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# **Rules of the Medica Group PLC**

## **Performance Share Plan 2017**

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Adopted on 1 March 2017

Amended on 23 May 2018

Amended on 29 July 2021

[Amended on \[\\*\\*\\*\\*\\*\] 2022](#)

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## **RULES**

of the

### **MEDICA GROUP PLC PERFORMANCE SHARE PLAN 2017**

#### **1. INTERPRETATION**

In these Rules:

- 1.1 the following expressions have the following meanings unless inconsistent with the context:

<b>"Admission Date"</b>	the date that the Shares are admitted to trading on the Official List of the UK Listing Authority
<b>"Admission Price"</b>	the price of a Share as at commencement of trading of Shares on the Official List of the UK Listing Authority on the Admission Date
<b>"Adoption Date"</b>	the date on which the Plan is adopted by a resolution of the Board
<b>"Award"</b>	subject to <b>Rule 8</b> , a right to acquire Shares for nil consideration (other than in relation to an IPO Award), granted to an Eligible Employee pursuant to the Plan and for the time being subsisting (or, where the context so requires, a right to acquire Shares so to be granted)
<b>"Award Certificate"</b>	a certificate issued in accordance with <b>Rule 4.4</b>
<b>"Award Date"</b>	in respect of any Award, the date upon which that Award is granted by the Grantor or the Company, as the case may be
<b>"Award Holder"</b>	a person holding an Award or, where the context so requires, the legal personal representatives of such a person, and in the context of <b>Rule 15</b> only, shall include a person who has at any time held an Award
<b>"Balancing Payment"</b>	such amount as is determined in accordance with <b>Rule 15.4</b>
<b>"Base Salary"</b>	the basic annual salary of an Eligible Employee under his contract of employment with the Company or any Subsidiary excluding, for the avoidance of doubt, any of the following:  (a) any expenses, the provision of living accommodation or any other form of allowances or benefits;

- (b) benefits in kind;
- (c) bonuses;
- (d) share options and any other share incentive award; and
- (e) employer's pension contributions

**"Board"**

the board of directors for the time being of the Company or the directors present at a duly convened meeting of the directors or a duly appointed committee of the board of directors at which a quorum is present

**"Committee"**

the remuneration committee of the Board

**"Company"**

Medica Group PLC (registered number 08497963)

**"Control"**

the meaning given to that term by section 995 of the Income Tax Act 2007 and "Controlled" shall be construed accordingly

**"Dealing Day"**

a day on which the London Stock Exchange is open for the transaction of business

**"Dividend Equivalent Shares"**

in relation to any Award in respect of which the Committee has exercised its discretion under **Rule 6**, the Shares added to such Award pursuant to the provisions of **Rule 6**

**"Early Exercise Trigger"**

in respect of any Award, the first to occur of:

- (a) the Award Holder ceasing to be an Eligible Employee in circumstances where, in accordance with **Rule 11**, the Award may be exercised (or would be capable of being exercised but for the application of **Rule 11.1.1**) prior to the Vesting Date and in a stated period of time after such cessation of employment; or
- (b) an event referred to in **Rules 12.2 to 12.7** inclusive by reference to which the Award may be exercised (or would be capable of being exercised but for the application of **Rule 12.1.1**)

**"Eligible Employee"**

any individual who, at the relevant date, is an employee (including an executive director) of any company within the Group

<b>"Employee Tax Liability"</b>	all income tax and/or employee's social security charges and employee's national insurance contributions howsoever and wheresoever imposed for which a company in the Group (or any other person who, at the relevant time, is the employer of the Eligible Employee) is obliged to account to a Tax Authority
<b>"Excess Shares"</b>	in respect of an Award to which <b>Rule 15.3</b> applies, the number of Shares over which the Award would not be, or would not have been, capable of exercise but for the relevant circumstance, such number of Shares being determined by the Committee in its absolute discretion
<b>"Executive Directors"</b>	the executive directors of the Company from time to time
<b>"Exercise Period"</b>	<p>in respect of an Award:</p> <ul style="list-style-type: none"> <li>(a) the period commencing on the day immediately after the Vesting Date in respect of such Award and ending on the day immediately before the tenth anniversary of the Award Date; or</li> <li>(b) such shorter period as may be determined by the Committee in its absolute discretion as at the Award Date; or</li> <li>(c) if the Award Holder, having not previously exercised the Award, shall be prevented from so doing on the last day of the periods set out above by virtue of <b>Rule 10.1</b>, the period ending 21 days after the first day on which the Award Holder is no longer so prevented</li> </ul>
<b>"Exercise Price"</b>	in relation to an IPO Award, the price per Share payable on the exercise of such IPO Award, being a price equal to the Admission Price (subject to adjustment pursuant to <b>Rule 13</b> )
<b>"Fair Processing Notice"</b>	the notice referring to this Plan, made available through the Company's intranet and/or the Secretary or any other officer of the Company, which sets out how personal data relating to Eligible Employees and Award Holders will be processed in connection with the Plan
<b>"Financial Year"</b>	a financial year of the Company (as determined in accordance with the provisions of section 390 of the Companies Act 2006)

<b>"General Offer"</b>	a general offer to acquire the whole or part of the issued ordinary share capital of the Company (or such part of such capital as is not then owned by the offeror or any company Controlled by the offeror and/or any persons acting In Concert with the offeror) as a result of which the offeror (or any such companies and/or such persons) may gain Control of the Company
<b>"Grantor"</b>	the trustee or trustees of an employee benefit trust established by the Company, the beneficiaries of which include employees of the Group
<b>"Group"</b>	the Company and all of the Subsidiaries for the time being or, where the context so requires, any one or more of them
<b>"Holding Period"</b>	in respect of any Award, a period starting on the Normal Vesting Date and ending on the second anniversary of the Normal Vesting Date, or such other period as the Committee may determine
<b>"In Concert"</b>	the meaning given to that term in The City Code on Takeovers and Mergers as amended from time to time
<b>"IPO Award"</b>	an Award granted prior to or on the Admission Date with an Exercise Price equal to the Admission Price
<b>"Issue or Reorganisation"</b>	any capitalisation issue or rights issue (other than an issue of shares following 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
<b>"ITEPA"</b>	the Income Tax (Earnings and Pensions) Act 2003
<b>"London Stock Exchange"</b>	London Stock Exchange PLC or any successor body thereto
<b>"Market Value"</b>	means: <ul style="list-style-type: none"> <li>(a) on the Award Date of an IPO Award or an Award granted on or prior to the Admission Date, the Admission Price, or</li> <li>(b) in respect of any other date, if the Shares are for the time being admitted to trading on the Official List of the UK Listing Authority, the average closing share price for a Share as derived from the Official</li> </ul>

List for the three consecutive Dealing Days immediately preceding that date, or such other price as may be specified by the Committee; or

- (c) if the conditions referred to in **paragraphs (a) or (b)** of this definition are not satisfied, the market value of a Share as at the date concerned as determined in accordance with Part VIII of the Taxation of Chargeable Gains Act 1992

**“Normal Vesting Date”**

in respect of an Award, the Normal Vesting Date specified in the Award Certificate (as provided in **Rule 4.4**) provided that such Normal Vesting Date shall not normally occur before either:

- (a) the end of any applicable Performance Period; or
- (b) in the case of an Award granted to an Executive Director (other than an IPO Award) shall not normally be less than 3 years

**“Other Award”**

means:

- (a) an option or award in respect of Shares or cash held by an Award Holder under any incentive arrangement in which such Award Holder participates other than an Award made under the Plan; and
- (b) any payment to be made to an Award Holder

**“Other Discretionary Scheme”**

any Other Employees’ Scheme other than a share incentive plan which complies with the provisions of Schedule 2 to ITEPA, a savings-related share option scheme which complies with the provisions of Schedule 3 to ITEPA or any other share option scheme of the Company which is linked to a contractual or other savings scheme

