially payable to a Participant in whole or in part (including, for the avoidance of doubt, to nil); and/or
2. at (or at any time before) the time of Vesting of a Share Award, reduce the number of Plan Shares subject to a Share Award in whole or in part (including, for the avoidance of doubt, to nil)

in the following circumstances:

1. 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
2. the assessment of any Performance Target or condition in respect of a Bonus Award or a Share Award was based on error, or inaccurate or misleading information; and/or
3. the discovery that any information used to determine the Bonus and/or the number of Plan Shares placed under a Share Award relating to a Bonus Award was based on error, or inaccurate or misleading information; and/or
4. action or conduct of a Participant which, in the reasonable opinion of the Board, amounts to fraud or gross misconduct; and/or
5. events or behaviour of a Participant 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 Participant was responsible for the censure or reputational damage and that the censure or reputational damage is attributable to him; and/or
6. material corporate failure in any Group Member.

In determining any reduction which should be applied under this Rule 8, 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 8 may be applied on an individual basis as determined by the Board. Whenever a reduction is made under this Rule 8, the relevant Bonus Award and Share Award shall be treated as having lapsed to that extent.

9. Clawback

9.1. Trigger Events

In this Rule 9, **Trigger Events** means:

1. 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 for a period that was wholly or partly before the end of the Financial Year by reference to which the Bonus was determined; and/or
2. the discovery that the assessment of any Performance Target or condition in respect of a Bonus Award or Share Award was based on error, or inaccurate or misleading information; and/or
3. the discovery that any information used to determine the Bonus, Cash Bonus and/or the number of Plan Shares placed under a Share Award relating to a Bonus Award was based on error, or inaccurate or misleading information; and/or
4. action or conduct of a Participant which, in the reasonable opinion of the Board, amounts to fraud or gross misconduct; and/or
5. events or behaviour of a Participant 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 Participant was responsible for the censure or reputational damage and that the censure or reputational damage is attributable to him; and/or

6. material corporate failure in any Group Member.

9.2. Application

Notwithstanding any other provision of the Rules, if at any time during the period of three years following the date on which a Participant's Bonus Award was determined by the Board a Trigger Event occurs in respect of a Bonus Award, Cash Bonus and/or Share Award, then:

1. Rules 9.3 to 9.7 and 9.9 shall apply; and
2. where the Share Award takes the form of an Option and the Share Award Holder has not exercised such Option, Rule 9.8 shall also apply.

9.3. Clawback methods

Where Rule 9.2 applies, the Board may in its absolute discretion require the relevant Participant to:

1. pay to the Company (or, if required by the Company, any other person specified by the Company) all or some of the Cash Bonus paid to or for the benefit of the Participant in respect of the Bonus; and/or
2. transfer to the Company (or, if required by the Company, or any other person specified by the Company) all or some of the Plan Shares acquired by the Participant (or his nominee) pursuant to the Vesting of the Share Award or, in the case of a Share Award which 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 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 Share Award granted in respect of that Bonus or, in the case of a Share Award that is an Option, the exercise of that Option; 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 the amount of any cash in respect of a Share Award paid to or for the benefit of the Participant; and/or
5. 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 2 above (including but not limited to any special dividend or additional or replacement shares) on such terms as the Board may reasonably direct,

less in each case the amount of tax and social security contributions actually paid (or due to be paid) by the Participant in respect of the acquisition of the Plan Shares and/or payment of cash in respect of a Share Award.

9.4. Participant's obligation to recover tax

In addition to the obligation of the Participant as described above, the Participant 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 Participant's behalf in relation to the Cash Bonus or acquisition of Plan Shares and/or the cash payable to the Participant in respect of the Share 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. The Board shall procure that the Company provides reasonable assistance to the Participant to seek and obtain such repayment or credit. Following such notification the Company will be entitled to require the Participant 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).

9.5. Authorisation of deductions

By accepting the grant of a Cash Bonus or a Share Award, the Participant authorises the Company or such other Group Member as may be the employer of the Participant 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 Participant under this Rule 9.

9.6. Timing of transfers, payments and repayments

Any transfers, payments or repayments to be made by the Participant under this Rule 9 shall be made within 30 days of the date the Participant is notified in writing of the transfer required or the amount due, as appropriate.

