

# ***Hollywood Bowl Group plc***

## **Long Term Incentive Plan**

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15/09/2016

*Amended in July 2019*

*Amendments adopted  
by the board,  
conditional, where  
relevant, on  
shareholder approval  
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## **1. *Grant of Awards***

### **1.1. *Awards granted by Grantor***

Subject to Rules 1.5, 1.6 and 18.3 the Grantor may from time to time grant Awards to Eligible Employees.

### **1.2. *Terms of Awards and Directors' Remuneration Policy limitations***

Subject to the Rules, the Grantor will in its absolute discretion decide whether or not any Awards are to be granted at any particular time and, if they are, to whom they are granted and the terms of such Awards. Where Awards are not granted by the Board the terms must be approved in advance by the Board.

Where the Company is required to have in place a Directors' Remuneration Policy, the terms of an Award to be granted to an Eligible Employee who is a director of the Company must fall within the scope of the Directors' Remuneration Policy most recently approved by the Company in a general meeting. Such terms may include by way of example but without limitation the Vesting date determined in accordance with Rule 1.4.5 any relevant individual limit in Rule 3 and any Performance Target in Rule 5.

### **1.3. *Procedure for grant of Awards and Award Date***

An Award shall be granted by the Grantor passing a resolution. The Award Date shall be the date on which the Grantor passes the resolution or such later date as specified in the resolution and allowed by Rule 1.5. The grant of an Award shall be evidenced by a deed executed by or on behalf of the Grantor. An Award Certificate shall be issued to each Award Holder as soon as reasonably practicable following the grant of the Award setting out details of the Award determined in accordance with Rule 1.4.

### **1.4. *Terms and conditions set at grant***

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

1. whether the Award comprises an Option, a Conditional Share Award or an award of Restricted Shares;
2. the Award Date;
3. the number of Plan Shares subject to the 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 Award will Vest;
6. whether or not any dividend equivalents will be payable under Rule 8.9;
7. in the case of an Option, the Exercise Period;
8. any Performance Target;
9. any Holding Period; and
10. any other conditions of the Award.

### **1.5. *Timing of Award***

Awards may be granted at any time other than:

1. when prevented by any Dealing Restrictions; or
2. after the 10th anniversary of ~~adoption of the Plan~~ [the approval by shareholders of amendments to the Plan at the Company's 2026 Annual General Meeting](#).

### **1.6. *Who can be granted Awards***

An Award may only be granted to an individual who is an Eligible Employee at the Award Date. Unless the Board decides otherwise, an Award will not be granted to an Eligible Employee who on or before the Award Date has given or received notice of termination of employment (whether or not lawful).

### **1.7. Confirmation of acceptance of Award**

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

### **1.8. Right to refuse Award**

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

### **1.9. Awards non-transferable**

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

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

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

### **1.10. Awards of Restricted Shares**

This Rule 1.10 sets out specific provisions in relation to an Award of Restricted Shares.

1. An Award Holder who is to be granted an Award of Restricted Shares must enter into an agreement with the Grantor providing that to the extent the 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 Grantor. The Restricted Share Agreement will also provide that, except for transfer on death of the Award Holder to his personal representatives or to the extent agreed by the Grantor (and subject to such conditions as it may decide), the Award Holder will not transfer or assign the Restricted Shares subject to his Award.
2. The Award Holder will sign any document (including a blank stock transfer form) requested by the Grantor relating to the Restricted Shares. The Grantor may provide that the Award will lapse if the documents are not signed within any specified period.
3. On or as soon as practicable after the Award Date of an Award of Restricted Shares the Grantor will procure that the relevant number of Restricted Shares are transferred (including out of treasury or otherwise) to the Award Holder or another person to be held for the benefit of the Award Holder.
4. Except to the extent set out in the Restricted Share Agreement, the Award Holder shall have all the rights in respect of Restricted Shares from the date of transfer until the date the Award of Restricted Shares lapses (whether in whole or in part).

## **2. Plan limit**

### **2.1. General**

The aggregate number of Plan Shares over which Awards may be granted shall be limited as set out in this Rule 2.

### **2.2. 10 per cent in 10 years**

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

1. 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.

### **2.3. Calculation**

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

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 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 an Award or the exercise of an option or the vesting of other rights of an employee under any other Employees' Share Scheme operated by the Group; and
4. any Plan Shares issued in relation to an Award, or on the exercise of an option or the vesting of other rights of an employee under any other Employees' Share Scheme operated by the Group, shall be taken into account once only (when the Award is granted or the option is granted or the right awarded) and shall not fall out of account when the Award Vests, the option is exercised or other rights vest.

### **2.4. Scaling down**

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

## **3. Individual limit**

### **3.1. General**

The number of Plan Shares over which Awards may be made to any one Eligible Employee shall be limited as set out in this Rule 3.

### **3.2. Limit**

An Award ([other than a Recruitment Award](#)) must not be granted to an Eligible Employee if the result of granting the Award would be that, at the proposed Award Date, the ~~Market Value~~[market value](#) of the Plan Shares subject to that Award, when aggregated with the ~~Market Value~~[market value](#) of the Plan Shares subject to any other Award ([other than a Recruitment Award](#)) granted to him in [respect of](#) the same Financial Year would exceed 200% of his Annual Remuneration.

