

**KAINOS GROUP PLC**

**KAINOS GROUP PERFORMANCE SHARE PLAN**

**Adopted on 6 July 2015**

**Amended by the board of directors on [28 September  
2022]**

**RULES**

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**KAINOS GROUP PLC**  
**PERFORMANCE SHARE PLAN**

**1. DEFINITIONS**

- 1.1 In this Plan the following words and expressions have the following meanings (unless the context requires otherwise):
- 1.1.1 **"Admission"** means approval being given by the London Stock Exchange to the effective admission of any share capital of the Company to the Official List and the effective admission to trading of such share capital to the London Stock Exchange;
  - 1.1.2 **"All-Employee SIP Award"** means an Award granted to such Eligible Employees as the Board determines, which the Board designates as an All-Employee SIP Award;
  - 1.1.3 **"Any Other Plan"** means any plan or share incentive arrangements (other than the Plan) adopted by the Company which provides for the acquisition of Shares by or on behalf of employees or directors of the Group;
  - 1.1.4 **"Award"** means an Option or a Conditional Share Award granted under the Plan;
  - 1.1.5 **"Award Certificate"** means a certificate in the form of a deed and in a form determined by the Committee or, in a case where the Trustee is the grantor, by the Trustee and which effects the grant of an Award;
  - 1.1.6 **"Award Price"** means the amount (if any) payable on the exercise of an Option or Vesting of a Conditional Share Award in each case determined by the Committee at the Date of Grant of the Award pursuant to Rule 4.1;
  - 1.1.7 **"Board"** means the board of directors for the time being of the Company or a duly authorised committee thereof;
  - 1.1.8 **"Cause"** means the commission by the Participant of any act or omission that in entitles the Company (or other Member of the Group) to terminate the Participant's employment or appointment as a director without in each case notice or payment in lieu of notice;
  - 1.1.9 **"Cessation Date"** means the date on which the Participant ceases, or is deemed to cease, to be an employee or director of a Group Company, determined in accordance with Rule 9.3;
  - 1.1.10 **"Committee"** means the Remuneration Committee or any other committee formed under the authority of the Board. In any matters associated with a Director, the relevant committee will always be the Remuneration Committee, save in relation to the grant of Awards at or conditionally upon Admission;
  - 1.1.11 **"Company"** means Kainos Group plc;
  - 1.1.12 **"Conditional Share Award"** means a conditional right under the Plan to acquire Shares;
  - 1.1.13 **"Control"** has the meaning given to it by section 1124 Corporation Tax Act 2010 and "Controlled" shall be construed accordingly;

- 1.1.14 **"Date of Grant"** means, in relation to any Award, the date on which such Award is granted in accordance with Rule 3;
- 1.1.15 **"Dealing Code"** means the Model Code and/or such other Rules and regulations adopted by the Company, which govern dealing in Shares, interests in Shares, options or rights over Shares or interests in Shares;
- 1.1.16 **"Director"** means any individual who is or has been an executive director of the Company at any time;
- 1.1.17 **"Eligible Employee"** means any Director and any employee of a Member of the Group;
- 1.1.18 **"Employing Company"** means the Member of the Group by which the Eligible Employee to whom an Award has been or is to be granted, is or, where the context admits, was, employed;
- 1.1.19 **"Financial Year"** means a financial year of the Company;
- 1.1.20 **"Group"** means the Company and its 51% subsidiaries and **"Member of the Group"** and "Group Company" shall be construed accordingly;
- 1.1.21 **"HMRC"** means HM Revenue and Customs;
- 1.1.22 **"Internal Reorganisation"** means any offer, compromise or arrangement which in the reasonable opinion of the Committee, having regard to the shareholdings in the Company and any acquiring company before and after the offer, compromise or arrangement and/or any other matter which it considers relevant, is in the nature of an internal reorganisation or reconstruction of the Company;
- 1.1.23 **"ITEPA"** means the Income Tax (Earnings and Pensions) Act 2003;
- 1.1.24 **"Joint Election"** means in relation to an Award, an irrevocable form of election, in such form as is determined by the Committee and is approved in advance by HM Revenue and Customs, for the whole or any part of the liability of the Employing Company to a Relevant Employer's NICs Liability to be transferred to the Participant who has been granted the Award to which the election relates;
- 1.1.25 **"Market Value"** of a Share on any date means the value equal to the average middle market quotation of that Share as derived from the Daily Official List of the London Stock Exchange plc for the three dealing days immediately preceding that date or, in a case where a Share is not so quoted but is traded on the Alternative Investment Market, the closing mid-market price on the immediately preceding deciding day, and in any other case, the price determined by the Committee to be the market value of a Share;
- 1.1.26 **"Measurement Period"** means in respect of any Award subject to a Performance Condition, the period selected by the Committee over which the performance is to be measured;
- 1.1.27 **"Model Code"** means the Model Code on Directors' Dealings in Securities as set out in Annex 1 to Chapter 9 of the UK Listing Authority's Listing Rules;

- 1.1.28 **"Notice of Exercise"** means in relation to an Option, a document in such form as the Committee may from time to time decide which must be completed and submitted to the Company secretary or to such other person on their behalf to exercise an Option;
- 1.1.29 **"Official List"** means the Official List of the UK Listing Authority;
- 1.1.30 **"Option"** means a right to acquire Shares under the Plan;
- 1.1.31 **"Option Period"** means, in relation to an Option, the period commencing on the date when the Option Vests in accordance with these Rules and ending at the end of the day immediately preceding the 10th anniversary of the Date of Grant or on such earlier date as the Committee shall specify in the Award Certificate at the Date of Grant;
- 1.1.32 **"Participant"** means any individual (or the personal representatives of a Participant who has died) to whom an Award has been granted which has not yet lapsed;
- 1.1.33 **"Performance Condition"** means any performance target imposed as a condition of the Vesting of an Award pursuant to Rule 6.1;
- 1.1.34 **"Plan"** means the plan constituted by these Rules;
- 1.1.35 **"Relevant Employee's Tax Liability"** means an amount equal to the amount of income tax and/or employee's social security contributions liability (or any similar employment withholding tax or costs in a jurisdiction other than the United Kingdom) for which any Member of the Group or any other person has accounted or may be required to withhold and/or account for to HMRC (or other taxation or fiscal authority) as a consequence of:
- 1.1.35.1 the grant of an Award;
  - 1.1.35.2 the Vesting of an Award or exercise of an Option; or
  - 1.1.35.3 the payment of a dividend equivalent pursuant to Rule 7.1,
- or otherwise in relation to the acquisition of Shares pursuant to an Award;
- 1.1.36 **"Relevant Employer's Social Security Liability"** means the amount of any employer's social security contributions liability (or any similar employment withholding tax or costs in a jurisdiction other than the United Kingdom) for which any Member of the Group or any other person has accounted or may be required to account for to HMRC (or other fiscal authority) as a consequence of:
- 1.1.36.1 the grant of an Award;
  - 1.1.36.2 the Vesting of an Award or exercise of an Option; or
  - 1.1.36.3 the payment of a dividend equivalent pursuant to Rule 7.1,
- or otherwise in respect of the acquisition of Shares pursuant to an Award;
- 1.1.37 **"Relevant Payer"** means the Company, any Group Company or any other person who is liable to account for a Tax Liability;

- 1.1.38 **"Rules"** means these Rules as from time to time amended;
  - 1.1.39 **"Share"** means an ordinary share in the capital of the Company;
  - 1.1.40 **"Tax Liability"** means a Relevant Employee's Tax Liability and/or a Relevant Employer's Social Security Liability;
  - 1.1.41 **"Trust"** means any trust established by the Company or any Member of the Group for the benefit of employees of the Group and which may from time to time hold cash, Shares or other securities for the purposes of the Plan;
  - 1.1.42 **"Trustee"** means the trustee or trustees for the time being of the Trust;
  - 1.1.43 **"Trustee Award"** means an Award which has been, or is to be, granted by the Trustee pursuant to Rule 3;
  - 1.1.44 **"UK Listing Authority"** means the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000; and
  - 1.1.45 **"Vest"** means, in relation to an Option, that the Option becomes exercisable in whole or in part and in relation to a Conditional Share Award means the holder of the Award made becoming entitled to have Shares transferred to them; and "Vested" and "Vesting" shall be construed accordingly and "Vesting Date" shall mean the date on which an Award Vests in whole or in part.
- 1.2 In these Rules (unless the context requires otherwise):
- 1.2.1 reference to the singular includes the plural (and vice versa), reference to any gender includes all genders, and reference to persons includes bodies corporate, unincorporated associations and partnerships (whether or not any of them have a separate legal personality); and
  - 1.2.2 reference to a statute or a statutory provision includes reference to:
    - 1.2.2.1 any order, regulation, statutory instrument or other subsidiary legislation at any time made under it for the time being in force (whenever made); and
    - 1.2.2.2 any modification, amendment, consolidation, re-enactment or replacement of it or provision of which it is a modification, amendment, consolidation, re-enactment or replacement.
- 1.3 The contents list and heading in these Rules are inserted for ease of reference only and do not affect the construction or interpretation of these Rules.
- 1.4 References in these Rules to "month" shall be deemed to be references to a calendar month.