**“Other Employees’ Scheme”**

any employees’ share scheme (within the meaning of section 1166 of the Companies Act 2006) adopted by the Company enabling directors or employees of any company in the Group, or trustees on behalf of such directors or employees, to acquire Shares, other than the Plan

**“Performance Period”**

in respect of an Award (other than an IPO Award or an Award granted prior to or on the date of Admission), the period over which any condition imposed upon the grant of that Award in

accordance with **Rule 5** is to be measured as specified in the Award Certificate relating to such Award provided that such period:

- (a) in the case of an Award granted to an Executive Director (other than an IPO Award) shall not normally be less than 3 years; and
- (b) does not commence before the end of the Financial Year that ends immediately prior to the ~~Award~~Relevant Financial ~~Date~~Year

**"Permitted Grant Period"**

- (a) the period of 42 days commencing on (i) the Adoption Date; or (ii) the Admission Date; or (iii) the Dealing Day immediately following the date of the preliminary announcement of the annual results of the Company in any year or the date of the announcement of the half-year results of the Company in any year; or
- (b) any other time fixed by the Committee where, in the absolute discretion of the Committee, the circumstances are considered to be so exceptional as to justify the grant of an Award

provided that if the Shares are, for the time being, admitted to the Official List of the UK Listing Authority, other than in the case of Awards granted on the Admission Date, no Award shall be granted during the first three Dealing Days of the Permitted Grant Period referred to in **paragraph (a)** above

**"Plan"**

the Medica Group PLC Performance Share Plan 2017 established by the adoption of these Rules and as from time to time amended in accordance with the provisions of these Rules

**"Redundancy"**

redundancy within the meaning of the Employment Rights Act 1996

**"Relevant Financial Year"**

the Financial Year ~~during~~in respect of which the Award ~~Date is~~ falls granted

**"Share Dealing Code"**

- (a) the European Union Market Abuse Regulation (596/2014/EU) and any accompanying implementation measures and guidance, or
- (b) any other statute, directive, order or regulation imposing a restriction on dealings in securities, or



	(c) any dealing code adopted by the Company from time to time,
	in each case as amended or replaced from time to time
<b>"Shares"</b>	fully paid ordinary shares (of whatever class) in the capital of the Company or, as the context may require, shares for the time being representing the same in consequence of any Issue or Reorganisation
<b>"Subsidiary"</b>	any subsidiary of the Company within the meaning of section 1159 of the Companies Act 2006 over which the Company has Control
<b>"Takeover"</b>	following a General Offer, the unconditional acquisition of Control of the Company by the offeror (or any company Controlled by the offeror and/or any persons acting In Concert with the offeror)
<b>"Takeover Date"</b>	the date on which a Takeover happens
<b>"Tax Authority"</b>	HM Revenue & Customs or, in relation to any Award Holder or Eligible Employee who is subject to taxation in a jurisdiction outside the United Kingdom, any other equivalent body or fiscal authority competent to collect or impose taxes in the relevant jurisdiction concerned
<b>"Treasury Shares"</b>	qualifying shares to which sections 724 to 732 of the Companies Act 2006 apply
<b>"UK Listing Authority"</b>	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 in the exercise of its functions in respect of the admission to the Official List in accordance with Part VI of the Financial Services and Markets Act 2000
<b>"Unvested Award"</b>	a subsisting Award in respect of which the Vesting Date has not yet passed
<b>"Vesting Date"</b>	in respect of an Award, the Normal Vesting Date, unless the Committee has determined that a Holding Period shall apply to the Award, in which case it shall be the last day of the Holding Period as set out in the Award Certificate (as provided in <b>Rule 4.4</b> );

- 1.2 references to any statutory provisions will, where the context so admits or requires, be construed as including references to the corresponding provisions of any earlier statute (whether repealed or not) directly or indirectly amended, consolidated, extended or replaced by those provisions (or re-enacted in those

provisions) and of any subsequent statute in force at any relevant time directly or indirectly amending, consolidating, extending, replacing or re-enacting the same and will include any orders, regulations, instruments or other subordinate legislation made under the relevant statute;

- 1.3 any reference to a Rule is a reference to a rule of this Plan;
- 1.4 unless the context requires otherwise, words importing the singular shall also include the plural and vice versa, any reference to the masculine shall include the feminine as the context shall admit or require and any reference to a person shall include incorporated and unincorporated bodies;
- 1.5 any reference to "income tax and/or employee's national insurance" shall, in the context of any Award Holder who is resident in any jurisdiction outside the United Kingdom, include a reference to any taxation or social security payable in that other jurisdiction which is equivalent or similar to income tax and employee's national insurance;
- 1.6 any reference to "employer's national insurance" shall, in the context of any Award Holder who is resident in any jurisdiction outside the United Kingdom, include a reference to any taxation or social security payable in that other jurisdiction which is equivalent or similar to employer's national insurance; and
- 1.7 the descriptive headings to Rules are inserted for convenience only, have no legal effect and shall be ignored in the interpretation of these Rules.

## **2. COMMITTEE MAY AUTHORISE THE GRANT OF AWARDS**

The Committee is empowered to authorise the grant of Awards by the Company or a Grantor to Eligible Employees in accordance with these Rules.

## **3. RESTRICTIONS ON THE GRANTING OF AWARDS**

- 3.1 Awards may only be granted to an Eligible Employee during a Permitted Grant Period, provided that if, by reason of a Share Dealing Code or any statute or any regulation or order made thereunder or any governmental directive, the Company shall be restricted from granting Awards within such Permitted Grant Period, Awards may be granted within the period commencing on the second Dealing Day immediately following the lifting of such restrictions and ending 40 days later.
- 3.2 No Award shall be granted more than ten years after the Adoption Date.
- 3.3 Subject to **Rules 3.5, 3.6** and **6.6**, no Award shall be granted if immediately following the grant of such Award the aggregate nominal value of the ordinary shares in the Company:
  - 3.3.1 issued or then capable of being issued pursuant to Awards granted under the Plan within the immediately preceding period of ten years; and
  - 3.3.2 issued or then capable of being issued pursuant to options granted or rights obtained in such ten year period under any Other Employees' Scheme,

would exceed 10 per cent of the nominal value of the ordinary share capital of the Company at that time in issue.

3.4 Subject to **Rules 3.5, 3.6** and **6.6**, no Award shall be granted if immediately following the grant of such Award the aggregate nominal value of the ordinary shares in the Company:

3.4.1 issued or then capable of being issued pursuant to Awards granted under the Plan within the immediately preceding period of ten years; and

3.4.2 issued or then capable of being issued pursuant to options granted or rights obtained in such ten year period under any Other Discretionary Scheme,

would exceed 5 per cent. of the nominal value of the ordinary share capital of the Company at that time in issue.

3.5 For the purposes of **Rules 3.3** and **3.4**, Shares (including Dividend Equivalent Shares) which have been acquired (or may be acquired) pursuant to:

3.5.1 an Award granted under the Plan;

3.5.2 in the case of **Rule 3.3** an option or other right granted by any person under any Other Employees' Scheme; and/or

3.5.3 in the case of **Rule 3.4**, an option or other right granted by a person under any Other Discretionary Scheme,

shall only count as "issued or then capable of being issued" to the extent that the Shares that were (or are) subject to any such Award, option or other right were issued (or there is an intention for them to be issued) by the Company to any other person for the purposes of the Plan or any Other Employees' Scheme.

3.6 For the purposes of **Rules 3.3, 3.4** and **6.6**:

3.6.1 Shares issued or then capable of issue pursuant to options granted or other rights obtained on or prior to the Admission Date;

3.6.2 Shares issued or then capable of issue pursuant to options granted following the issue of invitations under the Medica Group PLC Sharesave Scheme during the five Dealing Days following the Admission Date; and

3.6.3 Shares which were the subject of an option or other right (whether granted under the Plan or otherwise) which has lapsed or been surrendered,

shall not count towards the limits set out therein.