For the purpose of this Rule 3.2:

1. **Annual Remuneration** means the higher of:
  - a. basic salary paid by the Group expressed as an annual rate as at the Award Date; and
  - b. basic salary paid by the Group for the period of 12 months ending on the last day of the month immediately preceding the month in which the Award Date occurs.
2. **Financial Year** means the financial year of the Company.
3. The ~~Market Value~~[market value](#) of Plan Shares subject to an award or option shall be [determined by the Board and shall normally be determined by reference to the value of a Plan Share measured](#) on the date on which that award or option ~~was~~[is](#) granted.

### **3.3. Scaling down**

If the grant of an Award would cause the limit in Rule 3.2 to be exceeded, such Award shall take effect as an Award over the maximum number of Plan Shares which does not cause the limit to be exceeded.

#### **4. Award Price**

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

Where the Grantor has determined that an Award will be satisfied by the issue of new shares and the Award Price 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.

#### **5. Performance Target and conditions**

##### **5.1. Setting of Performance Target and conditions**

Subject to Rule 5.4, the Vesting of an Award and the extent to which it Vests may be subject to the satisfaction of a Performance Targets and any other conditions set by the Grantor.

##### **5.2. Nature of Performance Target or conditions**

Any Performance Target or any other condition imposed under Rule 5.1 shall be set out in, or attached in the form of a schedule to, the Award Certificate.

##### **5.3. Substitution, variation or waiver of Performance Target**

If the Grantor considers that any Performance Target or any other condition imposed under Rule 5.1 subject to which an Award has been granted is no longer appropriate, the Grantor may substitute, vary or waive that Performance Target or 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 measure of performance and is not materially less difficult to satisfy than when it was originally set.

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

If the extent to which a Performance Target is satisfied is determined before the end of the period over which the Performance Target was originally intended to be assessed, the Board will take into account in its determination such factors as it considers are relevant.

##### **5.4. Board discretion in Performance Target assessment**

In its assessment of any Performance Target or other condition applicable to an Award, or in relation to the determination of the Vesting level of an Award which is not subject to a Performance Target, the Board may, in its absolute discretion adjust the number of Shares in respect of which the Award would otherwise Vest as it reasonably considers in circumstances where these do not reflect the underlying performance of the Company or the Group, the performance of the Award Holder or the experience of the Company's shareholders over the period of time over which the Performance Target or other condition is measured, or over the Vesting Period in the case of an Award which is not subject to a Performance Target. In such circumstances the Board may adjust the number of Plan Shares in respect of which the Award would otherwise Vest as it reasonably considers to be necessary in order to affect this.

##### **5.5. Notification of Award Holders**

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

#### **6. Malus**

Notwithstanding any other provision of the Rules, the Board may, at the time of Vesting of an Award or at any time before, reduce the number of Plan Shares subject to an 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 an Award was based on error, or inaccurate or misleading information; and/or
3. the discovery that any information used to determine the number of Plan Shares subject to an Award was based on error, or inaccurate or misleading information; and/or
4. action or conduct of an Award Holder which, in the reasonable opinion of the Board, amounts to fraud or serious misconduct; and/or
5. events or behaviour of an Award Holder have led to the censure of a Group Member by a regulatory authority or have had a significant detrimental impact on the reputation of any Group Member provided that the Board is satisfied that the relevant Award Holder was responsible for the censure or reputational damage and that the censure or reputational damage is attributable to him; and/or
6. a material corporate failure in any Group Member or a relevant business unit.

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

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

## **7. Clawback**

### **7.1. Trigger Events**

In this Rule 7, '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 period over which the Performance Target applicable to an Award was assessed; and/or
2. the discovery that the assessment of any Performance Target or condition in respect of an Award was based on error, or inaccurate or misleading information; and/or
3. the discovery that any information used to determine the number of Plan Shares subject to an Award was based on error, or inaccurate or misleading information; and/or
4. action or conduct of an Award Holder which, in the reasonable opinion of the Board, amounts to fraud or serious misconduct; and/or
5. events or behaviour of an Award Holder have led to the censure of a Group Member by a regulatory authority or have had a significant detrimental impact on the reputation of any Group Member provided that the Board is satisfied that the relevant Award Holder was responsible for the censure or reputational damage and that the censure or reputational damage is attributable to him; and/or
6. a material corporate failure in any Group Member or a relevant business unit.

### **7.2. Application**

Notwithstanding any other provision of the Rules other than Rule 11.10, if at any time during the period of two years following the Vesting of an Award a Trigger Event occurs, then:

1. Rules 7.3 to 7.7 and 7.9 shall apply; and
2. where the Award takes the form of an Option and the Award Holder has not exercised such Option, Rule 7.8 shall also apply.