## **2. LIMITS OF PLAN**

### **2.1 Overall plan limits**

- 2.1.1 No Award may be granted on any date if, as a result, the aggregate of:
- 2.1.1.1 the number of Shares committed to be issued in respect of such Award and any other Awards to be granted on the same day; and
  - 2.1.1.2 the number of Shares committed to be issued during the ten year period ending on that date under the Plan or Any Other Plan
- would exceed 10 per cent of the Company's Shares in issue from time to time.
- 2.1.2 For the purposes of this Rule:
- 2.1.2.1 Awards which have lapsed or have been released shall not be counted;
  - 2.1.2.2 Awards granted under the Plan or Any Other Plan upon or conditionally upon Admission, or which are at the time of Admission committed to be granted under the Plan or Any Other Plan, or which are granted under Any Other Plan prior to Admission shall not be counted; and
  - 2.1.2.3 references to any issue or prospective issue of Shares by the Company shall include a transfer of treasury shares but only for so long as (and to the extent that) the guidelines issued by the Investment Association for share incentive schemes specify that treasury shares should be so included.

### **2.2 Individual limit**

The maximum total Market Value of Shares in respect of which an Award may be granted under the Plan to an Eligible Employee in any Financial Year shall be 200% of his annual base salary (excluding benefits in kind) for that Financial Year (or for the preceding Financial Year, if greater).

But the Committee may grant Awards in excess of this limit if circumstances arise which the Committee deems to be sufficiently exceptional to justify it, provided that in no circumstances shall the limit exceed 300% of base salary (excluding benefits in kind) for that Financial Year (or for the preceding Financial Year, if greater).

The limits specified in this Rule 2.2 shall not include any Awards granted pursuant to the Plan prior to but conditionally upon Admission.

### **2.3 Effect of limits**

Any Award shall be limited and take effect so that the limits in this Rule 2 are complied with.



### **3. GRANT OF AWARDS**

#### **3.1 Procedure for grant**

- 3.1.1 Subject to these Rules, Awards (including Options granted as CSOP Options pursuant to the schedule to these Rules) may be granted by the Committee or by the Trustee at any time following Admission, or prior to Admission but conditionally upon Admission occurring, in their absolute discretion to such Eligible Employees as they may determine.

In the case of a Trustee Award, the terms of the Award and the Eligible Employees to whom they are to be granted shall be approved in advance by the Committee.

- 3.1.2 The grant of an Award shall be effected by the execution of a deed by the Company (or the Trustee in the case of a Trustee Award) as soon as practicable after the Committee or, in the case of a Trustee Award, the Trustee, has resolved to grant the Award. The Date of Grant of the Award shall be the date on which the deed is executed by the Company (or the Trustee, as the case may be). An Award Certificate shall be issued to each Participant as soon as reasonably practicable following the grant of the Award.

A Participant to whom an Award is granted or to be granted may be required to enter into a deed of indemnity which has the effect of indemnifying each Relevant Payer in respect of any Tax Liability for which the Participant will be liable pursuant to Rules 4.2.1 and/or 4.2.2.

- 3.1.3 A Participant to whom, an Award has been granted may, by notice in writing to the Company within thirty days after the Date of Grant, renounce the Award in whole or part. In such a case, the Award shall to that extent be treated as never having been granted.

Alternatively, the Company (or, in the case of a Trustee Award, the Trustee) may determine that a Participant be required to accept his Award by completing and returning a document in such form and within such period as the Company (or Trustee, as the case may be) may determine. If the Participant does not deliver the duly completed document to the Company (or Trustee, as the case may be) within the applicable period the Award will immediately lapse at the end of such period. The Company (or Trustee) may also may determine that any such document contain any applicable acceptances for the purposes of Rule 12.3.

#### **3.2 Contents of Award Certificate**

- 3.2.1 The Award Certificate shall state:
- 3.2.1.1 whether the Award is an Option or a Conditional Share Award;
  - 3.2.1.2 the Date of Grant;
  - 3.2.1.3 the number of Shares over which the Award is granted;
  - 3.2.1.4 any Performance Condition and/or other condition specified under Rule 6.1;

- 3.2.1.5 the normal Vesting Date, and in the case of an Option, the Option Period;
- 3.2.1.6 the Award Price, if any;
- 3.2.1.7 whether the Participant is entitled to receive any dividend equivalent pursuant to Rule 17; and
- 3.2.1.8 whether the Participant is liable for any Relevant Employer's Social Security Liability arising in relation to that Award.

### **3.3 Payment not required**

No payment shall be required from any Eligible Employee for the grant of any Award.

### **3.4 Time period for grant of Awards**

#### *3.4.1 Period for grant of Awards*

An Award may only be granted under the Plan:

- 3.4.1.1 prior to but conditionally upon Admission or within the period of 42 days following Admission;
- 3.4.1.2 within the period of 42 days after the date upon which the Plan is adopted by the Company;
- 3.4.1.3 within the period of 42 days after the date of the announcement by the Company of its results for any period; or
- 3.4.1.4 at any other time if circumstances arise which the Committee in its discretion deems to be sufficiently exceptional to justify the granting of an Award,

but if as a consequence of any Dealing Code, dealing in Shares, interests in Shares or options over Shares within the periods of 42 days mentioned in Rules 3.4.1.1 or 3.4.1.3 is prohibited, Awards may be granted within the period of 42 days from the lifting of such prohibition.

#### *3.4.2 No grant when Dealing Code applies*

No Award may be granted at any time or during any period during which, as a consequence of any Dealing Code, the granting of options or rights over Shares is restricted.

#### *3.4.3 No grant after 10 years*

Awards shall not be granted more than 10 years after the Plan was approved by shareholders.

## **4. AWARD PRICE AND TAX**

### **4.1 Award Price**

The Award Price in relation to an Award shall be determined by the Committee at the Date of Grant of that Award.

## **4.2 Tax**

### *4.2.1 Income Tax and employee's social security liability*

It shall be a term of each Award that the holder of it agrees to indemnify and keep indemnified each Relevant Payer to the extent permitted by law in respect of any Relevant Employee's Tax Liability which arises in relation to that Award. The provisions of Rule 8.3.2 shall apply accordingly. The Award Certificate shall include provisions to this effect.

### *4.2.2 Employer's social security liability*

The Committee may, or in the case of a Trustee Award may require the Trustee to, make it a term upon which an Award is granted that the holder agrees (to the extent permitted by law) to pay the whole or part of the amount of (and to indemnify and keep indemnified) each Relevant Payer in respect of any Relevant Employer's Social Security Liability which arises in relation to that Award. Where this requirement applies, the provisions of Rule 8.3.2 shall apply accordingly. Further, the Committee may or, in the case of a Trustee Award, may require the Trustee, on or before the date on which an Award Vests, to make it a condition of Vesting becoming effective that an effective Joint Election is in force at the date of obtaining any benefit, in which event the provisions of Rule 8.6 shall apply. The Award Certificate shall include provisions accordingly.

### *4.2.3 Tax election*

It shall be a condition of granting any Award that the Committee may require the Participant to enter into an irrevocable joint election with his Employing Company pursuant to section 431 of the ITEPA in a form specified by the Committee that for the relevant tax purposes the market value of the Shares acquired is to be calculated as if the Shares were not restricted securities (as defined in section 423 of the ITEPA) and sections 425 to 430 of the ITEPA are not to apply to such Shares.

## **5. NON-TRANSFERABILITY OF AWARDS**

An Award is personal to the Participant to whom it has been granted and may not be transferred, assigned, pledged, charged, or otherwise disposed of by a Participant to any person (other than his personal representatives). Any purported transfer, assignment, pledge, charge or disposal shall cause the Award to lapse immediately.

## **6. PERFORMANCE AND OTHER CONDITIONS**

### **6.1 Except:**

6.1.1 in circumstances which the Committee determines to be exceptional, or

6.1.2 unless the Board determines otherwise, in relation to an All-Employee SIP Award,

the Vesting of any Award which is a Conditional Share Award or an Option with a nil or nominal Award Price shall be conditional on the satisfaction of a Performance Condition, and/or subject to such other condition(s) which the Committee determines to be appropriate. Details of such Performance Condition and any other such conditions shall be set out in the Award Certificate (as the case may be).

- 6.2 Where an Award is subject to a Performance Condition, the number of Shares in respect of which an Award shall Vest shall be calculated for each Participant who is still employed by any Group Company (or is deemed to be employed by any Group Company pursuant to the provisions of Rule 9.1) at the end of the relevant Measurement Period (where applicable) by reference to the extent to which any Performance Condition applicable to that Award has been satisfied.
- 6.3 The Committee will arrange for the calculation of the extent to which the Performance Condition applicable to each Award has been satisfied and accordingly, the number of Shares in respect of which such Award shall Vest. Such calculation shall be completed as soon as practicable following the end of the Measurement Period (where applicable) in relation to the Award, but in event no later than 90 days after finalisation of the Company's accounts for the Financial Year ending on the last day of that Measurement Period.
- 6.4 Following the determination of the number of Shares in respect of which an Award shall Vest in accordance with Rule 6.3, the Committee shall notify the Participant (or his personal representative) and, in the case of a Trustee Award, the Trustee, of that number.
- 6.5 Where events happen which cause the Committee reasonably to consider that any Performance Condition which applies to an Award no longer represents a fair measure of performance, the Committee may determine what it considers would be a more appropriate Performance Condition (if any). In such circumstances, the Committee shall have the discretion to vary the Performance Condition to which any Award is subject.