3.7 No Award may be granted to an Eligible Employee in [respect of](#) a Financial Year if the sum of:

3.7.1 the aggregate Market Value (as at the Award Date) of the Shares subject to that Award; and

3.7.2 the aggregate Market Value of the Shares subject to any Award granted to such Eligible Employee in [respect of](#) the Relevant Financial Year under the Plan other than an IPO Award (and, for these purposes,

the Market Value shall be the Market Value as at the date on which such other Award was granted),

exceeds ~~100~~150 per cent. of the Eligible Employee's Base Salary as at the Award Date. An Award may be granted in excess of this limit, but only in circumstances which the Committee, in its absolute discretion, considers to be sufficiently exceptional to justify the grant of an Award in excess of such limit and in no circumstances shall the limit exceed 200 per cent. of the Eligible Employee's Base Salary as at the Award Date. For the purposes of this **Rule 3.7**, the Market Value of any Shares which were subject to an Award which has lapsed or otherwise been surrendered shall not count towards the limits set out herein.

- 3.8 No Award shall be granted to an Eligible Employee at a time when such grant to such Eligible Employee would be in breach of a Share Dealing Code.

#### **4. GRANT OF AWARDS**

- 4.1 Subject to **Rule 3**, the Committee may (if in its absolute discretion it so decides) authorise the Company or Grantor to grant an Award to an Eligible Employee.

- 4.2 Subject as otherwise provided in these Rules, the Committee shall have an absolute discretion in determining (inter alia):

- 4.2.1 when to grant Awards;
- 4.2.2 to whom to grant Awards;
- 4.2.3 the number of Shares over which each Award is to subsist;
- 4.2.4 the Normal Vesting Date of an Award;
- 4.2.5 whether a Holding Period shall apply to an Award, and if so the length of this Holding Period;
- 4.2.6 the Exercise Period of an Award;
- 4.2.7 whether any performance conditions shall be imposed in respect of the Award, and if so such conditions;
- 4.2.8 whether **Rule 6** shall apply to the Award and if so the basis on which this should apply; and
- 4.2.9 whether it shall be a condition of exercise that the Award Holder will be responsible for paying any employer's national insurance contributions payable as a result of or in connection with the exercise of the Award.

- 4.3 No person shall be entitled as of right to be granted any Award.

- 4.4 Each Award shall be granted by the execution and delivery by the Company or Grantor (as the case may be), of a deed of grant recording its intention to grant the Award. No consideration shall be payable by any Eligible Employee in respect of the grant of an Award to him. As soon as reasonably practicable after an Award has been granted, the Company or Grantor (as the case may be), shall issue an Award Certificate to each Award Holder. The Award Certificate shall specify (amongst other things) the following (but shall otherwise be in such form as the Committee may from time to time determine):

- 4.4.1 the Award Date of the Award;
- 4.4.2 the number of Shares over which the Award subsists or the basis on which such number of Shares shall be calculated;
- 4.4.3 in relation to an IPO Award, the Exercise Price;
- 4.4.4 any performance conditions imposed in accordance with **Rule 5**;
- 4.4.5 the Normal Vesting Date;
- 4.4.6 the Holding Period (if any);
- 4.4.7 the Exercise Period;
- 4.4.8 the fact that the Award may be renounced as provided in **Rule 4.5**;
- 4.4.9 if the Committee has determined in accordance with **Rule 4.2.9** that it shall be a condition of exercise that the Award Holder will be responsible for any employer's national insurance contributions which may arise on exercise of the Award, that the Award is subject to such a condition;
- 4.4.10 whether the Committee has determined that **Rule 6** should apply to the Award; and
- 4.4.11 the fact that **Rule 15** may be applied in certain circumstances to recover value that the Award Holder receives under the Plan or otherwise.

In the event of any Award Holder losing his Award Certificate, the Company or Grantor (as the case may be), shall as soon as reasonably practicable after receipt of notice of such loss together, if it so requires, with an indemnity from the Award Holder in respect of any liability of the Company or Grantor (as the case may be) arising as a consequence of such loss (in such form as the Company or Grantor may request) issue or procure the issue to the Award Holder of a duplicate of such Award Certificate and any reference in these Rules to an Award Certificate shall include a reference to such a duplicate. Where an Award is exercised in part the Company or Grantor (as the case may be) shall, at its discretion, endorse or procure the endorsement of the Award Certificate as to such partial exercise or issue, or procure the issue of, a new Award Certificate in respect of the balance of the Award.

- 4.5 Any Eligible Employee to whom an Award is granted may, by notice in writing to the Company or Grantor (as the case may be) given within 30 days after the Award Date, renounce in whole or in part his rights under the Award. In such a case, the Award shall to the extent renounced be treated, for all purposes of the Plan, as never having been granted and (if already issued) an Award Certificate shall be returned to the Company or Grantor (as the case may be) for cancellation or, in the case of renunciation in part, for amendment. No consideration shall be payable by the Company or Grantor for any such renunciation.
- 4.6 An Award shall be personal to the Eligible Employee to whom it is granted and, except to the extent necessary to enable a personal representative to exercise the Award following the death of an Award Holder, shall not be transferable or assignable. An Award shall not be charged, pledged or otherwise encumbered and

any purported assignment, charge, disposal or dealing with the rights and interest of the Award Holder under the Plan shall render the Award void.

## **5. PERFORMANCE CONDITION**

- 5.1 In addition to any other conditions in any of these Rules, Awards (other than IPO Awards) may be granted subject to such performance conditions as the Committee may determine. Such performance conditions may relate to the achievement of a target by the Company or by any other member of the Group.
- 5.2 Any condition imposed on an Award in accordance with **Rule 5.1** may provide that:
  - 5.2.1 the Award shall become capable of exercise in respect of a given number or proportion of Shares comprised therein according to whether, and the extent to which, such condition is met; and/or
  - 5.2.2 the Award may in specified circumstances be exercised notwithstanding that the condition has not been satisfied.
- 5.3 Subject to **Rules 5.4** and **5.5**, any condition imposed in accordance with **Rule 5.1** on the grant of an Award may only be waived, amended or replaced by the Committee:
  - 5.3.1 on the occurrence of a specific event or events which are fixed by the Committee on the grant of such Award and which were set out in the relevant Award Certificate issued in accordance with **Rule 4.4**; and/or
  - 5.3.2 on the occurrence of any other event or events which causes the Committee reasonably to consider that such condition should be waived or that a different or amended condition would be a fairer measure of the performance of the Company or any other member of the Group (as the case may be).
- 5.4 The amendment of any condition in accordance with **Rule 5.3** may take such form as the Committee, in its absolute discretion (subject, in the case of Awards granted by the Grantor, to the prior written consent of the Grantor), deems fit save that such amendment may not cause the condition to be materially more challenging to meet or achieve than the original condition prior to such amendment. The Committee shall have absolute discretion in determining whether or not the amendment of a condition made in accordance with **Rule 5.3** causes the condition to be more challenging to meet or achieve than the original condition prior to such amendment. As soon as reasonably practicable after the Committee has exercised its power to waive, amend or replace any condition in relation to an Award in accordance with **Rule 5.3**, it shall notify the Award Holder concerned of such waiver, amendment or replacement and the relevant Award shall be subject to the condition as amended or replaced or, in the case of a waiver, to no further condition (other than those imposed by the Rules ignoring the condition that has been waived in accordance with **Rule 5.3**).
- 5.5 If an Early Exercise Trigger occurs (or is to occur) in relation to any Award prior to the end of the Performance Period relating to that Award, the Committee shall assess the conditions imposed pursuant to **Rule 5.1** (as amended if relevant under **Rule 5.3**) on such modified basis as it reasonably thinks fit, measured over the period beginning at the start of the Performance Period and ending on the date upon which the Early Exercise Trigger occurred (or is to occur). Any

condition which is modified in accordance with this **Rule 5.5** shall only be modified in such a way as is, in the reasonable opinion of the Committee, fair and reasonable having regard to the abbreviated Performance Period and in such a way as may not cause the modified condition to be materially more difficult to meet or achieve than the original condition prior to such modification.