### **7.3. Clawback methods**

Where Rule 7.2 applies, the Board may in its absolute discretion require the relevant Award Holder:

1. to transfer to the Company (or, if required by the Company, any other person specified by the Company) all or some of the Plan Shares acquired by the Award Holder (or his nominee) pursuant to the Vesting of the Award or, in the case of an Award which is an Option, the exercise of that Option; and/or
2. to pay to the Company (or if required by the Company, any other person specified by the Company) an amount equivalent to all or part of the proceeds of sale or, in the event of a disposal of the Plan Shares at

a price which the Board reasonably determines was less than market value at the time of disposal and where the disposal was not made at arm's length, an amount equivalent to the market value (as reasonably determined by the Board) at the time of disposal of all or some of the Plan Shares acquired pursuant to the Vesting of the Award or, in the case of an Award that is an Option, the exercise of that Option; and/or

3. to pay to the Company (or, if required by the Company, any other person specified by the Company) an amount equivalent to all or part of the amount of any cash in respect of an Award paid to or for the benefit of the Award Holder; and/or
4. to pay to the Company (or, if required by the Company, any other person specified by the Company) an amount equivalent to all or part of any benefit or value derived from or attributable to the Plan Shares referred to in paragraph 1 above (including but not limited to any special dividend or additional or replacement shares) on such terms as the Board may reasonably direct,

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

#### **7.4. Award Holder's obligation to recover tax**

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

#### **7.5. Authorisation of deductions**

The Award Holder hereby authorises the Company or such other Group Member as may be the employer of the Award Holder to make deductions, which the Award Holder hereby authorises, from any payment owing to him including but not limited to salary, bonus, holiday pay or otherwise in respect of any sum which would otherwise be payable by the Award Holder under this Rule 7.

#### **7.6. Timing of payments and repayments**

Any payments or repayments made by the Award Holder under this Rule 7 shall be made within 30 days of the date the Award Holder is notified in writing of the amount due.

#### **7.7. Additional methods of effecting clawback**

In addition to or in substitution for the actions described above that the Board may take under Rule 7.3 (the "Actions"), the Board may:

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

provided that the total amount represented by such reductions and any amount or value payable to the Company under Rule 7.3 above shall not, in the Board's reasonable opinion, exceed the amount or value which would have been due if the Board had only carried out the Actions.

### **7.8. Reduction of unexercised Option**

Where Rule 7.2 applies and the Award takes the form of an Option which the Award Holder has not exercised in full, the Board may in its absolute discretion reduce the number of Plan Shares subject to such Option to the extent it has not been exercised (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 7.7.1 to 7.7.4 provided that the total amount represented by reductions under Rules 7.7.1 to 7.7.4 and any reduction of the Option under this Rule 7.8 shall not, in the Board's reasonable opinion, exceed the amount which would have been the case if the Board had only reduced the Option.

### **7.9. General provisions**

In carrying out any action under this Rule 7, 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 7 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 7, the relevant award, right to acquire Plan Shares or option shall be treated to that extent as having lapsed.

### **7.10. Interaction with other plans**

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

1. to give effect to one or more provisions of any form which are equivalent to those in Rule 7 ("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 Provision.

The value of any reduction under Rule 7.10.1 shall be determined in accordance with the terms of the relevant Clawback Provisions in the relevant Employees' Share Scheme or plan as interpreted by the Board in its absolute discretion.

The value of any reduction under Rule 7.10.2 shall be determined as if the terms of the relevant Clawback Provisions in the relevant Employees' Share Scheme or plan applied as interpreted by the Board in its absolute discretion.

## **8. Vesting of Awards (and exercise of Options)**

### **8.1. Earliest date for Vesting of Awards**

Subject to Rules 5, 10 and 11, an Award will Vest on the later of:

1. the relevant date specified under paragraph 5 of Rule 1.4; and
2. the date on which the Board determines that the Performance Target and any other condition imposed under Rule 1.4 have been satisfied.

### **8.2. Effect of Award Vesting**

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

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

3. in the case of an Award of Restricted Shares, the restrictions set out in the Restricted Share Agreement shall cease to apply to the extent that the Award has Vested.

### ***8.3. No Vesting or exercise while Dealing Restrictions apply***

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

### ***8.4. Effect of cessation of Relevant Employment***

Subject to Rule 10, an Award shall Vest and an Option may be exercised only while the Award Holder is in Relevant Employment and if an Award Holder ceases to be in Relevant Employment, any Award granted to him shall lapse on cessation. This Rule 8.4 shall apply where the Award Holder ceases to be in Relevant Employment in any circumstances (including, in particular, but not by way of limitation, where the Award Holder is dismissed unfairly, wrongfully, in breach of contract or otherwise).

The Board may determine that an 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 an Award granted to him shall not Vest during this period. If the Board makes such a determination and an Award would otherwise have Vested during this period, and the notice is withdrawn, subject to Rule 8.3 the Award will Vest when the notice is withdrawn.

### ***8.5. Options may be exercised in whole or in part***

Subject to Rules 8.2, 8.3, 8.4 and 15, 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.

### ***8.6. Procedure for exercise of Options***

An Option shall be exercised by the Award Holder giving notice to the Grantor (or any person appointed by the Grantor) 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 Grantor for the payment of the Award Price, together with any payment and/or documentation required under Rule 15 and, if required, the Award Certificate.

For the avoidance of doubt, the date of exercise of an Option shall be the date of the receipt of the notice of exercise and compliance with the first paragraph of this Rule 8.6.

To the extent that a Vested Option remains unexercised on the last day of the Exercise Period and the Option cannot then be exercised by the Award Holder as a result of a Dealing Restriction, the Company will, subject to Rule 8.3 and the conditions set out below being satisfied, be deemed to have received a valid notice of exercise for such Option with a direction to sell a sufficient number of Plan Shares arising on the exercise of the Option to fund the Award Price and any deductions due under Rule 15.1.