9.7. Additional methods of effecting clawback

In addition to or in substitution for the actions described above that the Board may take under Rule 9.1 (the **Actions**), the Board may:

1. reduce the amount (including, for the avoidance of doubt, to nil) of any future bonus payable to the Participant; 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 Participant 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 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 Participant 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 Participant 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:

1. reductions under this Rule 9.7;
2. reductions under Rule 9.8; and
3. the amount represented by any transfer and any amount or value payable under Rule 9.3,

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.

9.8. Reduction of unexercised Option

Where Rule 9.2 applies and the Share Award takes the form of an Option which the Share Award Holder has not exercised in full, the Board may in its absolute discretion reduce the number of Plan Shares 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 9.7.1 to 9.7.4 provided that the total amount represented by reductions under Rules 9.7.1 to 9.7.4 and any reduction of the Option under this Rule 9.8 shall not, in the Board's reasonable opinion, exceed the amount which would have been represented by the reduction of the Option only.

9.9. General provisions

In carrying out any action under this Rule 9, 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 9 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 this Rule 9, the relevant award, right to acquire Plan Shares or option shall be treated to that extent as having lapsed.

9.10. Interaction with other plans

The Board may determine at any time to reduce the number of Plan Shares subject to a Share 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 Rule 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 9.10.1 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.

The value of any reduction under Rule 9.10.2 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.

10. Vesting of Share Awards (and exercise of Options)

10.1. Earliest date for Vesting of Share Awards

Subject to Rules 7, 12 and 13, a Share Award will Vest on the later of:

1. the relevant date specified under Rule 3.2; and
2. the date on which the Board determines that any conditions imposed under Rule 3.2.10 or Rule 7 have been satisfied.

The Board may determine that Vesting of the Share Award shall be delayed until any relevant investigation or other procedure relevant to an event falling within the scope of Rule 8 or 9 has been completed.

10.2. Effect of Share Award Vesting

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

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

10.3. No Vesting or exercise while Dealing Restrictions apply

Where the Vesting of a Share Award is prevented by any Dealing Restriction, the Vesting of that Share Award shall be delayed until the Dealing Restriction no longer prevents it. Plan Shares may not be issued or transferred to a Share Award Holder while Dealing Restrictions prevent such issue or transfer or exercise. In the case of an Option, the Option may not be exercised while Dealing Restrictions prevent such exercise.

~~10.4. Effect of cessation of Relevant Employment~~

~~Subject to Rule 12, a Share Award granted to a Share Award Holder while they are in Relevant Employment shall Vest and an Option granted to a Share Award Holder while they are in Relevant Employment may be exercised only while the Share Award Holder is in Relevant Employment and if a Share Award Holder ceases to be in Relevant Employment, any Share Award granted to him shall lapse on cessation. This Rule 10.4 shall apply where the Share Award Holder ceases to be in Relevant Employment in any circumstances (including, in particular, but not by way of limitation, where the Share Award Holder is dismissed unfairly, wrongfully, in breach of contract or otherwise).~~

~~A Share Award Holder who has given or received notice of termination of Relevant Employment (whether or not lawful) may not exercise an Option during any period when the notice is effective and a Share Award granted to him shall not Vest during this period, unless the Board determines otherwise. If an Award would otherwise have Vested during this period, and the notice is withdrawn by the relevant party, subject to Rule 10.3 the Award will Vest when the notice is withdrawn.~~

10.5-10.4. Options may be exercised in whole or in part

Subject to Rules 10.3, ~~3.13-110.4~~ and 17, 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.

10.6-10.5. Procedure for exercise of Options

An Option shall be exercised by the Share Award Holder giving notice to the Board (or any person appointed by the Board) in the form from time to time prescribed by the Board, which may include (for the avoidance of doubt) any electronic and/or online notification. Such notice shall specify the number of Plan Shares in respect of which the Option is being exercised, and be accompanied by either the Award Price (if any) in full or confirmation of arrangements satisfactory to the Board for the payment of the Award Price, together with any payment and/or documentation required under Rule 17 and, if required, the Share Award Certificate.

For the avoidance of doubt, the date of exercise of an Option shall be the later of the date of receipt of a duly completed valid notice of exercise (or any later date as may be specified in that notice of exercise) and the date of compliance with the requirements of the first paragraph of this Rule ~~10.5-10.5-10.6~~.

10.7-10.6. Issue or transfer of Plan Shares

Subject to Rules 10.3, ~~10.7-10.7-10.8~~ and 17 and to any necessary consents and to compliance by the Share Award Holder with the Rules, the Board shall, as soon as reasonably practicable and in any event not later than 30 days after:

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

10.8-10.7. Net or cash settling

Subject to Rule 17, the Board may on exercise of an Option:

1. make a cash payment to the Share Award Holder equal to the Gain on the date of exercise of the Option; or
2. arrange for the issue or transfer to the Share 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 Share Award Holder shall not be required to make payment for these Plan Shares.