## **7. DIVIDEND EQUIVALENT**

- 7.1 The Committee may, in its absolute discretion, resolve in relation to any Award, or in the case of a Trustee Award the terms of the Award which the Committee may approve may provide, that when that Award Vests, the Participant shall also be entitled to additional Shares and/or cash of a value (at the time of the Award first Vesting) or in an amount (as the case may be) equal (in aggregate) to the amount of dividends paid (including the tax credit) during the Vesting period in respect of the number of Shares over which the Award has become exercisable.
- 7.2 The transfer of Shares or payment of cash shall be made net of any Tax Liability which arises on such transfer or payment unless the Participant has first made arrangements acceptable to the Company for the payment of such Tax Liability.

## **8. VESTING OF AWARDS AND EXERCISE OF OPTIONS**

### **8.1 Vesting**

Subject to Rules 8.3, 9 and 10, an Award shall Vest on the date which is the later of:

- 8.1.1 the date on which the Committee determines that any Performance Condition has been met in whole or in part and the extent to which the Award Vests in accordance with that Performance Condition;
- 8.1.2 the date on which all other conditions which relate to that Award are satisfied or cease to have effect; and
- 8.1.3 the date (if any) specified in the Award Certificate which shall not be earlier than the third anniversary of the Date of Grant (unless the Committee in its discretion

determines at the Date of Grant that there are exceptional circumstances justifying an earlier Vesting Date),

and in the case of an Option, the Option shall remain exercisable until the expiry of the Option Period.

## **8.2 Effect of Vesting**

The effect of an Option Vesting shall be that the Participant who holds that Option is entitled to exercise the Option at any time during the Option Period (subject to Rules 8.3.2 and 8.8) to the extent to which it has Vested, and in the case of a Conditional Share Award, that the Participant is entitled (subject to Rules 8.3.2 and 8.8) to have Shares issued or transferred to him to the extent to which the Award has Vested.

## **8.3 Restrictions on Vesting and exercise**

### **8.3.1** *General restrictions*

Notwithstanding Rule 8.1, an Award shall not Vest:

- 8.3.1.1 at any time when Vesting is prohibited by any Dealing Code, and following Vesting, an Option may not be exercised at any time when exercise is so prohibited;
- 8.3.1.2 in the case of a Conditional Share Award which is to be satisfied by a transfer of Shares from the Trust, unless the Trustee in its capacity as trustee of the Trust holds a number of Shares, or is able to acquire a number of Shares, which can be used by the Trustee to satisfy all or part of the Vesting of the Award;
- 8.3.1.3 unless the Participant is, subject to Rule 9, a director or employee of a Member of the Group at the time of Vesting

and in the case of an Option which is to be satisfied by a transfer of Shares from the Trust, the Option may not be exercised unless the Trustee in its capacity as trustee of the Trust holds a number of Shares, or is able to acquire a number of Shares, which can be used by the Trustee to satisfy such exercise.

### **8.3.2** *Tax*

If on the Vesting of an Award or exercise of an Option which has Vested a Tax Liability for which the Participant is liable by virtue of Rules 4.2.1 or 4.2.2, would arise, in the case of an Option, the Option may not be exercised and in the case of a Conditional Share Award, no Shares shall be transferred to the Participant, unless (in either case) the Participant has entered into arrangements acceptable to the Board to ensure that the Relevant Payer will receive an amount equal to the amount of such Tax Liability. Without prejudice to the generality of this, the Participant authorises the Committee (or in the case of a Trustee Award the Trustee) to retain and sell on the Participant's behalf (and appoints the Company or the Trustee (as the case may be), or such other person as the Company or the Trustee directs, as the case may be, as his sole trustee for this purpose) sufficient of the Shares to which the Participant is beneficially entitled following exercise of the Option or Vesting of the Conditional Share Award (as

the case may be) to raise an amount (after deducting tax and expenses in relation to the Sale) equivalent to such Tax Liability.

#### **8.4 Partial exercise**

An Option which has Vested may be exercised in whole or in part. If exercised in part, the Committee (or in the case of a Trustee Award the Trustee) shall confirm to the relevant Participant the balance of Shares in respect of which the Option remains outstanding.

#### **8.5 Manner of exercise of Option**

Exercise of an Option in whole or in part (and if in part, on more than one occasion) shall be effected by the Participant delivering to the Company Secretary or to such other person on their behalf (in the case of a Trustee Award, as agent for the Trustee):

- 8.5.1 the Award Certificate relating to such Option;
- 8.5.2 a duly completed and signed Notice of Exercise; and
- 8.5.3 payment in full (in such form as is acceptable to the Committee) of the Award Price.

The date of exercise shall be the date of receipt by the Company Secretary, or to such other person on their behalf, of such items.

#### **8.6 Joint election**

If, pursuant to Rule 4.2.2 the Committee has specified that a Joint Election shall be completed and executed by the Participant and on the submission of a notice of exercise by a Participant:

- 8.6.1 no Joint Election has been entered into or any Joint Election which has been entered into has previously lapsed or is no longer in force; and
- 8.6.2 the Committee gives the Participant written notice within 30 days of the receipt of the notice of exercise that it requires him to enter into a Joint Election

then the Vesting of that Award shall not be effective unless within 30 days after the date of such notice (or such longer period as the Committee may allow) the Participant shall have completed and executed a Joint Election.

#### **8.7 Result of Vesting**

##### **8.7.1 *Transfer of Shares within 30 days***

Subject to Rule 8.3.2, the Board (or, in the case of a Trustee Award, the Trustee) shall within 30 business days of valid exercise of an Option or Vesting of a Conditional Share Award, and the receipt of the items specified in Rules 8.5.1 to 8.5.3 (or, in the case of a Conditional Share Award and where relevant, payment of the Award Price), issue, transfer to or procure the transfer or issue to the Participant of the number of Shares to which the Notice of Exercise of the Option relates or in the case of a Conditional Share Award, the number of Shares which have Vested. Where any Dealing Code prohibits the transfer of the Shares during such 30 day period, such 30 day period shall be extended by the number of days (plus three further days) during which the prohibition applies.

8.7.2 *Transfer subject to consents*

Any transfer or issue of Shares pursuant to this Plan shall be subject to any necessary consent from any competent authority and to the terms of such consent.

8.7.3 *Shares to rank pari passu*

Shares transferred or issued on exercise of an Option or Vesting of a Conditional Share Award shall rank pari passu in all respects with the Company's existing Shares, save that they shall not carry the right to dividends or other distributions declared or recommended the record date for which falls prior to the date when that Option was exercised or the Conditional Share Award Vested (as the case may be).

## **8.8 Lapse of Award**

An Award shall lapse upon the earliest to occur of:

- 8.8.1 in the case of an Option, the expiry of the Option Period;
- 8.8.2 the date on which the Committee determines that any Performance Condition or other condition imposed under Rule 6.1 has not been satisfied in whole or in part 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 Performance Condition or other conditions can no longer be satisfied;
- 8.8.3 subject to Rule 9, the Participant ceases to be a director or employee within the Group;
- 8.8.4 where Rule 9 applies, in the case of an Option, the date specified in Rule 9 by which the Option must be exercised without it having been exercised;
- 8.8.5 the date otherwise provided for an Award to lapse under these Rules; and
- 8.8.6 the date on which the Participant is adjudicated bankrupt or is otherwise deprived of the legal and beneficial ownership of the Option by operation of law or otherwise.

## **9. CESSATION OF EMPLOYMENT**

### **9.1 Cessation of employment for a 'good' reason before Vesting**

9.1.1 *Vesting permitted*

If a Participant ceases to be a director or employee of any Member of the Group as a result of:

- 9.1.1.1 death;
- 9.1.1.2 ill health (as established to the satisfaction of the Committee);
- 9.1.1.3 injury or disability (as established to the satisfaction of the Committee);

- 9.1.1.4 redundancy;
- 9.1.1.5 retirement; or
- 9.1.1.6 by reason only that:
  - (a) his office or employment is in a company of which the Company ceases to have Control; or
  - (b) his office or employment relates to a business or part of a business which is transferred to a person which is not a Group Company, or
- 9.1.1.7 for any other reason if the Committee so decides,

before an Award has Vested, then subject to Rule 9.1.2 and 9.1.3, such Award shall continue in force and shall Vest in accordance with these Rules as if the Participant in question had remained an employee or director of a Member of the Group.

In the case of an Option, the Option may be exercised, to the extent to which it Vests, at any time during the period of six months following the Vesting Date (or such longer period as the Committee determines), or 12 months following the Vesting Date in the case of the death of the Participant, but in any case no later than the expiry of the Option Period (and subject to Rule 8.8).

#### *9.1.2 Number of Shares in respect of which the Award shall Vest*

Where Rule 9.1.1 applies, the number of Shares in respect of which the Award Vests shall be determined as follows:

- 9.1.2.1 the Committee shall determine the extent to which any Performance Condition applicable to that Award has been satisfied at the Cessation Date and shall calculate the number of Shares in respect of which the Award would Vest accordingly but for this Rule 9.1.2; and
- 9.1.2.2 the resulting number of Shares so calculated shall then be reduced by the number given by applying to it the following formula:

$$\frac{A}{B}$$

Where A is the number of days (inclusive) from the Date of Grant of the Award to the Cessation Date; and

B is the number of days in the period over which the Award will normally Vest

and the resulting figure, rounded up to the nearest whole number of Shares, shall be the number of Shares in respect of which the Award shall Vest.