The condition referred to is that A – B is greater than C, calculated as follows:

1. A equals the expected sale proceeds of the Plan Shares resulting from the exercise of the Option;
2. B equals any costs of any sale including any deductions under Rule 15.1; and
3. C equals the Award Price.

An Award Holder may give notice (in a form determined by the Board) that this paragraph is not to apply in respect of an Option.

### **8.7. Issue or transfer of Plan Shares**

Subject to Rules 8.3, 8.8 and 15 and to any necessary consents and to compliance by the Award Holder with the Rules and to the Award Holder taking any action reasonably required in connection with any applicable Shareholding Requirement, the Grantor 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 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 Award Holder, in the case of the partial exercise of an Option, an Award Certificate in respect of, or the original Award Certificate updated to show, the unexercised part of the Option; and
2. the Vesting of an Award, in the case of a Conditional Share Award, arrange for the issue or transfer to the Award Holder (or a nominee specified or permitted by the Company) of the number of Plan Shares in respect of which the Award has Vested.

### **8.8. Net or cash settling**

Subject to Rule 15, the Grantor may on exercise of an Option:

1. make a cash payment to the Award Holder equal to the Gain on the date of exercise of the Option; or
2. arrange for the transfer or issue to the Award Holder of Plan Shares with a market value (as determined by the Board) equal to the Gain on the date of exercise of the Option (rounded down to the nearest whole Plan Share). The Award Holder shall not be required to make payment for these Plan Shares.

Subject to Rule 15, the Grantor may on the Vesting of a Conditional Share Award make a cash payment to the Award Holder equal to the market value (as determined by the Board) of the Plan Shares in respect of which the Conditional Share Award has Vested.

Where the Company settles an Award in the manner described in this Rule 8.8, this shall be in full and final satisfaction of the Award Holder's rights under the Award.

### **8.9. Dividend equivalents**

An Award (except an Award of Restricted Shares where the right to dividends has not been waived) may include the right to receive an amount in Plan Shares or cash following Vesting in the case of a Conditional Share Award or following exercise in the case of an Option equal in value to the dividends which were payable on the number of Plan Shares in respect of which the Award has Vested over such period (ending no later than the date of Vesting) as the Board may determine, (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 payment shall not include any associated tax credit.

The Grantor 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 Grantor may decide at any time not to apply this Rule 8.9 to all or any part of a special dividend or dividend in specie.

### **8.10. US Taxpayers**

This Rule 8.10 shall apply to US Taxpayers. Notwithstanding anything to the contrary contained in the Plan, no Option may be exercised later than 2.5 calendar months after the end of the Taxable Year in which the Option first becomes exercisable, provided that the Option shall lapse on the earlier of (1) the end of that period or (2) the date it would have lapsed had this rule not applied. The Rules shall be interpreted accordingly.

For the purposes of this Rule 8.10, **Taxable Year** means the 12 month period in respect of which the Award Holder is obliged to pay US Tax or, if it would result in a longer exercise period, the 12 month period in respect of which the Award Holder's employing company is obliged to pay tax. US Taxpayer means a person who is subject to taxation under the tax rules of the United States of America.

## **9. Holding Period**

### **9.1. Definitions**

In this Rule 9:

**Holding Period** means the period calculated in accordance with Rule 1.4 and which shall commence on the date on which an Award Vests;

**Holding Period Holder** means a trustee or nominee designated by the Grantor in accordance with this Rule 9;

**Holding Period Shares** means Plan Shares which are or were the subject of an Award to which a Holding Period applies, and in respect of which the Holding Period has not ended in accordance with this Rule 9; and

**Recipient** means a person who, by virtue of being an Award Holder, had Plan Shares transferred to him (or to the Holding Period Holder or to another party to be held on his behalf) on or before Vesting of his Award (or, where the Award is in the form of an Option, exercise of that Option).

### **9.2. Application**

This Rule 9 applies to the extent that some or all of the Plan Shares acquired on Vesting of an Award (or exercise of an Option) are subject to a Holding Period.

### **9.3. Commencement of Holding Period**

The Holding Period will begin on the date on which an Award Vests and will apply in relation to the Award to the extent determined by the Grantor at the Award Date under Rule 1.4.

### **9.4. Issue or transfer to Holder**

Instead of arranging for the issue or transfer of the Holding Period Shares to the Award Holder on Vesting or exercise under Rule 8.7, 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 Award Holder. Any balance of the Plan Shares in respect of which an Award Vests or is exercised will be issued or transferred as described in Rule 8.7.

If the Award took the form of Restricted Shares, the Holding Period Shares will be transferred to (or continue to be held by) the Holding Period Holder on the terms of this Rule 9.

### **9.5. No transfer during Holding Period**

The Award Holder may not transfer, assign or otherwise dispose of any of the Holding Period Shares or any interest in them (or instruct the 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 a Plan Share 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 15.2 applies, Employer's NIC) arising in relation to Holding Period Shares

### **9.6. Shareholder rights during Holding Period**

1. Unless the Board decides otherwise, the restrictions in this Rule 9 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. In any event, during the Holding Period, the Recipient will be entitled to vote and have all other rights of a shareholder in respect of the Holding Period Shares.