Subject to Rule 17, the Board may on the Vesting of a Conditional Share Award make a cash payment to the Share Award Holder equal to the Market Value of the Plan Shares in respect of which the Conditional Share Award has Vested, less the Award Price (if any).

Where the Company settles a Share Award in the manner described in this Rule ~~10.7-10.7-10.8~~, this shall be in full and final satisfaction of the Share Award Holder's rights under the Share Award.

10.9-10.8. Dividend equivalents

A Share Award (except a Share Award comprising 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 or following Vesting equal in value to the dividends which were payable on the number of Plan Shares in respect of which the Share Award has Vested during the period between the Award 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 as at the date of Vesting by the relevant value in Plan Shares).

The Board may determine at its absolute discretion whether or not the method used to calculate the value of dividends shall assume that such dividends have been reinvested into Plan Shares.

The Board may decide at any time not to apply this Rule ~~10.810-810-9~~ to all or any part of a special dividend or dividend in specie.

11. Holding Period

11.1. Definitions

In this Rule 11:

Holding Period Holder means a trustee or nominee designated by the Board in accordance with this Rule 11; and

Holding Period Shares means Plan Shares which are or were the subject of a Share Award to which a Holding Period applies, and in respect of which the Holding Period has not ended in accordance with this Rule 11.

11.2. Application

This Rule 11 applies to the extent that some or all of the Plan Shares acquired on Vesting of a Share Award (or exercise of an Option) are subject to a Holding Period.

11.3. Issue or transfer to Holding Period Holder

Instead of arranging for the issue or transfer of the Holding Period Shares to the Share Award Holder on Vesting of a Conditional Share Award or exercise of an Option under Rule ~~10.610-610-7~~, the Board may arrange for the Holding Period Shares to be issued or transferred to the Holding Period Holder, as designated by the Board, to be held for the benefit of the Share Award Holder. Any balance of the Plan Shares in respect of which a Share Award Vests or is exercised will be issued or transferred as described in Rule ~~10.610-610-7~~.

If the Share Award took the form of Restricted Shares, the Holding Period Shares will be transferred to (or continue to be held by) the Holding Period Holder on the terms of this Rule 11.

11.4. No transfer during Holding Period

The Share Award Holder or Holding Period Holder may not transfer, assign or otherwise dispose of any of the Holding Period Shares or any interest in them (and the Share Award Holder may not instruct the Holding Period Holder to do so) during the Holding Period except in the following circumstances:

1. the sale of sufficient entitlements nil-paid in relation to Holding Period Shares to take up the balance of the entitlements under a rights issue; and
2. the sale of sufficient Holding Period Shares to satisfy any liability to tax or employee social security contributions (or where Rule 17.2 applies, Employer's NIC) arising in relation to Holding Period Shares

11.5. Shareholder rights during Holding Period

1. Unless the Board decides otherwise, the restrictions in this Rule 11 will apply to any cash or assets (other than ordinary dividends) received in respect of the Holding Period Shares and such cash or assets will be held by the Holding Period Holder until the end of the Holding Period.
2. During the Holding Period, the Holding Period Holder will be entitled to vote and have all other rights of a shareholder in respect of the Holding Period Shares.

11.6. Ceasing Relevant Employment during the Holding Period

Ceasing Relevant Employment during the Holding Period will have no impact on the provisions of this Rule 11, save where cessation is by reason of death in which case the Holding Period shall immediately be deemed to have ended.

11.7. Clawback

For the avoidance of doubt, Rule 9 shall apply to the Holding Period Shares in the same way that it applies to Plan Shares acquired by a Share Award Holder following Vesting of a Share Award or exercise of an Option which are not Holding Period Shares.

11.8. End of Holding Period

Subject to the provisions of this Rule 11, the Holding Period will end on the earliest of the following:

1. the date set as the end of the Holding Period under Rule 3.2;
2. subject to Rule 14.1, the relevant date on which a Share Award would have Vested under Rules 13.1 to 13.4;
3. if the Board so allows, the circumstances in which any event described in Rule 13.5 would apply; and
4. any other circumstances in the absolute discretion of the Board. Where this paragraph 4 applies, the Board may additionally determine that the Holding Period shall end only for such number of Holding Period Shares as it may specify.