- 5.6 Notwithstanding any other provision in these Rules, any condition imposed on an Award under this **Rule 5** shall not be treated as having been satisfied (either in whole or in part) or failed unless and until the Committee has notified the Award Holder of such in writing. To the extent to which the Committee determines that any condition imposed on an Award in accordance with this **Rule 5** has not been satisfied, such Award shall lapse with immediate effect.

## **6. DIVIDEND EQUIVALENT SHARES**

- 6.1 The Committee shall have the absolute discretion, at the time of grant of an Award, to determine whether this **Rule 6** shall apply to an Award. If this **Rule 6** applies to an Award, whenever a dividend or other cash distribution is paid by the Company in respect of its Shares, subject to **Rule 6.8**, the number of Shares subject to an Unvested Award (as at the time the dividend or other cash distribution is paid) shall be notionally increased by such number of whole Shares (rounded down to the nearest whole number) as is equal to:

$$\frac{A}{B} \times C$$

where:

- "A" is the amount of the dividend or other cash distribution paid by the Company in respect of each Share eligible to receive the dividend or other cash distribution;
- "B" is the Market Value of a Share on the date the dividend or other cash distribution is paid by the Company; and
- "C" is the number of Shares then subject to such Unvested Award, including any Dividend Equivalent Shares previously notionally added to such Unvested Award pursuant to this **Rule 6.1** and in respect of which the Unvested Award has not lapsed in accordance with **Rule 6.4** or **6.5**,

**PROVIDED THAT** the Committee shall have absolute discretion to decide whether or not this **Rule 6** shall apply in the case of a special dividend or certain other dividends or cash distributions.

- 6.2 As soon as reasonably practicable after a dividend or other cash distribution is paid by the Company in respect of its Shares, the Committee shall calculate the number of Dividend Equivalent Shares to be notionally added to each Unvested Award. The Committee may notify the Award Holder and, where relevant, the Grantor in writing of such number prior to the Vesting Date of such Unvested Award but shall not be obliged to do so until such Vesting Date. In the event of any dispute as to the number of Dividend Equivalent Shares to be notionally added to any Award, the decision of the Committee shall be final and conclusive.
- 6.3 Subject to **Rules 6.4, 6.5** and **6.8**, as and when an Award becomes exercisable pursuant to, and in accordance with, these Rules, it shall also become exercisable

as to all Dividend Equivalent Shares notionally added to it pursuant to **Rule 6.1**, provided always that if the provisions of **Rule 15** are applicable to the Award in question, the number of Dividend Equivalent Shares in respect of which the exercise of the Award shall take effect may be reduced as part of the reduction to the number of Shares in respect of which the Award is exercised as determined in accordance with the relevant provisions of **Rule 15**.

- 6.4 Where an Award ceases to be capable of exercise as to any of the Shares that were originally subject to the Award as at the Award Date ("**Lapsed Shares**") then, to the extent that any Dividend Equivalent Shares would not have been notionally added to the Award but for the Lapsed Shares, the Award shall cease to be exercisable (and shall lapse) as to such Dividend Equivalent Shares.
- 6.5 For the avoidance of doubt, and notwithstanding any other provisions in these Rules, if an Award lapses in full as a result of the application of any of **Rules 10, 11, 12** and/or **15**, it shall lapse as to all Shares under that Award, including any Dividend Equivalent Shares.
- 6.6 For the purposes of applying the limits in **Rules 3.3** and **3.4**, only Dividend Equivalent Shares that have either been:
  - 6.6.1 actually acquired by an Award Holder on the exercise of an Award; or
  - 6.6.2 notionally added to an Award pursuant to **Rule 6.1** (without the Award having ceased to be exercisable as to such Dividend Equivalent Shares in accordance with any one of **Rule 6.4, 6.5** or **15**),

shall be taken into account. For the avoidance of doubt, Dividend Equivalent Shares that could potentially be added to an Award in the future and any Shares which are subject to an Award in respect of which a determination has been made pursuant to **Rule 6.8**, shall be ignored for the purposes of **Rules 3.3** and **3.4**.

- 6.7 For the avoidance of doubt, any Award Holder holding an Award in respect of which Shares are notionally added by the operation of **Rules 6.1** and **6.2** shall not be entitled to the Shares notionally added either legally or beneficially at any time prior to the exercise of the Award concerned and shall only have the right to acquire such number of Dividend Equivalent Shares as is determined pursuant to the foregoing provisions of this **Rule 6** (subject to any reduction made pursuant to **Rule 15**), upon exercise of the Award and at no other time.
- 6.8 Notwithstanding anything to the contrary, the Committee may in its absolute discretion (subject to the Grantor's consent in the case of an Award granted by a Grantor) determine that any Shares which would otherwise have been delivered to an Award Holder pursuant to this **Rule 6** following the exercise of an Award shall not be delivered upon exercise of such Award but, subject to **Rule 6.9**, shall be satisfied by the Company or Grantor (where relevant) paying an amount of cash to the relevant Award Holder which is equal in value to the Shares which would otherwise have been delivered to the Award Holder pursuant to this **Rule 6** (subject to any reduction made pursuant to **Rule 15**), less, in the case of the IPO Awards, an amount equal to the aggregate Exercise Price payable in respect of such Shares. An Award Holder shall be notified in writing of a determination made pursuant to this **Rule 6.8**.
- 6.9 Any payment of cash pursuant to **Rule 6.8** shall be subject to any and all applicable statutory deductions in respect of any Employee Tax Liability which arises as a result of or in connection with the payment.



## **7. EXERCISE OF AWARDS**

- 7.1 Subject to the satisfaction of any conditions imposed in accordance with **Rule 5** and compliance with these Rules by the Award Holder, an Award may be exercised (in whole or in part) only at any time during the relevant Exercise Period. This **Rule 7.1** is subject to the remaining provisions of this **Rule 7** and to the provisions of **Rules 9, 10, 11, 12** and **15**.
- 7.2 In order to exercise an Award in whole or in part, the Award Holder shall deliver to the Secretary of the Company, or to any person nominated by the Secretary, and (in the case of an Award granted by a Grantor) to the Grantor, a notice in writing in a form approved by the Committee specifying the number of Shares in respect of which the Award is being exercised and, in the case of the IPO Awards, accompanied by payment (or other method of remittance satisfactory to the Committee) of the Exercise Price payable for those Shares.
- 7.3 A notice under **Rule 7.2** shall take effect on the day it is actually delivered and such day shall constitute for all purposes (except as otherwise specified in **Rules 12.3, 12.6** or **12.7**) the date of exercise of such Award. The relevant Award Certificate shall also be lodged with the Company or Grantor (as the case may be) although failure so to do shall not invalidate the exercise of the Award. The Company shall keep and make available to Award Holders upon request copies of a form of notice that is suitable for the purpose of exercising an Award.
- 7.4 An Award may be exercised in whole or in part and if exercised in part shall continue to subsist to the extent that it has not been exercised and may be further exercised in whole or in part in accordance with these Rules. The Company or Grantor (as the case may be) shall, following exercise of an Award in part, deliver to the Award Holder the endorsed Award Certificate, or a new Award Certificate, in accordance with **Rule 4.4**.
- 7.5 All allotments, issues or transfers of Shares (and the issue of a definitive share certificate) shall be made within 30 days of the date of exercise of the relevant Award and will be subject (if applicable) to such Shares being admitted to trading on the Official List of the UK Listing Authority and to all (if any) necessary consents of HM Treasury or other authorities under enactments or regulations for the time being in force and it shall be the responsibility of the Award Holder to comply with any requirements to be fulfilled in order to obtain or obviate the necessity for any such consent. At the request of an Award Holder the Company or Grantor (as the case may be) may, in its absolute discretion, resolve to allot and issue or transfer (as the case may be) some or all of the Shares to be acquired on the exercise of an Award to such other person or persons as may be nominated by the Award Holder, provided that the Award Holder is the beneficial owner of such Shares.
- 7.6 Shares transferred following exercise of an Award shall be transferred without the benefit of any voting or other rights attaching to the Shares by reference to a record date preceding the date of such exercise. Shares issued on the exercise of an Award shall be issued subject to the Articles of Association of the Company as from time to time amended and shall rank in full for all dividends or other distributions payable to the holders of Shares by reference to a record date occurring on or after the date of allotment and for any rights to be granted to such holders by reference to such a record date. In all other respects the Shares so to be issued shall be identical and rank *pari passu* with the fully paid registered Shares in issue on the date of such exercise. The Company will (if applicable) make an application to the London Stock Exchange so that upon the issue of

Shares upon the exercise of an Award (or as soon thereafter as reasonably practicable) such Shares shall be admitted to trading on the Official List of the UK Listing Authority.