Provided that the Committee (or, in the case of a Trustee Award, the Trustee) may in its discretion determine that the number of Shares in



respect of which the Award shall Vest shall be the number calculated in accordance with Rule 9.1.2.1 without any reduction pursuant to this Rule 9.1.2.2, or with such lesser reduction as the Committee (or the Trustee) may in its discretion determine.

**9.1.3**      *Discretion to allow Vesting at Cessation Date*

Notwithstanding the foregoing provisions of this Rule 9.1, where Rule 9.1.1 applies, the Committee (or, in the case of a Trustee Award, the Trustee) may in its discretion determine that such Award shall Vest on the Cessation Date. Where the Committee or the Trustee (as the case may be) permits an Award to Vest in accordance with this Rule 9.1.3, the extent to which it Vests shall be determined in accordance with Rule 9.1.2 and the Committee shall determine in its discretion the extent to which any Performance Condition shall be deemed to be satisfied at the Cessation Date. In the case of an Option, the Option (to the extent it Vests in accordance with this Rule 9.1.3 may be exercised within the period of six months following the Cessation Date (or 12 months in the case of death) (but subject to Rule 8.8) and to the extent not so exercised it shall lapse.

**9.2      Cessation of employment: general**

9.2.1      If a Participant ceases to be an employee or director of any Member of the Group for any reason other than one referred to in Rule 9.1 all unvested Awards shall lapse immediately upon such the Cessation Date. In the case of an Option, the Award holder shall be entitled to exercise the proportion of the Option which is Vested as at the Cessation Date at any time during the period ending six months (or twelve months if the Award holder has died), after the Cessation Date or during such other longer period as the Board determines but subject to Rule 8.8. If not so exercised, the Option shall lapse at the end of such period.

9.2.2      Notwithstanding Rule 9.2.1 an Option which has not been exercised by the Cessation Date shall lapse in full on the Cessation Date, even to the extent Vested, if the Participant holding such Option was dismissed, or his appointment as a director, was terminated, for Cause.

**9.3      Meaning of ceasing to be an employee or director**

9.3.1      Any reference to ceasing to be an employee or director in this Rule 9 will not include a cessation where the Participant ceases to be an employee or director of the Company or any Group Company (as the case may be) and immediately commences to be an employee or director of the Company or any other Group Company (as the case may be).

9.3.2      For the purposes of these Rules, where a Participant's contract of employment or with the Group is terminated by a Member of the Group without notice, the Participant shall be deemed to cease to be an employee or director of the Group on the date on which the termination takes effect and where such contract is terminated by notice given by a Member of the Group or by notice given by the Participant, the Participant shall be deemed to cease to be an employee or director of the Group on the date on which that notice is served.

## **10. CHANGE OF CONTROL, RECONSTRUCTION AND OTHER CORPORATE EVENTS**

### **10.1 Change of control, compromise or arrangement and winding up**

#### *10.1.1 Rules for specified events*

In respect of any Award that has not lapsed, if one of the events referred to in Rule 10.1.2 occurs or appears likely to occur, then the provisions of Rules 10.1.3 to 10.1.5 shall apply.

#### *10.1.2 Specified events*

The events referred to in Rule 10.1 are:

10.1.2.1 any person (or group of persons acting in concert) obtains Control of the Company as a result of making:

- (a) a general offer to acquire the whole of the issued ordinary share capital of the Company (or such of it as is not already owned by such person or any person connected with them) (whether or not including all or any treasury shares) which is made on a condition such that if it is satisfied or waived the person or group of persons will have Control of the Company; or
- (b) a general offer to acquire all of the issued Shares in the Company (or such of them as are not already owned by such person or any person connected with them);

10.1.2.2 any person becomes bound or entitled to acquire Shares under sections 979 to 982 and 983 to 985 of the Companies Act 2006;

10.1.2.3 the court sanctions a compromise or arrangement in relation to the Company pursuant to section 899 of the Companies Act 2006 which will result in a change of Control of the Company; or

10.1.2.4 the Company gives notice of a general meeting at which a resolution is to be proposed for the voluntary winding up of the Company.

#### *10.1.3 Notification of Options becoming exercisable*

The Board shall, as soon as reasonably practicable, notify each Participant of:

10.1.3.1 in the case where a person or person makes an offer as described in Rule 10.1.2.1, of the making of such Offer;

10.1.3.2 in a case within Rule 10.1.2.2, of the person becoming so bound or entitled;

10.1.3.3 in a case within Rule 10.1.2.3, of the fact that the Company has given formal notification to its shareholders of its intention to make an application for a compromise or arrangement; or

10.1.3.4 in a case within Rule 10.1.2.4, the giving of the notice

and each outstanding Award shall Vest, to the extent determined in accordance with Rule 10.1.4.

*10.1.4 Extent to which Award vests*

10.1.4.1 Where the event in question occurs before the Vesting of an Award the number of Shares in respect of which that Award shall Vest shall be calculated as follows:

- (a) the Committee shall determine the extent to which any Performance Condition applicable to that Award has been satisfied at the time of the relevant event and shall calculate the number of Shares in respect of which the Award would Vest accordingly but for this Rule 9.1.2 provided that the Committee may, if it considers that the circumstances justify it, resolve to allow Vesting of an Award under this Rule 10.1.4.1 to a greater extent than so calculated (including in full as if all Performance Conditions had been satisfied); and
- (b) the resulting number of Shares determined pursuant to Rule 10.1.4.1 shall then be reduced by the number given by applying to it the following formula:

$$\frac{A}{B}$$

Where A is the number of days (inclusive) from the Date of Grant of the Award to the date of the relevant event; and

B is the number of days in the period over which the Award will normally Vest

and the resulting figure, rounded up to the nearest whole number of Shares, shall be the number of Shares in respect of which the Award shall Vest.

Provided that the Committee (or, in the case of a Trustee Award, the Trustee) may in its discretion determine that the number of Shares in respect of which the Award shall Vest shall be the number calculated in accordance with Rule 10.1.4.1(a) without any reduction pursuant to this Rule 10.1.4.2(b), or with such lesser reduction as the Committee (or the Trustee) may in its discretion determine.

*10.1.5 Exchange of Awards*

10.1.5.1 If the event is one referred to in Rule 10.1.2.1, the Committee (or, in the case of a Trustee Award, the Trustee, having sought and considered the advice, suggestions and guidance of the Committee) may within the appropriate period and with the agreement of any

company that obtains Control of the Company and with the agreement of a Participant, vary the terms of the Award made to the Participant or facilitate the exchange of the Award for a new award made by the acquiring company which may operate over shares in the acquiring company. In this Rule 10.1.5.1, "appropriate period" means:

- (a) where the event is one within Rule 10.1.2.1 or 10.1.2.2, the period specified in Rule 10.1.6.2(a) and 10.1.6.2(b) respectively;
- (b) where the event is one within Rule 10.1.2.3, the period of six months beginning with the time when the Court sanctions the scheme of arrangement.

10.1.5.2 In the event of an Internal Reorganisation, the Committee may determine that, with the consent of the acquiring company, unvested Awards shall be released and replaced by Awards over shares in the acquiring company, and in such a case:

- (a) there shall be no requirement to seek the consent of the Participant; and
- (b) Rule 10.1.5.1 shall apply.

#### *10.1.6 Date of Vesting and period for exercise*

Where this Rule 10.1 applies:

10.1.6.1 in the case of Conditional Share Awards, the date of Vesting shall be:

- (a) in the case of an event within Rule 10.1.2.1, immediately prior to the date of the change of Control;
- (b) in the case of an event within Rule 10.1.2.2, upon the person becoming so bound or entitled;
- (c) in the case of an event within Rule 10.1.2.3, immediately prior to the court sanction of the compromise or arrangements; and
- (d) in the case of an event within Rule 10.1.2.4, immediately prior to the commencement of the winding up;

10.1.6.2 in the case of Options, the period for exercise of an Option shall be:

- (a) where the event in question is within Rule 10.1.2.1 and where Rule 10.1.2.2 does not apply, within the period beginning on the date on which the Participant receives notification of the offer from the Board and ending 30 days after the time when the person making the offer has obtained Control of the Company and any condition subject to which the offer is made is satisfied, or such earlier date as may be specified by the Board in such notification, (provided that

any exercise prior to the other person(s) obtaining Control shall take effect immediately prior to that other person actually obtaining Control);

- (b) where the event in question is within Rule 10.1.2.2, within the period during which the person remains so bound or entitled;
- (c) where the event in question is within Rule 10.1.2.3, during the period which starts on the date on which the Court sanctions the compromise, or arrangement and ends six months later or which ends on such earlier date as the Board shall specify in the notice referred to in Rule 10.1.3;
- (d) where the event in question is within Rule 10.1.2.4, at any time prior to the commencement of such winding up but so as to take effect immediately prior to the commencement of the winding up.

and to the extent not so exercised the Option shall lapse.

## **10.2 Demergers and reconstructions**

If a demerger, reorganisation, reconstruction or amalgamation of the Company or any other transaction is proposed which, in the opinion of the Committee, might affect the current or future value of any Award (and the opinion of the Committee as to whether a demerger, reorganisation, reconstruction or amalgamation has occurred shall be final) the Committee (or, in the case of a Trustee Award, the Trustee) may vary or alter in any manner whatsoever which it thinks fit the terms of any Award so as to preserve the overall value of the Option.

Such alteration may include (without limitation), amending any Performance Condition or other condition, changing the Vesting Date of an Award (including allowing immediate Vesting in whole or in part and providing for the lapse or continuation of the balance of an Award not Vested) and altering the terms of an Award such that the Award is over shares in another company.