12. Vesting of Share Awards (and exercise of Options) in special circumstances

12.1. Effect of cessation of Relevant Employment

Subject to the provisions of this Rule 12, if a Share Award Holder ceases to be in Relevant Employment, the Share Award will continue subject to any conditions imposed under Rule 7.1. The Share Award will Vest in the same way and at the same time as if the Share Award Holder had not ceased to be in Relevant Employment.

11.9.12.2. Death, injury, disability etc.

If a Share Award Holder ceases to be in Relevant Employment by reason of:

1. death;
2. injury, ill-health or disability evidenced to the satisfaction of the Board; or
3. any other circumstances if the Board decides in any particular case (other than circumstances justifying summary dismissal).

the Board may at its absolute discretion determine that the Share Award will Vest in full on the date of cessation of Relevant Employment, dies, a proportion of each Share Award held by him which has not Vested will Vest immediately. The proportion of each Share Award which shall Vest shall be determined by the Board at its absolute discretion taking into account such factors as the Board may consider relevant including but not limited to whether any condition imposed under Rule 7.1.

Alternatively, the Board may decide that a Share Award held by the Share Award Holder which has not yet Vested will continue until the normal time of Vesting in which case any condition imposed under Rule 7.1 shall be considered at the time of Vesting.

Unless the Board in its absolute discretion decides otherwise (and irrespective of the time at which the Board has determined that the Share Award will Vest under this Rule 12.1), the number of Plan Shares which Vest will be reduced pro rata to reflect the number of whole months from the Share Award Date until the date of death as a proportion of the original Vesting Period.

In the case of an Option, if a Share Award Holder dies, his personal representatives (having established title to the satisfaction of the Company) shall be entitled to exercise the Vested proportion of his Option (whether Vested under this Rule or otherwise) at any time during the 12 month period following death or, if later, following Vesting or, in either case, during such other longer period as the Board determines. The Option shall lapse at the end of such period.

11.10. Injury, disability, redundancy, retirement etc.

If a Share Award Holder ceases to be in Relevant Employment by reason of:

1. injury, ill health or disability evidenced to the satisfaction of the Board;

- ~~2. redundancy within the meaning of the Employment Rights Act 1996 (or any applicable equivalent overseas legislation) evidenced to the satisfaction of the Board;~~
- ~~3. retirement by agreement with the company by which he is employed;~~
- ~~4. the Share Award Holder being employed by a company which ceases to be a Group Member;~~
- ~~5. the Share 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~~
- ~~6. any other circumstances if the Board decides in any particular case~~

~~any Share Award held by him which has not Vested will continue until the normal time of Vesting and any condition imposed under Rule 7.1 shall be considered at the time of Vesting.~~

~~Alternatively, the Board may decide that a Share Award will Vest immediately in which case the proportion of the Share Award 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 7.1.~~

~~Unless the Board in its absolute discretion decides otherwise (and irrespective of the time at which the Board has determined that the Share Award will Vest under this Rule 12.2), the number of Plan Shares which Vest will be reduced pro rata to reflect the number of whole months from the Award Date until the date of cessation of Relevant Employment as a proportion of the original Vesting Period.~~

~~In the case of an Option, the Share Award Holder shall be entitled to exercise the Vested proportion of his Option (whether Vested under this Rule or otherwise) at any time during the period ending 6 months after the cessation of Relevant Employment or, if later, following Vesting or, in either case, during such other longer period as the Board determines. The Option shall lapse at the end of such period.~~

12.3. Cessation of Relevant Employment as a result of summary dismissal

If a Share Award Holder ceases to be in Relevant Employment as a result of summary dismissal, any Share Award granted to the Share Award Holder shall lapse on the earlier of the date the Share Award Holder ceases to be in Relevant Employment and the date of the determination to dismiss the Share Award Holder summarily.

11.11.12.4. Share Award Holder relocated abroad

If it is proposed that a Share 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 Share Award Holder would:

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

his Share Award may, at the absolute discretion of the Board, Vest immediately either in full or to the extent determined by the Board in its absolute discretion and subject to such conditions as it may require taking into account such factors as the Board may consider relevant including, but not limited to, the period of time the relevant Share Award has been held and the extent to which any condition imposed under Rule 7.1 has been met. Where the Share Award is an Option and has become Vested pursuant to this Rule 12.3, the Share Award Holder may exercise his Vested Option at any time during the period beginning 3 months before the proposed date of his transfer and ending 3 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.