- 7.7 While any Award granted by the Company remains unexercised in whole or in part and has not lapsed the Company shall keep available sufficient unissued Shares and/or ensure that it has made arrangements to procure the transfer of sufficient issued Shares and/or ensure that it holds sufficient Treasury Shares (as the case may be) to satisfy in full all such Awards to the extent they have not been exercised.
- 7.8 An Award granted by the Company shall be treated as being an Award to subscribe for the relevant number of Shares over which the Award subsists unless and until the Committee, in its absolute discretion, determines at any time before resolving to allot Shares upon the exercise of such Award that in substitution for the allotment and issue of Shares that it shall procure the transfer of some or all of the Shares over which such Award subsists, or that it shall transfer Treasury Shares, to the relevant Award Holder (or to a person nominated by the relevant Award Holder in accordance with **Rule 7.5**). Upon the Committee making such a determination the Award (either in whole or in part as the case may be) shall be treated as having been at all times an Award to purchase (and not to subscribe for) the relevant number of Shares as so determined by the Committee or to receive Treasury Shares as so determined by the Committee (as the case may be). If the Committee determines to procure the transfer of the relevant number of Shares or transfer Treasury Shares to an Award Holder upon exercise of an Award, the obligation to pay stamp duty (if any) on the transfer shall be a liability of the Company.
- 7.9 In the event of a determination pursuant to and in accordance with **Rule 7.8**, the Shares comprised in the relevant Award (or, as the case may be, the relevant part of the Award) shall not be taken into account for the purposes of the limits contained in **Rules 3.3** and **3.4**, unless such Shares are Treasury Shares. Treasury Shares that are transferred or to be transferred to satisfy the exercise of Awards are to be regarded as issued or capable of being issued for the purposes of the limits contained in **Rules 3.3** and **3.4**.

## **8. CASH EQUIVALENT**

- 8.1 Notwithstanding anything to the contrary, the Committee may in its absolute discretion (subject to the Grantor's consent, in the case of an Award made by the Grantor), determine that an Award shall not be satisfied by the transfer of Shares but, subject to **Rule 8.2**, shall be satisfied by the Company or Grantor (as the case may be) paying an amount of cash to the relevant Award Holder which is equal in value to the aggregate Market Value of the Shares which are subject to such Award (including any Dividend Equivalent Shares that have been added to it pursuant to **Rule 6.1**) less, in the case of the IPO Awards, the aggregate Exercise Price payable in respect of such Shares.
- 8.2 Any payment of cash in accordance with **Rule 8.1** shall be subject to any and all applicable statutory deductions in respect of any Employee Tax Liability which arises as a result of or in connection with the payment.

## **9. TAXATION**

- 9.1 If an Employee Tax Liability arises as a result of or in connection with the exercise of an Award then unless:

- 9.1.1 the relevant Award Holder has indicated in the form of exercise that he will make a payment to the Company of an amount equal to the Employee Tax Liability; and
- 9.1.2 the Award Holder does, within 7 days of being notified by the Company of the amount of the Employee Tax Liability, make such payment to the Company,

the Company, or if applicable the Grantor, may sell or procure the sale of sufficient of the Shares resulting from the exercise of the Award on behalf of the Award Holder and arrange payment to the member of the Group (or other relevant person) on which the Employee Tax Liability falls of an amount equal to the Employee Tax Liability out of the proceeds of sale (by way of reimbursement).

- 9.2 If the Committee determines in accordance with **Rule 4.2.9** that it shall be a condition of exercise of the Award in question that the Award Holder is responsible for paying any employer's national insurance contributions payable as a result of or in connection with the exercise of that Award then **Rule 9.1** shall apply in the same way to such employer's national insurance contributions as though references in that Rule to "Employee Tax Liability" were references to the employer's national insurance contributions due as a result of or in connection with the exercise of the Award concerned.

- 9.3 It shall be a condition of exercise of an Award that the Award Holder indemnifies the Group and such other company which is the Award Holder's employer on a continuing basis in respect of any Employee Tax Liability arising as a result of or in connection with the exercise of such Award.

## **10. RESTRICTIONS UPON THE EXERCISE OF AWARDS AND LAPSE OF AWARDS**

- 10.1 No Award Holder shall in any circumstances be entitled to exercise an Award either in whole or in part at any time when such exercise would be in breach of a Share Dealing Code.
- 10.2 In addition to any other provisions of these Rules providing for the lapse of an Award, an Award shall lapse and cease to be exercisable upon the earliest of:
  - 10.2.1 the expiry of the Exercise Period relating to that Award;
  - 10.2.2 subject as provided in **Rule 12.6**, on the commencement of the winding-up of the Company; and
  - 10.2.3 upon a bankruptcy order being made in respect of the Award Holder.

## **11. CESSATION OF EMPLOYMENT**

- 11.1 The provisions of this **Rule 11** shall apply if an Award Holder ceases to be an Eligible Employee at any time or gives or is given notice of the termination of his employment with the Group. For the avoidance of doubt, the exercise of an Award in accordance with this **Rule 11** shall be subject to:
  - 11.1.1 the prior satisfaction of any condition imposed upon the grant of that Award under **Rule 5** (after adjustment, if relevant, in accordance with **Rule 5.3** or **Rule 5.5**);

- 11.1.2 where the Award Holder ceases to be an Eligible Employee before the Normal Vesting Date relating to that Award, the application of **Rule 14**; and
  - 11.1.3 the provisions of **Rule 15**, if such provisions are invoked at any time in respect of the Award Holder concerned.
- 11.2 If an Award Holder ceases to be an Eligible Employee by reason of his death, the Committee may, in its absolute discretion, permit his legal personal representatives, subject as provided in **Rule 10**, to exercise any of his Awards during the period commencing on the date of his death and expiring twelve calendar months from the date of his death. Any Award not exercised at the end of such period shall lapse immediately.
- 11.3 If an Award Holder ceases to be an Eligible Employee by reason of:
- 11.3.1 ill-health, injury or disability (all evidenced to the satisfaction of the Committee),
  - 11.3.2 Redundancy,
  - 11.3.3 the company by which he is for the time being employed ceasing to be Controlled by the Company, or
  - 11.3.4 a person acquiring the assets and undertaking of the Company or a company Controlled by the Company which would give rise to the transfer of an Award Holder's employment from such company to the other person,

he may, subject as provided in **Rule 10**, exercise any Awards then held by him during the period commencing on the later of the Normal Vesting Date and the date of cessation of employment and expiring six calendar months after such date. If not so exercised during such period, any such Awards shall lapse immediately.

- 11.4 If an Award Holder:
- 11.4.1 ceases to be an Eligible Employee in any circumstance not mentioned in **Rules 11.2** or **11.3**; or
  - 11.4.2 gives or is given notice, pursuant to his contract of employment, to terminate the employment by virtue of which he is an Eligible Employee,

all the Awards then held by him shall lapse on the earlier of such notice and the date of such cessation except that, subject as provided in **Rule 10**, no later than three calendar months from the date of such cessation, the Committee may in its absolute discretion (provided that, for the avoidance of doubt, the Committee shall not be obliged in any circumstances to exercise such discretion in favour of the Award Holder), and subject to such conditions as it may determine, including determination of the extent to which the Award may be exercised, allow the Award Holder to retain and exercise his Awards within such period following the later of the Normal Vesting Date and the date of cessation of employment as is determined by the Committee, which shall expire no later than six calendar months following such date. Any Award not so exercised during such period shall lapse immediately.