## **9.7. Ceasing Relevant Employment during the Holding Period**

Ceasing Relevant Employment during the Holding Period will have no impact on the provisions of this Rule 9, save where cessation is by reason of death in which case the Holding Period shall immediately be deemed to have ended.

## **9.8. Clawback**

For the avoidance of doubt, Rule 7 shall apply to the Holding Period Shares in the same way that it applies to Plan Shares acquired by an Award Holder following Vesting of an Award which are not Holding Period Shares.

## **9.9. End of Holding Period**

Subject to the provisions of this Rule 9, the Holding Period will end on the earliest of the following:

1. the date set under Rule 1.4;
2. subject to Rule 12.1, the relevant date on which an Award would have Vested under Rules 11.1 to 11.4;
3. if the Board so allows, the circumstances in which any event described in Rule 11.5 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 Plan Shares as it may specify.

## **10. Vesting of Awards (and exercise of Options) in special circumstances**

### **10.1. Death**

If an Award Holder dies, a proportion of the Awards held by him which have not Vested shall Vest immediately. The proportion of an Award which shall Vest shall be determined by the Board at its absolute discretion taking into account the period of time the Award has been held and the extent to which the Performance Target and any other condition imposed under Rule 5.1 have been met (including taking into account the application of Rule 5.4).

Alternatively, the Board may decide that any Award held by him which has not yet Vested will continue until the normal time of Vesting in which case any Performance Target and any other condition imposed under Rule 5.1 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 Award will Vest under this Rule 10.1), 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 death as a proportion of the original Vesting period (unless the Board determines that a different pro ration formula will apply).

In the case of Options, if an Award Holder dies, his personal representatives shall be entitled to exercise the Vested proportion of his Options (whether Vested under this Rule or otherwise) at any time during the 12 month period following death or, if later, following the Vesting or, in either case, during such other longer period as the Board determines. If not so exercised, the Options shall lapse at the end of such period.

### **10.2. Injury, disability, redundancy, retirement etc.**

If an 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 Award Holder being employed by a company which ceases to be a Group Member;
5. the Award Holder being employed in an undertaking or part of an undertaking which is transferred to a person who is not a Group Member; or
6. any other circumstances if the Board decides in any particular case

any Award held by him which has not Vested will continue until the normal time of Vesting and the Performance Target and any condition imposed under Rule 5.1 shall be considered at the time of Vesting (including taking into account the application of Rule 5.4).

Alternatively, the Board may decide that the Award will Vest immediately in which case the proportion of the 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 satisfaction of the Performance Target as at the time of cessation and any other condition imposed under Rule 5.1.

Unless the Board in its absolute discretion decides otherwise (and irrespective of the time at which the Board has determined that the Award will Vest under this Rule 10.2), 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 employment as a proportion of the original Vesting period (unless the Board determines that a different pro ration formula will apply).

In the case of Options, the Award Holder shall be entitled to exercise the Vested proportion of his Options (whether Vested under this Rule or otherwise) at any time during the period ending 6 months following cessation of Relevant Employment or, if later, following Vesting or, in either case, during such other longer period as the Board determines. If not so exercised, the Options shall lapse at the end of such period.

Where an Award is subject to a Holding Period and that Award Vests pursuant to this Rule 10.2, the provisions of Rule 9 shall apply to the Plan Shares acquired on Vesting of that Award (or, where that Award takes the form of an Option, the exercise of such Option).

### **10.3. Award Holder relocated abroad**

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

1. suffer less favourable tax treatment in respect of his Awards; 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 an Award or to hold or deal in such Plan Shares or the proceeds of sale of such Plan Shares

his Awards may, at the discretion of the 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 Award has been held and the extent to which any Performance Target and any other condition imposed under Rule 5.1 have been met. Where the Award is an Option and has become Vested pursuant to this Rule 10.3, the Award Holder may exercise his Vested Option at any time during the period beginning three months before the proposed date of his transfer and ending three months after the date of their actual transfer. If not so exercised, the Option shall not lapse but shall cease to be treated as having Vested and shall continue in force in accordance with the Rules of the Plan.

Where an Award is subject to a Holding Period and that Award Vests pursuant to this Rule 10.2, the provisions of Rule 9 shall apply to the Plan Shares acquired on Vesting of that Award (or, where that Award takes the form of an Option, the exercise of such Option).

### **10.4. Meaning of ceasing to be in Relevant Employment**

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

The Board may determine that an 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).

## **10.5. Interaction of Rules**

In the case of an Option:

1. If the Option has become exercisable under Rule 10.2 and, during the period allowed for the exercise of the Option under Rule 10.2 the Award Holder dies, the period allowed for the exercise of the Option shall be the period allowed by Rule 10.1; and
2. If the Option has become exercisable under Rule 10 and, during the period allowed for the exercise of the Option under Rule 10, the Option becomes exercisable under Rule 11 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 10 and the end of the period allowed by Rule 11.