11.12.12.5. Meaning of ceasing to be in Relevant Employment

For the purposes of the Plan, a Share 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, unless the Board otherwise decides a Share 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.

The Board may determine that a Share Award Holder will be treated as ceasing to be in Relevant Employment when he gives or receives notice of termination of his employment (whether or not lawful).

11.13.12.6. Interaction of Rules

In the case of an Option:

1. If the Option has become exercisable under Rule ~~3.13.112.2~~ and, during the period allowed for the exercise of the Option under Rule ~~3.13.112.2~~ the Share Award Holder dies, the period allowed for the exercise of the Option shall be the period allowed by Rule 12.1; and
2. If the Option has become exercisable under Rule 12 and, during the period allowed for the exercise of the Option under Rule 12, the Option becomes exercisable under Rule 13 also (or vice versa), the period allowed for the exercise of the Option shall end on the earlier of the end of the period allowed by Rule 12 and the end of the period allowed by Rule 13.

12.13. Takeover and other corporate events

12.1.13.1. Takeover

Subject to Rule 14, where a person obtains Control of the Company as a result of making an offer to acquire Plan Shares, Share Awards shall Vest on the date the person obtains Control as set out below.

The proportion of a Share Award 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 Share Award has been held by the Share Award Holder and having regard to any condition imposed under Rule 7.1.

In the case of an Option, the Vested proportion of the Option (whether Vested under this Rule 13.1 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. The Option shall lapse at the end of such period unless the Board determines that a longer period for exercise shall apply, in which case the Option shall continue in force until the end of such extended period or until it otherwise lapses in accordance with the Rules.

If the extent of Vesting of a Share Award which Vests under this Rule 13.1 has been reduced by the Board to reflect the period of time that the Share Award has been held by the Share Holder, the Board may determine that Rule 14 shall apply to the proportion of the Share Award reflecting such reduction which has not Vested.

12.2.13.2. Compulsory acquisition of shares in the Company

Subject to Rule 14, if a person becomes entitled or bound to acquire shares in the Company under sections 979 to 982 of the Companies Act 2006, Share Awards shall Vest as set out below.

The proportion of a Share Award 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 Share Award has been held by the Share Award Holder and having regard to any condition imposed under Rule 7.1.

In the case of Option, the Vested proportion of the Option (whether Vested under this Rule 13.2 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 7 clear days before the date on which the person ceases to be entitled to serve such a notice. The Option shall lapse at the end of the 7 days.

If the extent of Vesting of a Share Award which Vests under this Rule 13.2 has been reduced by the Board to reflect the period of time that the Share Award has been held by the Share Award Holder, the Board may determine that Rule 14 shall apply to the proportion of the Share Award reflecting such reduction which has not Vested.

12.3.13.3. Scheme of arrangement

Subject to Rule 14, 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 Share Awards shall Vest on the date of the court sanction as set out below.

The proportion of a Share Award 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 Share Award has been held by the Share Award Holder and having regard to any condition imposed under Rule 7.1.

In the case of an Option, the Vested proportion of the Option (whether Vested under this Rule 13.3 or otherwise) may be exercised at any time during the period of 6 months from the compromise or arrangement being sanctioned by the court. The Option shall lapse at the end of such period.

If the extent of Vesting of a Share Award which Vests under this Rule 13.3 has been reduced by the Board to reflect the period of time that the Share Award has been held by the Share Award Holder, the Board may determine that Rule 14 shall apply to the proportion of the Share Award reflecting such reduction which has not Vested.

12.4.13.4. Winding-up of the Company

If notice is given of a resolution for the voluntary winding-up of the Company, Share Awards shall Vest on the date notice is given.

The proportion of a Share Award 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 Share Award has been held by the Share Award Holder and having regard to any condition imposed under Rule 7.1.

In the case of an Option, the Vested proportion of the Option (whether Vested under this Rule 13.4 or otherwise) may be exercised at any time during the period of 6 months from the date of the notice or, if earlier, on completion of the winding up. The Option shall lapse at the end of such period.

12.5.13.5. Demergers and other events

The Board may determine that Share 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 a Share Award which shall Vest will be determined by the Board in its absolute discretion and subject to such conditions as it may require taking into account such factors as the Board may consider relevant including, but not limited to, the time the Share Award has been held by the Share Award Holder and having regard to any condition imposed under Rule 7.1.

In the case of an Option, the Vested proportion of the Option (whether Vested under this Rule 13.5 or otherwise) may be exercised at any time during a period as shall be determined by the Board. The Option shall lapse at the end of such period.