- 11.5 If an Award Holder ceases to be an Eligible Employee in any circumstance mentioned in **Rule 11.3**, subject as provided in **Rule 10**, within a period of three calendar months from the date of such cessation, the Committee may in its absolute discretion (provided that, for the avoidance of doubt, the Committee shall not be obliged in any circumstances to exercise such discretion in favour of the Award Holder), and subject to such conditions as it may determine, including determination of the extent to which the Award may be exercised, allow the Award Holder to exercise his Awards within such period following the date on which the Award Holder ceased to be an Eligible Employee as is determined by the Committee, which shall expire no later than six calendar months following such date. Any Award not so exercised during such period shall lapse immediately.
- 11.6 For the purpose of this **Rule 11**, an Award Holder shall not be treated as ceasing to be employed by the Company or any Subsidiary until:
- 11.6.1 the Award Holder ceases to hold employment in the Company or any Subsidiary, or
  - 11.6.2 if the Award Holder is absent from work wholly because of statutory family-related leave, the Award Holder notifies his employer of his intention not to return to work or ceases to be entitled to exercise his right to return to work.
- 11.7 Notwithstanding any other provision of this **Rule 11** or of **Rule 12**, where an Award has become exercisable in accordance with this **Rule 11** and the provisions of **Rule 12** subsequently apply (or vice versa), the period of time allowed for the exercise of an Award shall be the first to expire under this **Rule 11** or **Rule 12** (as the case may be).

## **12. CHANGE IN CONTROL, LIQUIDATION AND DEMERGER**

- 12.1 The provisions of this **Rule 12** shall apply if any one or more of the events specified in this **Rule 12** occur at any time. For the avoidance of doubt, the exercise of an Award in accordance with the provisions of this **Rule 12** shall be subject to:
- 12.1.1 the prior satisfaction of any condition imposed upon the grant of that Award under **Rule 5** (after adjustment, if relevant, in accordance with **Rule 5.3** or **Rule 5.5**), unless the Committee shall determine otherwise in its absolute discretion;
  - 12.1.2 where one or more of the events specified in this **Rule 12** occur before the Normal Vesting Date relating to that Award, the application of **Rule 14**; and
  - 12.1.3 the provisions of **Rule 15**, if such provisions are invoked at any time in respect of the Award Holder concerned.
- 12.2 If at any time any person makes a General Offer:
- 12.2.1 an Award Holder may, subject to **Rule 12.3** and subject as otherwise provided in **Rule 10**, exercise any Award then held by him during the period commencing on the date of such offer and expiring six calendar months from the Takeover Date (and any Award not exercised at the end of such period will lapse immediately); and

- 12.2.2 forthwith upon such an offer being posted to shareholders, the Committee shall notify Award Holders of such offer and shall use its reasonable endeavours to procure that if an Award Holder is allotted Shares which are not the subject of the said offer pursuant to an exercise of Awards, the offeror shall offer to acquire from the Award Holder all such Shares upon the same terms as the terms on which the offeror acquired Shares under the General Offer.
- 12.3 Any Award exercised pursuant to **Rule 12.2** on or before the Takeover Date shall be conditional upon and shall not take effect until immediately before the Takeover and if the Takeover does not arise the notices of exercise delivered in relation to the Awards pursuant to **Rule 12.2** shall be null and void and all such Awards shall remain in force and may be subsequently exercised in accordance with and subject to these Rules.
- 12.4 If a person becomes entitled to acquire Shares under sections 974 to 991 inclusive of the Companies Act 2006, the Committee shall notify each Award Holder of such circumstances as soon as it becomes aware of them and an Award Holder may, subject as provided in **Rule 10**, exercise any Award then held by him at any time up to the seventh day before the last day on which that person remains entitled to serve notice under section 980 of the Companies Act 2006. Any Award not exercised at the end of such period will lapse immediately.
- 12.5 If the Court sanctions a compromise or arrangement under Part 26 of the Companies Act 2006 proposed for the purpose of or in connection with:
- 12.5.1 the acquisition of the whole or part of the issued ordinary share capital of the Company (or such part of such capital as is not then owned by the acquiror or any company Controlled by the acquiror and/or any person acting In Concert with the acquiror) as a result of which the acquiror (or any such companies and/or such other persons) may gain Control of the Company; or
- 12.5.2 a scheme for the reconstruction of the Company or its amalgamation with any other company,
- an Award Holder may, subject as provided in **Rule 10**, exercise any Award then held by him during the period commencing on the date on which the compromise or arrangement is sanctioned by the Court and expiring six calendar months from the date of such sanctioning. Any Award not exercised at the end of such period will lapse immediately.
- 12.6 In the event of a resolution being passed by the Company for the voluntary winding-up of the Company (except for the purposes of a reconstruction or amalgamation sanctioned by the Court under Part 26 of the Companies Act 2006) an Award Holder may, subject as provided in **Rule 10**, exercise any Award then held by him during the period of six calendar months commencing on the date of the passing of the resolution for such winding-up and such Awards shall be deemed for the purpose of determining the right of such Award Holder to participate in any distribution to shareholders (but for no other purpose whatsoever) to have been exercised immediately before the passing of the said resolution. Any Award not exercised at the end of such period will lapse immediately.
- 12.7 In the event of a resolution being proposed by the Company for the demerger of the Company by means of an exempt distribution (within the meaning of Chapter

5 of Part 23 of the Corporation Tax Act 2010), the Committee acting fairly and reasonably may, in its discretion and subject as provided in **Rule 10**, permit all Award Holders to exercise their Awards for a limited period prior to the exempt distribution, provided that any exercise of an Award pursuant to this **Rule 12.7** shall be conditional upon and shall not take effect until immediately before the exempt distribution is effected and if the exempt distribution is not effected the notices of exercise delivered in relation to an Award pursuant to this **Rule 12.7** shall be null and void and such Award shall remain in full force and may be subsequently exercised in accordance with and subject to these Rules. Any Award not exercised by the time the exempt distribution is effected will lapse immediately (save that where the Award was granted by a Grantor, no such adjustment shall be made without the prior written approval of the Grantor).

### **13. ADJUSTMENT OF AWARDS**

- 13.1 Upon the occurrence of an Issue or Reorganisation, the number of Shares comprised in each Award, and in the case of an IPO Award, the Exercise Price of such IPO Award, may be adjusted in such manner as the Committee may deem appropriate provided that the Exercise Price shall not be less than the nominal value of a Share (save that where the Award was granted by a Grantor, no such adjustment shall be made without the prior written approval of the Grantor).
- 13.2 Notice of any adjustments made in accordance with this **Rule 13** shall be given to the Award Holders by the Committee, which may call in Award Certificates for endorsement or replacement.

### **14. PRO-RATING OF AWARDS ON EARLY EXERCISE**

- 14.1 The provisions of this **Rule 14** shall apply if, in relation to any Award, an Early Exercise Trigger shall occur before the Normal Vesting Date for that Award.
- 14.2 Following the occurrence of an Early Exercise Trigger in relation to any Award, the maximum number of Shares over which the Award may be exercised (rounded down to the nearest whole number) shall, subject to **Rule 14.3** (and any further reduction in accordance with **Rule 15**), be reduced to the proportion of the number of Shares comprised in the Award that equals the proportion that the number of days which have elapsed from the Award Date of the Award up to and including the date upon which the Early Exercise Trigger occurs bears to the number of days in the period between the Award Date and the Normal Vesting Date relating to that Award.
- 14.3 The Committee may, having full regard to all circumstances surrounding the Early Exercise Trigger in question, in its absolute discretion ignore the prescribed pro-rating of the Shares over which an Award may be exercised set out in **Rule 14.2** and either reduce the number of Shares over which the Award may be exercised on some other basis or make no such reduction.
- 14.4 For the avoidance of doubt, in assessing any condition imposed on an Award under **Rule 5** the Committee shall take into account any adjustment to the maximum number of Shares over which the Award may be exercised made pursuant to this **Rule 14**.