## **11. PARTICIPANT RELOCATED ABROAD**

If a Participant remains an employee or director of a Member of the Group but is transferred to work in another country or changes tax residence status and, as a result he would:

- 11.1 suffer a tax disadvantage in relation to his Awards (this being shown to the satisfaction of the Committee); or
- 11.2 become subject to restrictions on his ability to exercise his Awards or to hold or deal in the Shares or the proceeds of the sale of the Shares acquired on exercise or Vesting because of the security laws or exchange control laws of the country to which he is transferred,

then the Committee may decide that the Awards will Vest on a date it determines before or after the transfer takes effect. The Award will Vest to the extent that the Committee permits and may lapse as to the balance.

## **12. MALUS AND CLAWBACK**

### **12.1 Malus**

12.1.1 Notwithstanding any other provision of the Rules, Awards may be granted on terms that the Committee may, at the time of Vesting of an Award or, in the case of an Award which is an Option, the time of exercise of the Option or at any time before, reduce the number of Shares subject to the Award in whole or in part (including, for the avoidance of doubt, to nil) if the Committee reasonably determines that any of the following circumstances apply and justify such reduction:

12.1.1.1 discovery of a material misstatement in the audited consolidated accounts of the Company or the audited accounts of any Member of the Group;

12.1.1.2 the assessment of any Performance Condition in respect of an Award was based on a material error, or materially inaccurate or misleading information; and/or

12.1.1.3 action or conduct of the Participant which, in the reasonable opinion of the Committee amounts to fraud or gross misconduct or has had a materially detrimental effect on the reputation of any Member of the Group.

12.1.2 In determining the reduction which should be applied under this Rule 12.1, the Committee shall act fairly and reasonably but its decision shall be final and binding.

12.1.3 For the avoidance of doubt, any reduction under this Rule 12.1 may be applied on an individual basis as determined by the Committee. Whenever a reduction is made under this Rule 12.1, the relevant Award shall be treated to that extent as having lapsed

### **12.2 Clawback**

12.2.1 Notwithstanding any other provision of the Rules, Awards may be granted on terms that at any time during the period of three years following the Vesting of an Award (or such shorter period as the Committee may determine) the Committee may in its absolute discretion require the relevant Participant:

12.2.1.1 to transfer to the Company (or the Trustees, if required by the Company) all or some of the Shares acquired by such Participant on the Vesting of the Award or, in the case of an Award which is an Option, the exercise of that Option; and/or

12.2.1.2 to pay to the Company (or the Trustees, if required by the Company) some or all of the proceeds of sale of all or some of the Shares acquired in the Vesting of the Award or, in the case of an Award that is an Option, the exercise of that Option,

so that the total amount payable to the Company or at its direction to the Trustees and/or any Member of the Group (represented by amounts payable and/or the value of the Plan Shares transferred) shall be equal to the Acquisition Value (as

defined below) if it reasonably determines that any of the following circumstances apply and justify such transfer or payment:

- 12.2.1.3 discovery of a material misstatement in the audited consolidated accounts of the Company or the audited accounts of any Member of the Group for a period that commenced before the end of the period over which the Performance Condition applicable to an Award was assessed; and/or
  - 12.2.1.4 the assessment of any Performance Condition or other condition in respect of an Award was based on a material error, or materially inaccurate or misleading information; and/or
  - 12.2.1.5 action or conduct of an Award Holder which, in the reasonable opinion of the Committee, amounts to fraud or gross misconduct or has had a materially detrimental effect on the reputation of any Member of the Group.
- 12.2.2 For the purposes of this Rule 12.2, the "Acquisition Value" shall mean the total value (as reasonably determined by the Committee) of the Shares acquired under the Award and/or the cash payable to the Participant in respect of the Award or such lesser amount as the Committee may in its absolute discretion determine but reduced to take into account the amount of tax and social security contributions actually paid (or due to be paid) by the Participant in respect of the acquisition of Shares and/or payment of cash in respect of an Award except where the Participant can claim tax relief arising from the making of payments or transfer of Shares under this Rule 12.
- 12.2.3 In carrying out any action under this Rule 12, the Committee shall act fairly and reasonably but its decision shall be final and binding.
- 12.2.4 For the avoidance of doubt, any action carried out under this Rule 12.2 may be applied on an individual basis as determined by the Committee. Whenever a reduction of an Award is made under this Rule 12.2, the relevant Award shall be treated to that extent as having lapsed.
- 12.3 If Awards are granted on terms that Rules 12.1 and/or or 12.2 apply to the Award, the Company (or in the case of a Trustee Award, the Trustee) may require that the Participant executes a document in order to confirm his acceptance of such provisions and return the executed document 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 Company (or Trustee, as the case may be) determines otherwise.

### **13. TRUSTEE TO CONSULT COMMITTEE**

Prior to taking any action, making any determination, or exercising any discretion under these Rules, the Trustee shall, in relation to the subject matter of that proposed action, determination or exercise of discretion, seek and consider the advice, suggestions and guidance of the Committee.

## **14. VARIATION OF CAPITAL**

### **14.1 Adjustment of Awards**

In the event of any increase or variation of the share capital of the Company by way of capitalisation, rights issue, sub-division, consolidation, reduction of Shares or otherwise, the Committee (or, in the case of a Trustee Award the Trustee) shall make such adjustment (if any is required) to the number and/or description of Shares subject to an Award and/to the Award Price as it may determine to be appropriate.

### **14.2 Notification to Participants**

As soon as reasonably practicable after making any adjustment to an Award under Rule 14.1, the Committee shall give notice of it in writing to the holder of that Award.

## **15. ALTERATIONS TO THE PLAN**

### **15.1 General**

Subject to this Rule 15, the Committee may by resolution at any time and from time to time make any alteration to the Plan which it thinks fit (including for the purposes of establishing a sub-plan for the benefit of employees located overseas).

### **15.2 Shareholder approval**

15.2.1 The provisions of the Plan listed in Rule 15.2.2 cannot be amended to the advantage of the Participants without the prior approval of the shareholders in general meeting unless they are minor amendments to benefit the administration of the Plan or are amendments to take account of a change in legislation or statutory regulations or are to obtain or maintain favourable tax, exchange control or regulatory treatment for Participants or potential Participants in the Plan or for the Company or any Group Company.

15.2.2 The provisions of the Plan referred to in Rule 15.2.1 are:

15.2.2.1 the basis for determining an Eligible Employee's entitlement (or otherwise) to be granted an Award and/or to acquire Shares on the exercise of an Option and/or to become absolutely entitled to Shares subject to a Conditional Share Award;

15.2.2.2 the persons to whom an Award may be granted;

15.2.2.3 the limit on the aggregate number of Shares over which Awards may be granted;

15.2.2.4 the individual participation limit in Rule 2.2;

15.2.2.5 the Award Price;

15.2.2.6 the adjustment of Awards pursuant to Rule 14; and

15.2.2.7 this Rule 15.2.



### **15.3 Alterations which adversely affect Participants or Trustee Awards**

No alteration may be made which would materially increase the liability of any Participant or which would materially decrease the value of any Participant's subsisting rights attached to any Award without in each case that Participant's prior written consent. No alteration may be made if it shall materially affect Awards already granted by the Trustee without the Trustee's prior consent.

### **15.4 Notice of alteration**

As soon as reasonably practicable after making any alteration under this Rule 15, the Committee shall give notice in writing of it to each Participant and, where appropriate, to the Trustee.

## **16. MISCELLANEOUS**

### **16.1 No employment rights**

This Plan shall not form part of the contract of employment of any individual who participates in it. The rights and obligations of any individual under the terms of his office or employment with any Company participating in the Plan shall not be affected by his participation in the Plan or any right which he may have to participate in it.

An individual who participates in the Plan shall waive any and all rights to compensation or damages in consequence of the termination of his office or employment for any reason whatsoever (including unfair or wrongful dismissal) insofar as those rights arise or may arise from his ceasing to have rights under or to be entitled to exercise any Option under the Plan as a result of such termination. No such participation, rights or benefits shall be taken into account for the purposes of calculating the amount of benefits payable to any pension fund (or in the case of participation by an Irish resident employee, an employee's remuneration for the purposes of the Unfair Dismissals Acts, 1977-2014). Awards granted pursuant to the Plan shall not constitute any representation or warranty that any benefit will accrue to any individual to whom such Award has been granted.

### **16.2 Administration**

The Plan shall be administered by the Committee who may from time to time make and vary procedures for administration and implementation of the Plan, and in the event of any dispute or disagreement as to the interpretation of the Plan, or of any Rule, regulation or procedure, or as to any question or right arising from or related to the Plan, the decision of the Committee shall be final and binding upon all persons.

### **16.3 Notices**

Any notice or other communication under or in connection with this Plan may be given:

16.3.1 by personal delivery or by sending the same by post:

16.3.1.1 in the case of a company or the Trustee, to their registered office; and

16.3.1.2 in the case of a Participant, to his last known address, or where he is a director or employee of a company participating in the Plan, either to his last known address or to the address of the place of business at

which he performs the whole or substantially the whole of the duties of his office or employment,

and where a notice or other communication is given by first class post, it shall be deemed to have been received 48 hours after it was put into the post properly addressed and stamped; or

16.3.2 by electronic communication to their usual business address or to such other address for the time being notified for that purpose to the person giving the notice.