If the extent of Vesting of a Share Award which Vests under this Rule 13.5 has been reduced by the Board to reflect the period of time that the Share Award has been held by the Share Award Holder, the Board may determine that Rule 14 shall apply to the proportion of the Share Award reflecting such reduction which has not Vested.

12.6.13.6. Meaning of “obtains Control of the Company”

For the purpose of Rule 13 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.

12.7.13.7. References to Board within this Rule 13

For the purposes of this Rule 13, 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 13 applies.

12.8.13.8. Notification of Share Award Holders

The Board shall, as soon as reasonably practicable, notify each Share Award Holder of the occurrence of any of the events referred to in this Rule 13 and explain how this affects his position under the Plan.

12.9.13.9. Vesting of Share Awards in advance of a corporate event

Where the Board is aware that an event is likely to occur under Rule 13:

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

the Board may, in its absolute discretion and by notice in writing to all Share Award Holders, declare that all Share Awards that are expected to Vest as a result of the relevant event shall Vest (and in the case of any such Share Award which is an Option, shall be exercisable) in accordance with Rule 13 during such period prior to the relevant event as determined by the Board.

13.14. Exchange of Share Awards

13.1.14.1. Where exchange applies

A Share Award will not Vest under Rule 13 but will be exchanged for a new award (**New Share Award**) under this Rule to the extent that:

1. an offer to exchange the Share Award for a New Share Award is made and accepted by the Share Award Holder; or
2. the Board, with the consent of the persons acquiring Control if relevant, decides that Share Awards will be automatically exchanged for New Share Awards. The circumstances in which the Board may make such a decision include (but are not limited to) where an event occurs under Rules 13.1, 13.2, or 13.3 and:
 - a. 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
 - b. the obtaining of Control amounts in the opinion of the Board to a merger with the Company.

13.2.14.2. Terms of exchange

The following applies in respect of the New Share Award:

1. The Award Date of the New Share Award shall be deemed to be the same as the Award Date of the Share Award.
2. The New Share 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 Share 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 Share Award relates.
4. The New Share Award must be equivalent to the Share Award and subject to paragraph 5 below it will Vest at the same time and in the same manner as the Share Award.
5. Either the Vesting of the New Share Award must be subject to any conditions which are so far as possible equivalent to any conditions applying to the Share Award or no conditions will apply but the value of shares comprised in the New Share Award shall have substantially the same value of the number of Plan Shares which would have Vested under Rule 13 as applicable.

14.15. Lapse of Share Awards

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

1. in the case of Options, the expiry of the Exercise Period;
2. the Board determining that any condition imposed under Rule 7.1 has not been satisfied either in whole nor in part in respect of the Share Award and can no longer be satisfied in whole or in part in which case the Share Award shall lapse either in whole or as to such part in relation to which the condition imposed under Rule 7.1 can no longer be satisfied;
3. subject to Rule 12, the Share Award Holder ceasing to be in Relevant Employment;
4. any date for lapse provided for under these Rules; and
5. the date on which the Share Award Holder becomes bankrupt or enters into a compromise with his creditors generally.

15.16. Adjustment of Share Awards on Reorganisation

15.1.16.1. Power to adjust Share Awards

In the event of a Reorganisation, the number of Plan Shares subject to a Share 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 Board shall determine.

In the case of Restricted Shares, subject to the relevant Restricted Share Agreement, the Share 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 a Share Award Holder for no consideration or with the proceeds of sale of such rights (but not with new consideration provided by the Share Award Holder) as a result of such Reorganisation shall be treated as if they were awarded to the Share Award Holder at the same time as the Restricted Shares in respect of which the rights were conferred and subject to the Rules and the terms of the Restricted Share Agreement.

15.2.16.2. Award Price

No adjustment shall be made to the Award Price which would result in the Plan Shares subject to an Option or Conditional Share Award 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).

15.3.16.3. Notification of Share Award Holders

The Board shall, as soon as reasonably practicable, notify each Share Award Holder of any adjustment made under this Rule 16 and explain how this affects his position under the Plan.

16.17. Tax and social security withholding

16.1.17.1. Deductions

Unless the Share Award Holder discharges any liability that may arise himself, 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 Share Awards, including where applicable, Employer's NIC transferred under Rule 17.2. The Share Award Holder will be responsible for all taxes, social security contributions and other liabilities arising in respect of the Share Award Holder's Share Awards.