### **15. CLAWBACK AND MALUS**

- 15.1 In relation to any Award, the Committee may, in its absolute discretion, determine that the Award Holder shall be subject to the provisions of this **Rule**

**15**, if at any time prior to the later of the second anniversary of the Vesting Date of such Award and the publication of the second audited accounts of the Company following the Vesting Date, the Committee becomes aware that:

- 15.1.1 the Award Holder has engaged in misconduct which, in the sole opinion of the Committee, would or could justify the Award Holder's summary dismissal; or
  - 15.1.2 there has been a material misstatement and/or significant downward revision in the financial results of the Company announced to the public and/or its audited accounts in respect of any Financial Year; or
  - 15.1.3 an error was made in assessing or calculating the extent to which any condition imposed on the Award under **Rule 5** has been satisfied which has resulted either directly or indirectly in the number of Shares in respect of which the Award was or is capable of exercise, being greater than it would have been but for such error; or
  - 15.1.4 any other circumstances exist that in the sole opinion of the Committee have (or would have if made public) a sufficiently significant impact on the reputation of any member of the Group or the business in which the Award Holder is employed to justify this **Rule 15** applying. For the avoidance of doubt, such circumstances need not relate to any Financial Year during which the Award Holder held an Award under the Plan.
- 15.2 In any case where the Committee exercises its discretion to apply the provisions of this **Rule 15** to an Award Holder, the Committee may:
- 15.2.1 subject to **Rule 15.3**, reduce the number of Shares subject to any outstanding Award or Awards held by the Award Holder concerned, to such extent (even if this results in no Shares remaining subject to an Award after such reduction has occurred) as the Committee, in its absolute discretion, determines to be appropriate;
  - 15.2.2 subject to **Rule 15.3**, notwithstanding anything to the contrary wherever stated, reduce Other Awards, to such extent as the Committee, in its absolute discretion, determines to be appropriate; or
  - 15.2.3 issue a written demand to the Award Holder concerned, notifying the Award Holder that he must pay to the Company, (or to such other entity, as directed by the Company), an amount equal to the Balancing Payment.
- 15.3 In any case where it is possible for the Committee to determine the number of Shares in respect of which an Award ("Offending Award") would not have been capable of exercise but for any circumstances within **Rule 15.1**:
- 15.3.1 if the Offending Award has not yet been exercised, the number of Shares over which any exercise of such Offending Award shall take effect shall not in any case exceed such number of Shares in respect of which the Offending Award would be capable of exercise but for the circumstances concerned;
  - 15.3.2 if the Offending Award has been exercised, the aggregate number of Shares or the value by which any other outstanding Award or Other



Awards held by the Award Holder may be reduced shall not exceed such number of Shares (rounded down to the nearest whole number) as would have an aggregate Market Value (determined, in the case of each Award or Other Award to be reduced, at the date that the relevant reduction in respect of such Award or Other Award is to take effect in accordance with **Rule 15.6**) which is approximately equal to, but does not exceed, the Balancing Payment in respect of the Offending Award.

- 15.4 In any case where **Rule 15.3** applies, for the purpose of **Rules 15.2.3** and **15.3.2**, the Balancing Payment in respect of the Offending Award concerned shall be such amount as is equal to:

$A \times B$

where:

"A" is such amount as is equal to the Market Value of a Share as at the date that the Offending Award was exercised;

"B" is the number of Excess Shares determined in respect of the Offending Award.

- 15.5 In any case where **Rule 15.3** does not apply to the Award Holder concerned, the Balancing Payment in respect of the Offending Award shall be such amount as is determined by the Committee in its absolute discretion.
- 15.6 Any reduction made to the number of Shares or value subject to an outstanding Award or Other Award in accordance with this **Rule 15** shall take effect immediately prior to the exercise of the Award or Other Award concerned, so that the exercise of such Award or Other Award shall have effect only in relation to such number of Shares or value in respect of which the Award or Other Award concerned is capable of exercise after taking into account such reduction.
- 15.7 In the event that any reduction is made to any Award or Other Award held by an Award Holder in accordance with this **Rule 15**, the Award Holder shall be bound by such reduction and shall have no right or entitlement whatsoever to any compensation in respect of such reduction. To the extent that the exercise of an Award or Other Award does not take effect over any number of Shares or value by virtue of the foregoing provisions of this **Rule 15**, the Award or Other Award shall immediately lapse in respect of such number of Shares or value and will be incapable of exercise over the same.
- 15.8 In the event that a written demand is issued to an Award Holder in accordance with **Rule 15.2.3**, such written demand shall create a debt owed by the Award Holder to the Company (or to such other entity to which a payment is directed to be made in such written demand) and the Award Holder shall, upon receipt of such demand, be liable to make a payment equal to the Balancing Payment to the Company (or to such other entity specified in the written demand). The Award Holder shall discharge his obligation to make such a payment in the manner, and by the time, specified in the written demand issued to him.
- 15.9 For the avoidance of doubt, in any case where both **Rules 14** and **15** are applicable to an Award, any reduction to the number of Shares in respect of which the Award is exercised in accordance with the foregoing provisions of this **Rule 15**, shall occur after the operation of **Rule 14** in relation to such Award.

- 15.10 Notwithstanding anything to the contrary wherever stated, the Committee may, in its absolute discretion, reduce the number of Shares subject to any outstanding Award (including, if appropriate, to zero) to give effect to any provision contained in any employee incentive or bonus arrangement operated by any member of the Group (other than the Plan) relating to a benefit received by a participant in such arrangement which would not otherwise have been received in accordance with the terms of the relevant provision or, in the absence of any such term, on such basis as the Committee (acting fairly and reasonably) determines appropriate.

## **16. COSTS**

Any costs relating to the introduction and administration of the Plan shall be payable by the Company.

## **17. ADMINISTRATION**

- 17.1 The Committee shall have power from time to time to make and vary such regulations (not being inconsistent with these Rules) for the implementation and administration of the Plan as it thinks fit.
- 17.2 Any notice given by an Eligible Employee or an Award Holder to the Company or Grantor in pursuance of the Plan must be given in writing and signed by the Eligible Employee or Award Holder (as the case may be) and shall be acted upon by the Company (or, as the case may be, the Grantor) as soon as practicable after receipt provided that the Company (or, as the case may be, the Grantor) may, in its absolute discretion, act on instructions given or purporting to be given by electronic mail or facsimile and shall not be responsible for any loss whatsoever occasioned by so acting. Any such notice shall be properly given if sent by post to or delivered to the Secretary of the Company at its registered office (or, as the case may be, to the Grantor at the address set out in the Award Certificate).
- 17.3 Any notification or other notice which the Company or Grantor is required to give or may desire to give to any Award Holder in pursuance of the Plan shall be sufficiently given if delivered to him in person or if sent through the post in a prepaid cover addressed to such Award Holder at his address last known to the Company or Grantor.
- 17.4 Any notice sent by post shall (save as provided by **Rule 7.3**) be deemed to be properly served 48 hours after an envelope containing such notice and properly addressed has been posted by first class post.
- 17.5 The Company shall make returns of all Awards granted and exercised and shall provide such other information relating to the Award Holders as may be from time to time required by any Tax Authority.

## **18. GENERAL**

- 18.1 The formation, existence, construction, performance, validity and all aspects of the Plan, any term of the Plan and any Award granted under it shall be governed by English law. The English courts shall have jurisdiction to settle any disputes which may arise out of or in connection with the Plan. The jurisdiction provisions contained in this **Rule 18.1** are made for the benefit of the Company and any Grantor only, which accordingly retain the right to bring proceedings in any other court of competent jurisdiction.