## **10.6. Leavers – post-cessation change in circumstances**

If an Award continues in accordance with Rule 10.2 following an Award Holder ceasing to be in Relevant Employment, the Board may:

1. require the Award Holder to confirm, in such form and at such time or times as the Board requires that in the period between the date of cessation and the date on which the Award Vests they have not started or agreed to start employment with, or otherwise to provide services to, any other person;
2. make the delivery of any Plan Shares to satisfy the Vesting of a Conditional Share Award or the exercise of an Option conditional on the Award Holder giving the confirmation referred to in Rule 10.6.1;
3. determine that the Award will lapse if:
  - a. the Award Holder does not give the confirmation referred to in Rule 10.6.2; or
  - b. the Board determines that in the period between the date of cessation and the date on which the Award Vests the Award Holder has started or agreed to start employment with, or otherwise to provide services to, any other person.

## **11. Takeover and other corporate events**

### **11.1. Takeover**

Subject to Rule 12, where a person obtains Control of the Company as a result of making an offer to acquire Plan Shares, Awards shall Vest on the date the person obtains Control as set out below.

The proportion of an 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 Award has been held by the Award Holder and having regard to any Performance Target and any other condition imposed under Rule 5.1 (including taking into account the application of Rule 5.4).

If the extent of Vesting of an Award which Vests under this Rule 11.1 has been reduced by the Board to reflect the period of time that the Award has been held by the Award Holder, the Board may determine that Rule 12 shall apply to the proportion of the Award reflecting such reduction which has not Vested.

In the case of Options, the Vested proportion of the Options (whether Vested under this Rule 11.1 or otherwise) may be exercised at any time during the period of 6 months (or, if the Board determines a longer period shall apply, that period) beginning with the time when the person making the offer has obtained Control. If not so exercised, the Options shall lapse at the end of such period unless the Board determines that a longer period for exercise shall apply, in which case the Options shall continue in force until the end of such extended period or until they otherwise lapse in accordance with the Rules.

### **11.2. Compulsory acquisition of the Company**

Subject to Rule 12, if a person becomes entitled or bound to acquire shares in the Company under sections 979 to 982 of the Companies Act 2006, Awards shall Vest as set out below.

The proportion of an Award which shall Vest will be determined by the Board in its absolute discretion and taking into account such factors as the Board may consider relevant including, but not limited to, the time the

Award has been held by the Award Holder and having regard to any Performance Target and any other condition imposed under Rule 5.1 (including taking into account the application of Rule 5.4).

If the extent of Vesting of an Award which Vests under this Rule 11.2 has been reduced by the Board to reflect the period of time that the Award has been held by the Award Holder, the Board may determine that Rule 12 shall apply to the proportion of the Award reflecting such reduction which has not Vested.

In the case of Options, the Vested proportion of the Options (whether Vested under this Rule 11.2 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. If not so exercised, the Options shall lapse at the end of the 7 days.

### **11.3. Scheme of arrangement**

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

The proportion of an 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 Award has been held by the Award Holder and having regard to any Performance Target and any other condition imposed under Rule 5.1 (including taking into account the application of Rule 5.4).

If the extent of Vesting of an Award which Vests under this Rule 11.3 has been reduced by the Board to reflect the period of time that the Award has been held by the Award Holder, the Board may determine that Rule 12 shall apply to the proportion of the Award reflecting such reduction which has not Vested.

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

### **11.4. Winding-up of the Company**

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

The proportion of an 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 Award has been held by the Award Holder and having regard to any Performance Target and any other condition imposed under Rule 5.1 (including taking into account the application of Rule 5.4).

If the extent of Vesting of an Award which Vests under this Rule 11.3 has been reduced by the Board to reflect the period of time that the Award has been held by the Award Holder, the Board may determine that Rule 12 shall apply to the proportion of the Award reflecting such reduction which has not Vested.

A Vested Option 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, and if not exercised within such period it shall lapse.

### **11.5. Demergers and other events**

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

The proportion of an 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 Award has been held by the Award Holder and having regard to any Performance Target and any other condition imposed under Rule 5.1 (including taking into account the application of Rule 5.4).

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

### **11.6. Meaning of “obtains Control of the Company”**

For the purpose of Rule 11 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.

### **11.7. References to Board within this Rule 11**

For the purposes of this Rule 11, 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 11 applies.

### **11.8. Notification of Award Holders**

The Grantor shall, as soon as reasonably practicable, notify each Award Holder of the occurrence of any of the events referred to in this Rule 11 and explain how this affects his position under the Plan.

### **11.9. Vesting of Awards and corporation tax deduction**

Where the Board is aware that an event is likely to occur under Rule 11:

1. in respect of which Awards will Vest in circumstances where the conditions for relief under Part 12 of the Corporation Tax Act 2009 may not be satisfied; or
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 Award Holders, declare that all Awards that are expected to Vest as a result of the Relevant Event shall Vest, in accordance with Rule 11, (and in the case of any such Award which is an Option, shall be exercisable) during such period prior to the Relevant Event as determined by the Board.

### **11.10. Interaction with Rule 7 (Clawback)**

Where an event occurs under Rules 11.1 to 11.5 which:

1. results in the Vesting of Awards; or
2. would so result if there were any subsisting Awards which had not already Vested or, in relation to an event referred to in Rule 11.5, if the Board had permitted Vesting of Awards under Rule 11.5 in relation to such event,

the Board may, at its absolute discretion, determine that Rule 7 (Clawback) shall only apply to such extent (if at all) as the Board determines to any Award which was granted on the basis that Rule 7 applied to that Award. Where the Board makes such a determination, it will specify which Awards such determination applies to (which may include Awards which have already Vested and Options which have already been exercised).