16.2.17.2. Transfer of Employer's NIC

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

16.3.17.3. Execution of document by Share Award Holder

The Board may require a Share Award Holder to execute a document in order to bind himself contractually to any such arrangement as is referred to in Rules 17.1 and 17.2 and return the executed document to the Company by a specified date. It shall be a condition of Vesting and where applicable exercise of the Share Award that the executed document be returned by the specified date unless the Board determines otherwise.

16.4.17.4. 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 and/or the Plan Shares the subject of an Award comprising Restricted Shares may not be issued or transferred to the Share Award Holder (or for his benefit) unless the Share 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 local arrangements.

17.18. Rights and listing of Plan Shares

17.1.18.1. Rights attaching to Plan Shares

Except as set out in Rule 3.10 (Restricted Shares), all Plan Shares issued 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.

17.2.18.2. Listing and admission to trading 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 and admission to trading of any Plan Shares issued under the Plan as soon as reasonably practicable.

18.19. Relationship of the Plan to contract of employment

18.1.19.1. Contractual provisions

Notwithstanding any other provision of the Plan:

1. the Plan shall not form part of any contract of employment between any Group Member and an Eligible Employee;
2. unless expressly so provided in his contract of employment, an Eligible Employee has no right to be granted a Bonus Award and/or a Share Award or receive a Cash Bonus and the receipt of a Bonus Award, Cash Bonus or a Share Award in one year (and the calculation of the Bonus Award or Share Award Price in a particular way) is no indication that the Participant or Share Award Holder will be granted any subsequent Bonus Awards or Share Awards (or that the calculations of the Bonus Award or Share Award Price will be made in the same or a similar way);
3. the Plan does not entitle any Participant or Share Award Holder to the exercise of any discretion in his favour;
4. the benefit to an Eligible Employee of participation in the Plan (including, in particular but not by way of limitation, any Bonus Awards and/or Share Awards held by him and any Cash Bonus or Plan Shares received by him) shall not form any part of his remuneration or count as his remuneration for any purpose and shall not be pensionable; and
5. 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 Bonus Awards and/or Shares 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.

18.2.19.2. Deemed agreement

By accepting the grant of a Bonus Award and/or Share Award, a Participant or Share Award Holder is deemed to have agreed to the provisions of these Rules, including this Rule 19.

19.20. Administration of the Plan

19.1.20.1. Responsibility for administration

The Board shall be responsible for, and shall have the conduct of, the administration of the Plan. The Board 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.

19.2.20.2. 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.

19.3.20.3. Discretionary nature of Bonus Awards, Cash Bonuses and Share Awards

All Bonus Awards, Cash Bonuses and Share Awards shall be granted entirely at the discretion of the Board.

19.4-20.4. Provision of information

A Participant or Share Award Holder shall provide to the Company or any Group Member as soon as reasonably practicable such information as the Company reasonably requests for the purpose of complying with its obligations under section 421J of ITEPA 2003 or similar requirements of local tax legislation.

19.5-20.5. Cost of the 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 or the costs of a Bonus Award, Cash Bonus and Share Award to a Subsidiary.

19.6-20.6. Data protection

The personal data of any Eligible Employee, Participant, Share Award Holder or former Share Award Holder may be processed in connection with the operation of the Plan in accordance with the Group's prevailing data protection policy and as notified to Eligible Employees in accordance with the GDPR. By participating in the Plan, a Participant consents (otherwise than for the purposes of the GDPR) to the processing of their personal data in connection with the operation of the Plan

19.7-20.7. Third party rights

Nothing in these Rules confers any benefit, right or expectation on a person who is not a Participant or Share 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.

20-21. Amendment of the Plan

20.1-21.1. Power to amend the Plan

Subject to Rules 21.2 and 21.3, 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).

20.2-21.2. Amendments to the Plan

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

1. the basis for determining an Eligible Employee's entitlement (or otherwise) to be granted a Bonus Award or Share 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;
2. the persons to whom a Bonus Award or Share Award may be granted;
3. the limit on the aggregate number of Plan Shares over which Share Awards may be granted;
4. the limit on the number of Plan Shares over which Share Awards may be granted to any one Eligible Employee;
5. the adjustment of Share Awards on a Reorganisation; or
6. this Rule 21.2,

except for:

1. an amendment which is of a minor nature and benefits the administration of the Plan; or
2. 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.

20.3-21.3. Rights of existing Participants and Share Award Holders

An amendment may not materially adversely affect the rights of an existing Participant or Share Award Holder except:

1. 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
2. where the Participant or Share Award Holder affected by the change has been notified of such amendment and the majority of Participants and Share Award Holders holding Bonus Awards and/or Share Awards affected by the change who have responded to such notification have approved the amendment.