#### **16.4 Participation by directors**

Subject to the articles of association of the Company, a Participant who is a director of the Company may, notwithstanding his interest, vote on any resolution concerning the Plan (other than in respect of his own participation therein) and may retain any benefits under the Plan.

#### **16.5 No power to bind Trustee**

It is acknowledged that neither the Company nor any Committee has the power to bind the Trustee in any way, and that where the Rules require a decision to be made, discretion to be exercised or any action to be taken, the Committee will advise the Trustee of such requirement and will request that their recommendations be considered and taken into account and where possible, implemented by the Trustee.

#### **16.6 Data privacy**

For the purpose of administering the Plan, the Company and any Member of the Group and the Trustee may pass personal information about any Eligible Employee or Participant (including, but without prejudice to the generality of the foregoing, such person's name, address, age and salary details) to third parties for the purpose of administering the Plan or complying with its legal obligations. By participating in the Plan, the Participant consents to the holding and processing of personal information by Company or any Member of the Group or the Trustee or any third party service provider for all purposes relating to the operation of the Plan.

The Participant is entitled, on payment of a fee, to a copy of the personal information held about him or her, and if anything is inaccurate the Participant has the right to have it corrected.

### **17. TERMINATION**

No Options may be granted under the Plan more than ten years after its adoption but any rights of Participants then subsisting shall remain in force.

### **18. GOVERNING LAW**

These Rules and the Plan shall in all respects shall be governed by and construed in accordance with the laws of England and the courts of England shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Plan. Any proceedings, suit or action arising out of the Plan shall be brought in such courts.

## SCHEDULE 1: CSOP OPTIONS

The Committee may designate any Option as a CSOP Option on the Date of Grant and if the Committee does so, the Rules shall apply to the CSOP Option, subject to this schedule.

This schedule to the Plan is intended to qualify as a Schedule 4 CSOP Scheme (as defined in section 521 ITEPA) such that Options can be granted under the Plan which are intended to qualify for the tax advantages set out in Chapter 8 of Part 7 ITEPA ("**Schedule 4 Options**").

All of the rules of the Plan which apply in respect of Options shall apply mutatis mutandis to CSOP Options granted under this schedule save as modified by this schedule. In the event of any conflict between the provisions of this schedule and any other provisions of the Plan in relation to Schedule 4 Options, the provisions of this schedule will prevail.

The purpose of this schedule is to provide benefits to eligible employees and directors in the form of CSOP Options. The terms of CSOP Options are granted in accordance with Schedule 4.

### 1. DEFINITIONS AND INTERPRETATION

1.1 The following Rules of the Plan do not apply to CSOP Options granted under this schedule:

- 1.1.1 Rule 7 (dividend equivalents);
- 1.1.2 Rule 8.3 (restrictions on vesting and exercise) except Rule 8.3.1.1;
- 1.1.3 Rule 10 (change of control etc);
- 1.1.4 Rule 11 (relocation abroad);
- 1.1.5 Rule 12 (malus and clawback).

1.2 All terms defined in Rule 1 of the Plan shall have the same meaning in this schedule (unless altered by a provision of this schedule) and the following expressions shall have the following meanings in this schedule unless inconsistent with the context:

**"Associated Company"** has the meaning given to that term by paragraph 35 of Schedule 4;

**"Control"** has the meaning given by section 719 ITEPA;

**"Issue or Reorganisation"** means any capitalisation issue or rights issue (other than an issue of Shares pursuant to the exercise of an option given to the shareholders of the Company to receive Shares in lieu of dividend), any rights offer or any other variation in the share capital of the Company including (without limitation) any consolidation, sub-division or reduction of capital of the Company;

**"Key Feature"** means any provision of this schedule that is necessary to enable it meet the requirements of Schedule 4;

**"Market Value"** of a Share on any date means, in respect of a CSOP Option:

- (a) if the Shares are for the time being admitted to trading on the Daily Official List of the London Stock Exchange, the average middle market quotation for a Share (as derived from the Daily Official List) for the three dealing days before immediately preceding the Date of Grant, or where the Shares have not been so

quoted for the previous three dealing days, the closing mid-market quotation of a Share as derived from the Daily Official List of the London Stock Exchange for the immediately preceding dealing day; or

- (b) if the Shares are not for the time being so traded on the Daily Official List of the London Stock Exchange, the market value of a Share as determined in accordance with Part VIII of the Taxation of Chargeable Gains Act 1992 and which is agreed with Shares and Assets Valuation of HMRC on or before the Date of Grant of such CSOP Option as being the Market Value of a Share at the relevant date provided that the Market Value of any Share subject to a Restriction is to be determined as if they were not subject to the Restriction;

**"Option Exercise Price"** in respect of a CSOP Option has the meaning given to that expression in Rule 1 provided that it shall not be less than the Market Value of a Share at the Date of Grant of that CSOP Option as determined pursuant to the definition of **"Market Value"** in this schedule;

**"Redundancy"** redundancy within the meaning of the Employment Rights Act 1996;

**"Relevant Employee's Tax Liability"** means in relation to a CSOP Option, an amount equal to the amount of income tax and/or employee's national insurance contributions for which the Company or any Member of the Group or any other person has accounted or may be required to withhold and/or account for to HMRC, as a consequence of the exercise of that CSOP Option and, in the case of employee's national insurance contributions, which is treated as remuneration derived from the Participant's employment by virtue of section 4(4)(a) of the Social Security Contributions and Benefits Act 1992;

**"Relevant Employer's Tax Liability"** means in relation to a CSOP Option, the amount of any secondary class 1 national insurance contributions for which the Company or any Member of the Group or any other person has accounted or is required to account for to HMRC (or other fiscal authority) as a consequence of the exercise of that CSOP Option and which is treated as remuneration derived from the Participant's employment by virtue of section 4(4)(a) of the Social Security Contributions and Benefits Act 1992;

**"Restriction"** has the meaning given to that term in paragraph 36(3) of Schedule 4;

**"Schedule 4"** means Schedule 4 to ITEPA.

1.3 For the purposes of this schedule and any CSOP Option granted pursuant to its terms:

1.3.1 a Share must meet the conditions of paragraphs 16 to 18 inclusive and 20 of Schedule 4 at the Date of Grant and date of exercise of the CSOP Option. If Shares cease to satisfy those conditions, except in a case where exercise is permitted pursuant to paragraph 7 of this schedule, the CSOP Option shall cease to be treated as granted or held under a Schedule 4 CSOP Scheme but the Option shall continue as an Award under the Plan; and

1.3.2 notwithstanding the definition of **"Member of a Group"** in Rule 1.1, a Member of the Group means the Company and any Subsidiary over which the Company has Control.

## 2. ELIGIBILITY

2.1 The Board may grant a CSOP Option to such Eligible Employees as it may in its absolute discretion determine.

2.2 A CSOP Option may not be granted:

2.2.1 to a person who is excluded from participation by virtue of paragraph 9 of Schedule 4 (persons who within the previous 12 months have had a material interest in a close

company); or

- 2.2.2 to a director of a Member of the Group unless he is required to devote not less than 25 hours per week (excluding meal breaks) to the business of that Member of the Group, aggregating time spent in the business of other Members of the Group.

### **3. GRANT OF CSOP OPTIONS**

- 3.1 Notwithstanding Rule 6.1, Vesting of CSOP Options shall not be subject to the satisfaction of Performance Conditions unless the Committee determines that it is appropriate that Vesting should be so subject. If any Performance Condition is applied to any CSOP Option, such Performance Condition (and any additional conditions referred to in Rule 6 of the Plan) shall be objective.
- 3.2 Rule 6.5 shall not apply to any Performance Condition applicable to a CSOP Option, but where events happen which cause the Committee reasonably to consider that any Performance Condition which applies to a CSOP Option no longer represents a fair measure of performance or any other conditions are no longer appropriate, the Committee may vary the Performance Conditions or other conditions to which any CSOP Option is subject provided that the variation is fair and reasonable and the Committee reasonably considers the conditions as varied are no more difficult nor easy to satisfy and further provided that each Participant is given notice in writing of the variation as soon as practicable.
- 3.3 The Award Certificate for a CSOP Option shall specify (inter alia):
  - 3.3.1 the Date of Grant;
  - 3.3.2 the number of Shares over which the CSOP Option subsists;
  - 3.3.3 the Option Exercise Price in relation to that CSOP Option;
  - 3.3.4 the Performance Condition (if any) and any additional conditions applicable to that CSOP Option by virtue of Rule 6;
  - 3.3.5 details of any Restrictions to which the Shares are subject;
  - 3.3.6 the times at which the CSOP Option may be exercised;
  - 3.3.7 the circumstances in which the CSOP Option will lapse or be cancelled; and
  - 3.3.8 whether or not the Participant is liable for any Employer's Social Security Contributions that may arise on exercise of the CSOP Option.
- 3.4 These terms must be stated at the Date of Grant of a CSOP Option and may be varied after the grant of the CSOP Option, but only to the extent permitted by paragraph 21A of Schedule 4.

### **4. HMRC LIMITS**

- 4.1 Each CSOP Option granted under this schedule must be limited and must therefore take effect so that immediately after the grant of that CSOP Option, the aggregate of:
  - 4.1.1 the Market Value of the Shares which the Participant may acquire in pursuance of rights (not yet exercised) obtained under this schedule; and
  - 4.1.2 the market value of any shares which the Participant may acquire in pursuance of rights (not yet exercised) obtained under any other share option scheme which satisfies the requirements of Schedule 4 and established by the Company or any Associated Company,

shall not exceed £30,000 (or such other amount as shall be permitted from time to time pursuant to Schedule 4).