## **12. Exchange of Awards**

### **12.1. Where exchange applies**

An Award will not Vest under Rule 11 but will be exchanged for a new award (“**New Award**”) under this Rule to the extent that:

1. an offer to exchange the Award for a New Award is made and accepted by the Award Holder; or
2. the Board, with the consent of the persons acquiring Control if relevant, decides that Awards will be automatically exchanged for New Awards. The circumstances in which the Board may make such a decision include (but are not limited to) where an event occurs under Rules 11.1, 11.2, or 11.3 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.

### **12.2. Terms of exchange**

The following applies in respect of the New Award:

1. The Award Date of the New Award shall be deemed to be the same as the Award Date of the Award.
2. The New Award will be in respect of the shares in a company determined by the Board.
3. In the application of the Plan to the New Award, where appropriate, references to "Company" and "Plan Shares" shall be read as if they were references to the company to whose shares the New Award relates.
4. The New Award must be equivalent to the Award and subject to paragraph 5 below it will Vest at the same time and in the same manner as the Award.
5. Either the Vesting of the New Award must be subject to performance conditions and other conditions which are so far as possible equivalent to any Performance Target and conditions applying to the Award or no performance conditions will apply but the value of shares comprised in the New Award shall be the value of the number of Plan Shares which would have Vested under Rule 11 as applicable.

### **13. *Lapse of Awards***

Notwithstanding any other provision of the Rules, an 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 Performance Target or other condition imposed under Rule 5.1 has not been satisfied either in whole nor in part in respect of the Award and can no longer be satisfied in whole or in part in which case the Award shall lapse either in whole or as to such part in relation to which the Performance Target or other conditions imposed under Rule 5.1 can no longer be satisfied;
3. subject to Rule 10, the Award Holder ceasing to be in Relevant Employment;
4. any date provided for under these Rules;
5. the date on which the Award Holder becomes bankrupt or enters into a compromise with his creditors generally; and
6. the date of any Board determination pursuant to Rule 10.6.3.

### **14. *Adjustment of Awards on Reorganisation***

#### **14.1. *Power to adjust Awards***

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

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

#### **14.2. *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 Grantor 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).

#### **14.3. *Notification of Award Holders***

The Grantor shall, as soon as reasonably practicable, notify each Award Holder of any adjustment made under this Rule 14 and explain how this affects his position under the Plan.

## **15. Tax and social security withholding**

### **15.1. Deductions**

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

### **15.2. Transfer of Employer's NIC**

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

**Employer's NIC** means employer's National Insurance contributions liability or any local equivalent.

### **15.3. Execution of document by Award Holder**

The Grantor may require an Award Holder to execute a document in order to bind himself contractually to any such arrangement as is referred to in Rules 15.1 and 15.2 and return the executed document to the Board by a specified date. It shall be a condition of Vesting and exercise of the Award that the executed document be returned by the specified date unless the Grantor determines otherwise.

### **15.4. Tax elections**

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

## **16. Rights and listing of Plan Shares**

### **16.1. Rights attaching to Plan Shares**

Except as set out in Rule 1.10 (Restricted Shares), all Plan Shares issued and/or transferred under the Plan shall, as to voting, dividend, transfer and other rights, including those arising on a liquidation of the Company, rank equally in all respects and as one class with the shares of the same class in issue at the date of issue or transfer save as regards any rights attaching to such Plan Shares by reference to a record date prior to the date of such issue or transfer.

### **16.2. Listing of Plan Shares**

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

## **17. Relationship of Plan to contract of employment**

### **17.1. 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 an Award and the receipt of an Award in one year (and the calculation of the Award Price in a particular way) is no indication that the Award Holder will be granted any subsequent Awards (or that the calculations of the Award Price will be made in the same or a similar way);
3. the Plan does not entitle any 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 Awards held by him) shall not form any part of his remuneration or count as his remuneration for any purpose and shall not be pensionable; and

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 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.

## **17.2. *Deemed agreement***

By accepting the grant of an Award, an Award Holder is deemed to have agreed to the provisions of these Rules, including this Rule 17.

## **18. *Administration of Plan***

### **18.1. *Responsibility for administration***

The Board (and the Grantor, where appropriate) 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.

### **18.2. *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.

### **18.3. *Grantor to consult with the Board***

Where the Grantor is not the Company and has made, or proposes to make, an Award, the Grantor shall consult with, and take into account the wishes of, the Board before making any determination or exercising any power or discretion under the Plan.

### **18.4. *Discretionary nature of Awards***

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

### **18.5. *Provision of information***

An Award Holder and, where the Grantor is not the Company, the Grantor shall provide to the Company 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.

### **18.6. *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 an Award to a Subsidiary or the Grantor.

### **18.7. *Data protection***

The personal data of any Eligible Employee, Award Holder or former 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 pursuant to a privacy notice or otherwise. If an Eligible Employee, Award Holder or former Award Holder is employed outside the European Economic Area and outside the United Kingdom and consent is needed for processing of their personal data in connection with the operation of the Plan, by participating in the Plan, they consent to such processing of their personal data.