21-22. Notices

21.1-22.1. Notice by the Board

Save as provided for by law, any notice, document or other communication given by, or on behalf of, the Board 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, in the case of a Participant or Share Award Holder who remains in Relevant Employment, to such e-mail address as is allocated to him by any Group Member, 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.

21.2-22.2. Deceased Participants and Share Award Holders

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

21.3-22.3. Notice to the Board

Save as provided for by law any notice, document or other communication given to the Board (or any relevant person appointed by the Board) in connection with the Plan shall be delivered by hand or sent by email, fax or post to the Company Secretary (or any relevant person appointed by the Board) at the Company's registered office (or such other e-mail or postal address as may from time to time be notified to Participants and Share 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.

22-23. Governing law and jurisdiction

22.1-23.1. 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 Bonus Award and/or Share Award granted under it shall be governed by English law.

22.2-23.2. 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.

22.3-23.3. Jurisdiction agreement for benefit of the Company

The jurisdiction agreement contained in this Rule 23 is made for the benefit of the Company only, which accordingly retains the right to bring proceedings in any other court of competent jurisdiction.

22.4-23.4. Participant and Share Award Holder deemed to submit to such jurisdiction

By accepting the grant of a Bonus Award and/or Share Award, a Participant or Share Award Holder is deemed to have agreed to submit to such jurisdiction.

23-24. Interpretation

23.1-24.1. 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 Date means the date on which a Share Award is granted in accordance with Rule 3.1;

Award Price means the amount (if any), expressed either as an amount per Plan Share or a total amount, payable in respect of the exercise of an Option Or Vesting of a Conditional Share Award or for the acquisition of Restricted Shares under a Restricted Share Agreement, determined in accordance with Rule 6;

Board means, subject to Rule 13.7, the board of directors of the Company or a duly authorised committee of it or a person duly authorised by the board of directors of the Company or such committee;

Bonus means value which may be provided to the Eligible Employee in the form of a Cash Bonus and Share Award if the Performance Targets and/or any other conditions applicable to it are satisfied;

Bonus Award means a conditional right of a Participant to receive a Bonus;

Bonus Award Certificate means a statement in a form, which may include an electronic form, determined by the Company setting out details of the Bonus Award;

Cash Bonus means a cash payment made in respect of a Bonus Award;

Company means MJ Gleeson plc incorporated in England and Wales under company number 09268016;

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;

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

Dealing Restrictions means any restrictions imposed by legislation, regulation or any other code or guidance on share dealing with which the Company seeks to comply;

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 date the Bonus Award 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 secondary class 1 National Insurance contributions liability or any local equivalent;

Executive Director means a full-time director of MJ Gleeson plc;

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

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;

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

HMRC means Her Majesty's Revenue & Customs;

Holding Period means the period (if any) specified under paragraph 8 of Rule 3.2 (commencing from the Vesting Date of the relevant Share Award) during which the restrictions contained in Rule 11 apply;

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:

1. if at the relevant time Plan Shares are listed on the Official List (or on 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 closing middle market quotation (as derived from the Daily Official List of the London Stock Exchange or the equivalent list or record for the recognised stock exchange on which the Plan Shares are listed) or, if the Board so decides, the closing price on the preceding Dealing Day; or
2. 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;

Official List means the list maintained by the Financial Conduct Authority in accordance with section 74(1) of the Financial Services and Markets Act 2000 for the purposes of Part VI of the Act;

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

Participant means an employee of a Group Member who has been selected to participate in the Plan and to whom a Bonus Award has been granted;

Performance Target means a performance target imposed in relation to a Bonus Award under Rule 1.7;

Plan means the MJ Gleeson plc Annual and 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);

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

Restricted Share Agreement means the agreement referred to in Rule 3.10;

Rules mean the rules of the Plan;

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

Share Award Certificate means a statement in a form, which may include an electronic form, determined by the Company setting out details of the Share Award determined in accordance with Rule 3.2;

Share Award Holder means an individual who holds a Share Award or, where the context permits, his legal personal representatives. Where relevant, Share Award Holder(s) shall include reference to former Share Award Holder(s);

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:

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

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

23.2.24.2. Interpretation

In the Plan, unless otherwise specified:

1. 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
2. the Interpretation Act 1978 applies to the Plan in the same way as it applies to an enactment.