- 4.2 For the purposes of the limit in this paragraph, CSOP Options which have been exercised, lapsed or surrendered shall not be counted.

## **5. EXERCISE OF AWARDS**

- 5.1 A Participant may not exercise a CSOP Option if this would breach the rule in paragraph 9 of Schedule 4 (persons who within the previous 12 months have had a material interest in a close company).
- 5.2 As soon as reasonably practicable after a CSOP Option has been exercised and in any event not more than 30 days of the date of exercise of the relevant CSOP Option, the Company shall, subject to paragraph 10 below, issue or transfer, or procure the transfer, to the Participant exercising such Option of the number of Shares in respect of which the CSOP Option has been exercised.

## **6. LEAVERS**

- 6.1 A CSOP Option shall lapse, to the extent not previously exercised, on the date which is 12 months after the date of the Participant's death.
- 6.2 Any decision made by the Committee pursuant to Rule 9.1.2 or paragraph 6.3 of this schedule in respect of a CSOP Option must be made on a fair and reasonable basis.
- 6.3 In the application of Rule 9 to any CSOP Option which has not Vested by the date on which a Participant ceases to be a director or employee of a Member of the Group ("**Cessation Date**"), Rule 9 shall be modified as follows:
- 6.3.1 such CSOP Option shall not lapse but shall Vest to the extent specified in paragraph 6.3.3 on the date on which the Participant ceases to be a director or employee of a Member of the Group to the extent determined in accordance with Rule 9.1.2 if the reason for his so ceasing is any of the following:
- 6.3.1.1 death;

- 6.3.1.2 injury or disability as established to the satisfaction of the Committee;
- 6.3.1.3 Redundancy;
- 6.3.1.4 retirement;
- 6.3.1.5 a relevant transfer within the meaning of the Transfer of Undertakings (Protection of Employment) regulations 2006; or
- 6.3.1.6 his office or employment is in a company of which the Company cease to have Control;
- 6.3.2 if the reason for the Participant ceasing to be a director or employee of a Member of the Group is any other reason than one specified in paragraph 6.3.1 above, then Rules 9.1.2 and 9.3 shall apply;
- 6.3.3 where a CSOP Vests on termination of office or employment in accordance with paragraph 6.3.1, the number of Shares in respect of which it Vests shall be the number in respect of which the Option was originally granted reduced on a pro rata basis by the number given by applying to it the following formula:

**A / B**

Where A is the number of days (inclusive) from the Date of Grant of the Award to the Cessation Date; and

B is the number of days in the period over which the Award will normally Vest

and the resulting figure, rounded up to the nearest whole number of Shares, shall be the number of Shares in respect of which the Award shall Vest.

Provided that the Committee may in its absolute discretion determine not to apply such pro-rating and to allow the CSOP Option to Vest in full;

- 6.3.4 where a CSOP Option Vests on termination of office or employment in accordance with paragraph 6.3.1 (other than in the case of death), or has already Vested by the time of termination of office or employment, it may be exercised, to the extent to which it has Vested, at any time during the period of six months following the date of cessation of employment, but in any case no later than the expiry of the Option Period;
- 6.3.5 where a CSOP Option Vests on termination of office or employment in accordance with paragraph 6.3.1 by reason of death, or has already Vested at the time of death, it may be exercised, to the extent to which it has so Vested, at any time up to and including the first anniversary of death regardless of any other exercise provision in this Plan or this schedule, other than on a winding up of the Company.

## **7. CHANGE OF CONTROL, RECONSTRUCTION**

- 7.1 Rule 10 shall not apply to Schedule 4 Options and the following provisions of this Rule 7 and of Rule 8 shall apply in its place.
- 7.2 If one of the following events occurs ("Corporate Event"):
  - 7.2.1 any person or group of persons acting in concert obtains Control of the Company as a result of making:

7.2.1.1 a general offer to acquire the whole of the issued ordinary share capital of the Company or such of them as are not already owned by such a person(s) or any person connected with them which is made on a condition such that if it is satisfied the person or group of persons will have Control of the Company; or

7.2.1.2 a general offer to acquire all the issued ordinary shares which are the same class as the Shares (or such of them as are not already owned by it and/or by any person connected with it),

(and for the purposes of this paragraph “connected” shall have the same meaning which it has for the purposes of Schedule 4);

7.2.2 any person becomes entitled or bound to acquire shares in the capital of the Company under sections 979 to 982 and 983 to 985 of the Companies Act 2006; or;

7.2.3 the court sanctions a compromise or arrangement under section 899 of the Companies Act 2006 that is applicable to or affects:

7.2.3.1 all the ordinary share capital of the Company or all of the Shares which are the same class as the Shares obtained under this Plan; or

7.2.3.2 all the shares, or all the Shares which are the same class as the Shares obtained under this Plan, which are held by a class of shareholders identified otherwise than by reference to their employment or directorships or their participation in a Schedule CSOP Scheme;

7.2.4 the Company's shareholder becoming bound by a non-UK reorganisation (as defined by paragraph 35ZA of Schedule 4) that is applicable to or affects:

7.2.4.1 all the ordinary share capital of the Company or all the Shares of the same class as the Shares to which the Option relates; or

7.2.4.2 all the Shares, or all the Shares of that same class, which are held by a class of shareholders identified otherwise than by reference to their employment or directorships or their participation in a Schedule 4 CSOP,

then, subject to the provisions of this paragraph 7 and paragraph 8, the Board shall serve notice upon each Participant notifying him of such fact and a Participant may at any time within the period specified in paragraph 7.3 of this schedule, subject always to paragraph 10 of this schedule, exercise any CSOP Option or part of it which has not lapsed in full, whether or not Vested at the date of the Corporate Event.

7.3 Where a CSOP Option Vests in accordance with paragraph 7.2, or has already Vested at the date of the Corporate Event, the period for exercise of such CSOP Option shall be (subject to paragraphs 7.4 and 7.5):



- 7.3.1 within six months of a Corporate Event within paragraph 7.2.1, 7.2.3 or 7.2.4; and
- 7.3.2 in the case of a Corporate Event within paragraph 7.2.2, at any time after the Corporate Event continuing for as long as that person remains so bound or entitled.
- 7.4 If a Corporate Event occurs and, as a result of that Corporate Event, Shares will no longer satisfy the requirements of Part 4 of Schedule 4, CSOP Options may be exercised within the period of 20 days following the change of Control (but subject to paragraphs 7.6 and 8) but no later.
- 7.5 If the Board reasonably expects a Corporate Event to occur, the Board may make arrangements permitting CSOP Options to be exercised for a period of 20 days ending with the date of the Corporate Event. If a CSOP Option is exercised under this paragraph 7.5, it will be treated as having been exercised in accordance with paragraph 7.3.
- 7.6 If the Board makes arrangements for the exercise of CSOP Options under paragraph 7.5 and the Corporate Event does not occur within 20 days of the date of purported exercise, the CSOP Option shall be treated as not having been exercised.
- 7.7 Where a Corporate Event resulting in a change of Control occurs 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 that Corporate Event, if the committee and the acquiring company agree, CSOP Options shall not be capable of exercise and instead all CSOP Options may be exchanged in accordance with paragraph 8 below and paragraph 26(3) of Schedule 4.

## 8. EXCHANGE OF SCHEDULE 4 OPTIONS

- 8.1 If, as a result of a Corporate Event, a company has obtained Control of the Company, each Participant may, by agreement with that company ("**Acquiring Company**") within the Rollover Period, release each CSOP Option ("**Old Option**") for a replacement option ("**New Option**"). A New Option shall:
  - 8.1.1 be over shares that satisfy the requirements of paragraphs 16 to 18 and 20 of Schedule 4 in the Acquiring Company (or some other company falling within paragraph 27(2)(b) of Schedule 4); and
  - 8.1.2 be a right to acquire such number of those shares as have, immediately after grant of the New Option, a total Market Value substantially the same as the total Market Value of the shares subject to the Old Option immediately before its release; and
  - 8.1.3 have an exercise price per share such that the total price payable on complete exercise of the New Option is substantially the same as the total price that would have been payable on complete exercise of the Old Option; and
  - 8.1.4 so far as practicable, be on terms otherwise identical to the Old Option immediately before the Old Option's release.
- 8.2 Any "**Rollover Period**" shall have the same duration as the applicable appropriate period defined in paragraph 26(3) of Schedule 4;

8.3 Any New Option granted under paragraph 8.1 shall be treated as having been acquired at the same time as the relevant Old Option for all other purposes of this schedule.

8.4 This schedule shall be interpreted in relation to any New Options as if references to:

8.4.1 the "**Company**" were references to the Acquiring Company (or to any other company whose shares are subject to the New Options, as the context may require) except that for the avoidance of doubt, after the grant of any new Option references to "**the Group**" will continue to mean Kainos Group plc and any other company which is for the time being Controlled by it; and

8.4.2 the "**Shares**" were references to the shares subject to the New Options.

8.5 The Company will remain the scheme organiser (as defined in paragraph 2(2) of Schedule 4) of the Schedule 4 CSOP plan established by this schedule following the release of Options and the grant of New Options under paragraph 8.1;

8.6 The Acquiring Company shall issue (or procure the issue of) an Option Certificate (or Option Agreement, as appropriate) for each New Option.