### **18.8. *Third party rights***

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

## **19. Amendment of the Plan**

### **19.1. Power to amend the Plan**

Subject to Rules 19.2 and 19.3, 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).

### **19.2. 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 Award Holders to the Rules relating to:

1. the basis for determining an Eligible Employee's entitlement (or otherwise) to be granted an Award and/or to acquire Plan Shares on the exercise of an Option and/or to become absolutely entitled to Plan Shares subject to a Conditional Share Award (as the case may be) under the Plan;
2. the persons to whom an Award may be granted;
3. the limit on the aggregate number of Plan Shares over which Awards may be granted;
4. the limit on the number of Plan Shares over which Awards may be granted to any one Eligible Employee;
5. the adjustment of Awards on a Reorganisation;
6. this Rule 19.2,

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.

### **19.3. Rights of existing Award Holders**

An amendment may not materially adversely affect the rights of an existing 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 Award Holder affected by the change has been notified of such amendment and the majority of Award Holders holding Awards under the Plan have approved the amendment.

## **20. Notices**

### **20.1. Notice by the Grantor**

Save as provided for by law, any notice, document or other communication given by, or on behalf of, the Grantor or to any person in connection with the Plan shall be deemed to have been duly given if delivered to him at his place of work, if he is in Relevant Employment, if sent by e-mail to such e-mail address as may be specified by him from time to time or, in the case of an 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.

### **20.2. Deceased Award Holders**

Save as provided for by law, any notice, document or other communication so sent to an Award Holder shall be deemed to have been duly given notwithstanding that such Award Holder is then deceased (and whether or not the Company has notice of his death) except where his personal representatives have established his 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.

### **20.3. Notice to the Grantor**

Save as provided for by law any notice, document or other communication given to the Grantor (or any relevant person appointed by the Grantor) 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 Grantor) at the Company's registered office (or such other e-mail or postal address as may from time to time be notified to Award Holders) but shall not in any event be duly given unless it is actually received at the registered office or such e-mail or postal address.

## **21. Governing law and jurisdiction**

### **21.1. Plan governed by English law**

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

### **21.2. 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.

### **21.3. Jurisdiction agreement for benefit of the Company**

The jurisdiction agreement contained in this Rule 21 is made for the benefit of the Company only, which accordingly retains the right to bring proceedings in any other court of competent jurisdiction.

### **21.4. Award Holder deemed to submit to such jurisdiction**

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

## **22. Interpretation**

### **22.1. Definitions**

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

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

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

**Award Certificate** means a statement in a form, which may include an electronic form, determined by the Company setting out details of the Award determined in accordance with Rule 1.4;

**Award Date** means the date on which an Award is granted in accordance with Rule 1.3;

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

**Award Price** means the amount (if any), 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 Shares Agreement, determined in accordance with Rule 4;

**Board** means, subject to Rule 11.7, 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;

**Company** means Hollywood Bowl Group plc incorporated in England and Wales under company number 10229630;

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

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

**Daily Official List** means the London Stock Exchange's list of securities that have been admitted to listing and which is maintained by the London Stock Exchange;

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

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

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

**Eligible Employee** means an individual who at the Award Date is an employee or executive director of a Group Member;

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

**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;

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

**Flotation Date** means the date on which Flotation occurs;

**Gain** means the difference between (i) the market value (as determined by the Board) 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;

**Grantor** means:

1. in relation to an Award granted by the Company, the Board;
2. in relation to an Award granted by the Trustees, the Trustees; and
3. in relation to an Award granted by any other person which the Board authorises to grant an Award, that person;

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

**Holding Period** means the period (if any) specified under paragraph 9 of Rule 1.4 (commencing from the Vesting Date of the relevant Award) during which the restrictions contained in Rule 9 apply;

**ITA 2007** means the Income Tax Act 2007;

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

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

**Market Value on any day** means:

1. ~~if at the relevant time Plan Shares are listed in the Daily Official List of the London Stock Exchange (or any other recognised stock exchange within the meaning of section 1005 of ITA 2007 or the Alternative~~

~~Investment Market of the London Stock Exchange), the closing middle market quotation (as derived from that List) 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;~~

**Model Code** means the Model Code on dealings in securities as set out in Listing Rule 9, Annex 1 of the Listing Rules issued by the Financial Conduct Authority in its present form and as amended from time to time;

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

**Performance Target** means a performance target imposed as a condition of the Vesting of an Award under Rule 5.1 and as substituted or varied in accordance with Rule 5.3;

**Plan** means the Hollywood Bowl Group plc 2017 Long Term Incentive Plan as amended from time to time;

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

**Recruitment Award** means an Award granted in connection with the recruitment of an Eligible Employee and which is granted in respect of remuneration they forfeit to join the Group;

**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 Award Holder is the 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 1.10;

**Rules** mean the rules of the Plan;

**Shareholding Requirement** means any requirement, guideline or policy determined by the Board from time to time pursuant to which a person must hold Plan Shares either during Relevant Employment or following their Relevant Employment ceasing;

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

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

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

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

## **22.2. Interpretation**

In the Plan, unless otherwise specified:

Hollywood Bowl Group plc Long Term Incentive Plan

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.