## 9. WINDING UP

If notice is given of a resolution for the winding-up of the Company, CSOP Options will Vest on the date such notice is given.

The number of Shares in respect of which the Award shall Vest shall be number in respect of which the Option was originally granted reduced on a pro rata basis by the number given by applying to it the following formula:

$$\frac{A}{B}$$

Where A is the number of days (inclusive) from the Date of Grant of the Award to the Cessation Date; and

B is the number of days in the period over which the Award will normally Vest

and the resulting figure, rounded up to the nearest whole number of Shares, shall be the number of Shares in respect of which the Award shall Vest.

Provided that the Committee may in its absolute discretion determine not to apply such pro-rating and to allow the CSOP Option to Vest in full.

To the extent that the CSOP Option has Vested or Vests in accordance with this paragraph 9, it may be exercised at any time during the period of six months from the date of the notice or, if shorter, the period until completion of the winding up and if not exercised within that period it shall lapse.

## 10. LAPSE OF CSOP OPTIONS

Subject to paragraph 6.3.5 of this schedule, Rule 8.8 of the Plan shall apply to CSOP Options with the modification that references in Rules 8.8.3 and 8.3.4 to Rule 9 shall be read as references to paragraph 6 of this schedule.

## 11. TAX

Without prejudice to any other right which they may have to enforce the indemnities in respect of any Relevant Employee's Tax Liability and/or any Relevant Employer's NIC Liability given by the Employee pursuant to Rules 4.1.1 or 4.1.2, the Company and the Employing Company of a Participant or any other relevant person which is obliged to account for a Relevant Employee's Tax Liability or a Relevant Employer's NIC Liability, or any one or more of them, shall have the right (to the extent permitted by law) (and the Participant authorises each of them for all purposes including Part II of the Employment Rights Act 1996), prior to the delivery of the Shares otherwise deliverable to a Participant on the exercise of a CSOP Option, to recover a Relevant Employee's Tax Liability and/or a Relevant Employer's Tax Liability in all or any of the following ways:

- 11.1 by deducting sufficient funds which, in the reasonable opinion of the Company, would be equal to (1) any Relevant Employee's Tax Liability and (2) any Relevant Employer's NIC Liability for which the Participant is liable pursuant to Rule 4.1.2 from any payment made to or in respect of the Participant by the Employing Company on or after the date of the event which gives rise to such liability where such payment is made:
  - 11.1.1 in the case of a Relevant Employee's Tax Liability which consists of PAYE, in the same income tax period (as defined in section 710(8) of the ITEPA) as that in which such Relevant Employee's Tax Liability arises; and
  - 11.1.2 in the case of a Relevant Employer's NIC Liability or a Relevant Employee's Tax Liability which consists of employee's national insurance contributions, in the same tax year as that in which such Relevant Employer's NIC Liability or Relevant Employee's Tax Liability arises or the following tax year; or
- 11.2 by requesting the Participant to remit (in cleared funds and within seven days of receipt of a valid demand) to or at the direction of the Company or his Employing Company or such other relevant person an amount which in the reasonable opinion of the Company, the Employing Company or such other relevant person will be sufficient to satisfy the amount of any Relevant Employee's Tax Liability and any Relevant Employer's NIC Liability for which the Participant is liable pursuant to Rule 4.1.2; and
- 11.3 where the amount of any outstanding Relevant Employee's Tax Liability and/or any Relevant Employer's NIC Liability is not recovered pursuant to Rules 10.1.1 or 10.1.2:
  - 11.3.1 by retaining and selling on the Participant's behalf sufficient Shares to which the Participant is beneficially entitled following exercise of the CSOP Option to raise an amount which, in the reasonable opinion of the Company, the Employing Company or such other relevant person is equal in value to the amount of such Relevant Employee's Tax Liability and Relevant Employer's NIC Liability for which the Participant is liable pursuant to Rule 4.1.2, and for this purpose the Participant irrevocably appoints the Company or such other person as the Company may direct as his bare trustee and agent for the purposes of providing sufficient funds to recover such liabilities by receiving on bare trust or retaining on bare trust (as the case may be) (out of the total number of Shares to which the Employee is beneficially entitled following the relevant exercise of the Option) the legal title to and selling such number of Shares as, in the reasonable opinion of the Company, is required to realise (after any tax payable on such sale) a cash amount equivalent to such liabilities. For the avoidance of doubt, the beneficial title shall at all times during the bare trusteeship referred to in this paragraph remain vested in the Participant; and/or

- 11.3.2 subject to the prior approval of HMRC, by the making of such other arrangements and determinations consistent with this schedule as it may in its discretion consider to be appropriate in order to recover or secure the recovery from the Participant of the amount of any Relevant Employer's NIC Liability and of any Relevant Employers NIC Liability for which the Participant is liable in accordance with Rule 4.1.2 and such arrangements and determinations shall be binding on the Participant.

## **12. ADJUSTMENT OF AWARDS**

- 12.1 The Committee may only make an adjustment to a CSOP Option in accordance with Rule 14 if there is an Issue or Reorganisation.
- 12.2 Any adjustment to a CSOP Option to take account of an Issue or Reorganisation must comply with paragraphs 22(3A) and (3B) of Schedule 4.

## **13. ALTERATIONS**

The Committee may amend the provision of this schedule from time to time provided that:

- 13.1.1 no amendment shall be made to any provision of this schedule without the prior approval of the members of the Company in general meeting if a change to the corresponding provision in the Plan would require such approval;
- 13.1.2 no amendment may be made to a Key Feature of this schedule if, as a result of such amendment, this schedule would no longer be a Schedule 4 CSOP Scheme; and
- 13.1.3 no amendment may be made which would materially increase the liability of any Participant or which would materially decrease the value of his subsisting rights attached to any CSOP Option without in each case that Participant's prior written consent.

## SCHEDULE 2 – CALIFORNIA PARTICIPANTS

Notwithstanding any provision contained in the Plan to the contrary, each Award granted to a California Participant shall be granted and administered in compliance with the California Code of Regulations, as amended, to the extent required to comply with the requirements of Section 25102(o) of the California Corporations Code. In this regard, the rules outlined in this Schedule 1 shall apply with respect to Awards granted to California Participants.

Where there is any conflict between the rules of the Plan and this Schedule 1, the terms of this Schedule 1 will prevail.

### 1. DEFINITIONS AND AN INTERPRETATION

- 1.1. In this Schedule 1, unless otherwise stated, the words and expressions below have the following meanings:

**“California Participant”** means a Participant who resides in California on the Date of Grant or who subsequently becomes a resident of California whilst holding subsisting Awards;

**“Plan”** means the Kainos Group Performance Share Plan in its present form or as amended from time to time; and

**“Schedule 1”** means this Schedule 1 to the Plan.

### 2. APPLICATION TO THE RULES OF THE PLAN

- 2.1. Schedule 1 is effective as of the date it is approved by the board of directors. The rules of the Plan will apply to Awards that are subject to this Schedule 1, save as those rules are amended by this Schedule 1.

### 3. AWARDS

- 3.1. If a Participant to whom an Award has been granted becomes a California Participant in connection with an Award after the Date of Grant, the terms of the Award will be construed as if it had been granted subject to the rules of the Plan as varied by this Schedule 1.

- 3.2. The Participant will be notified of any changes to their Award as soon as possible thereafter.

### 4. SHAREHOLDER APPROVAL

- 4.1. This Schedule 1 must be approved by majority of the shareholders within 12 months of the first Award grant to a California Participant.

### 5. PLAN LIMIT

- 5.1. The following new Rule 2.1A will be added after the end of Rule 2.1:

*“Rule 2.1A Subject to the limit set out in Rule 2.1, the total number of Shares that may be received by California Participants pursuant to Awards granted under the Plan, in the aggregate, is limited to 12,409,517 (the “CA Authorised Share Limit”). The number of Shares which are subject to Awards held by California Participants which are outstanding at any time shall not exceed the number of Shares which then remain available for issuance under the Plan. Shares subject to Awards that are cancelled, forfeited, settled in cash or expire by their terms will not be counted against the CA Authorised Share Limit.”*

## **6. RIGHTS TO EXERCISE AN OPTION**

6.1. The following new rule 9.1A will be added to Rule 9:

*“9.1A Notwithstanding the foregoing, unless a California Participant’s employment is terminated for cause, as determined by the Company in accordance with California law, a California Participant shall have the right to exercise an Option:*

- a) for at least six months from the Cessation Date if such cessation was due to the California Participant’s death;*
- b) for at least six months from the Cessation Date if such cessation was due to the California Participant’s disability; and*
- c) for at least 30 days from the Cessation Date if such cessation was for any reason other than death or disability,*

*but in no event later than the expiry of the Option Period and in each case notwithstanding any shorter period provided for Option exercise within the rules of the Plan.”*

## **7. MALUS AND CLAWBACK**

5.1. Rule 12 will not apply to Awards granted to Californian Participants to the extent that they would be unenforceable in California, pursuant to Cal. Lab. Code §221 or otherwise.

## **8. ADJUSTMENTS**

8.1. The following wording will be added to the end of rule 14.1:

*“Notwithstanding the foregoing, the number and/or the description of Shares subject to an Award granted to California Participants and/or the Award Price of an Award granted to California Participants will be proportionately adjusted in the event of any variation of the ordinary share capital of the Company including a stock split, reverse stock split, stock dividend, recapitalization, combination, reclassification or distribution of the Shares.”*