- 18.2 The decision of the Committee in any dispute or question concerning the construction or effect of the Plan or any other questions arising in connection with the Plan shall be final and conclusive.
- 18.3 The Board may at any time resolve to terminate the Plan in which event no further Awards shall be granted but the provisions of the Plan shall, in relation to the Awards then subsisting, continue in full force and effect.
- 18.4 Notwithstanding any other provision of these Rules:
- 18.4.1 the Plan shall not form any part of any contract of employment between the Company or any Subsidiary and any employees of any of those companies, and it shall not confer on any such employees any legal or equitable rights (other than those constituting the Awards themselves) against the Company or any Subsidiary, directly or indirectly, or give rise to any cause of action in law or in equity against the Company or any Subsidiary;
  - 18.4.2 the grant of any Award does not imply that any further Award will be granted nor that the Award Holder has any right to receive any further Award;
  - 18.4.3 the benefits to Eligible Employees under the Plan shall not form any part of their wages or remuneration or count as pay or remuneration for pension fund or other purposes; and
  - 18.4.4 in no circumstances shall any Eligible Employee, on ceasing to hold the office or employment by virtue of which he is or may be eligible to participate in the Plan, be entitled to any compensation for any loss of any right or benefit or prospective right or benefit under the Plan which he might otherwise have enjoyed whether such compensation is claimed by way of damages for wrongful dismissal or other breach of contract or by way of compensation for loss of office or otherwise.
- 18.5 By accepting the grant of an Award and not renouncing it, an Award Holder shall be deemed to have agreed to the foregoing provisions of this **Rule 18** and all other provisions of this Plan.

## **19. AMENDMENTS TO THESE RULES**

- 19.1 Subject to **Rule 19.2**, these Rules may be amended in any manner by resolution of the Board from time to time.
- 19.2 Subject as provided in **Rule 19.4**, no amendment shall be made to the following provisions of this Plan which is to the advantage of the Award Holders (present or future) without the prior approval of shareholders in general meeting:
- 19.2.1 the persons to whom Shares are provided under the Plan;
  - 19.2.2 the limitations on the number or amount of Shares subject to the Plan;
  - 19.2.3 the maximum entitlement for any Eligible Employee;
  - 19.2.4 the basis for determining an Eligible Employee's entitlement to Shares or Awards and for the adjustment thereof in the event of a capitalisation issue, rights issue or open offer, sub-division or

consolidation of shares or reduction of capital or any other variation of capital of the Company; and

19.2.5 **Rules 19.2 and 19.4.**

- 19.3 Subject as provided in **Rule 19.4**, no amendments to these Rules shall adversely affect any subsisting Awards except with the written consent on the part of such Award Holders as hold subsisting Awards over at least 75% of the total number of Shares subject to all subsisting Awards under the Plan (or if, in the reasonable opinion of the Board, the proposed amendments do not adversely affect all subsisting Awards under the Plan, with the written consent on the part of such Award Holders as hold subsisting Awards that are affected, where such Awards are over 75% of the total number of Shares that are subject to all subsisting Awards that are affected).
- 19.4 Notwithstanding the provisions of **Rules 19.2 and 19.3**, the Board may make minor amendments to benefit the administration of the Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for any Award Holder or any member of the Group.

**20. OVERSEAS EMPLOYEES**

Notwithstanding any other provision of these Rules, the Committee may, in respect of an Award granted to an Eligible Employee who is or who may become primarily subject to taxation on his remuneration outside the United Kingdom, adopt sub-plans to this Plan or amend or alter the provisions of any Award to take account of relevant overseas taxation or securities law, provided that the Committee shall not adopt any sub-plan or make any such amendment or alteration which would result in an Eligible Employee being granted an Award upon terms commercially more favourable (at the absolute discretion of the Committee) than the terms upon which the Award could have been granted under the Plan if the Eligible Employee was subject to taxation on his remuneration primarily within the United Kingdom.

**21. DATA PROTECTION**

Any personal data relating to an Eligible Employee and/or an Award Holder that is used in connection with the Plan shall be processed in accordance with the Fair Processing Notice as from time to time amended. A copy of the current Fair Processing Notice will be available on the Company's intranet or on request by contacting the Secretary or any other officer of the Company.

## **US SCHEDULE**

The Rules of the Medica Group PLC Performance Share Plan 2017 shall apply to Awards granted to U.S. Taxpayers (as defined below) except as set out in this Schedule. Where there is any conflict between the Rules of the Plan and this Schedule, the terms of this Schedule shall prevail. It is intended that Awards granted under this Schedule shall qualify as short-term deferrals exempt from the requirements of Section 409A (as defined below), and the Rules of the Plan will be interpreted and construed accordingly.

### **General**

1. Except as provided for in this Schedule, capitalised words and expressions in this Schedule will have the same meanings as in the Rules of the Plan.
2. The words and expressions below have the following meanings:

**"Section 409A"** means Section 409A of the U.S. Code;

**"U.S. Code"** means the United States Internal Revenue Code of 1986, as amended from time to time, including any regulations or authoritative guidance promulgated thereunder and successor provisions thereto; and

**"U.S. Taxpayer"** means any Eligible Employee or Award Holder who is or who becomes subject to a tax or social security liability under the U.S. Code in connection with an Award.

### **Form of Awards**

3. Awards granted to U.S. Taxpayers will be granted in the form of a right to acquire Shares for nil consideration ("**Restricted Stock Unit**"). Accordingly:
  - 3.1 the Rules of the Plan will be interpreted to mean that an Award (or, where an Award becomes exercisable over a given number or proportion of Shares comprised therein, the relevant proportion of an Award) is exercised automatically immediately at the time it first becomes exercisable in accordance with the Rules of the Plan and to the full extent to which it has become exercisable; and
  - 3.2 Rules 7.2 to 7.4 of the Plan shall not apply to Awards held by U.S. Taxpayers.

### **Performance condition**

4. The Committee shall complete its assessment under Rule 5.5 of the conditions imposed pursuant to Rule 5.1 (as amended if relevant under Rule 5.3) no later than 15 March in the calendar year following the Early Exercise Trigger.

### **Exercise of Awards**

5. All allotments, issues or transfers of Shares pursuant to Rule 7.5 shall be made no later than 15 March in the calendar year following the date on which the Award is automatically exercised.

### **Cash Equivalent**

6. Any cash payment made pursuant to Rule 8 shall be made no later than 15 March in the calendar year following the date on which the Award is automatically exercised.

## **Taxation**

7. Rule 9.1 of the Plan shall be replaced with the following:

"9.1. If an Employee Tax Liability arises as a result of or in connection with the automatic exercise of an Award then unless:

9.1.1 the relevant Award Holder has, prior to the date on which the Award is automatically exercised, indicated to the Company that he will make a payment to the Company of an amount equal to the Employee Tax Liability; and

9.1.2 the Award Holder does, within 7 days of being notified by the Company of the amount of the Employee Tax Liability, make such payment to the Company,

the Company, or if applicable the Grantor, may sell or procure the sale of sufficient of the Shares resulting from the automatic exercise of the Award on behalf of the Award Holder and arrange payment to the member of the Group (or other relevant person) on which the Employee Tax Liability falls of an amount equal to the Employee Tax Liability out of the proceeds of sale (by way of reimbursement)."

## **Cessation of employment**

8. Rule 11.2 of the Plan shall be replaced with the following:

"11.2 If an Award Holder ceases to be an Eligible Employee by reason of his death, the Committee may, in its absolute discretion, subject as provided in Rule 10, determine that any of his Awards will be exercised automatically on such date as is determined by the Committee, being no later than 15 March in the calendar year following the date of the Award Holder's death. Any Award not so exercised shall lapse."

9. Rule 11.3 of the Plan shall be replaced with the following:

"11.3 If an Award Holder ceases to be an Eligible Employee by reason of:

11.3.1 ill-health, injury or disability (all evidenced to the satisfaction of the Committee),

11.3.2 Redundancy,

11.3.3 the company by which he is for the time being employed ceasing to be Controlled by the Company, or

11.3.4 a person acquiring the assets and undertaking of the Company or a company Controlled by the Company which would give rise to the transfer of an Award Holder's employment from such company to the other person,

his Awards will, subject as provided in Rule 10, be automatically exercised in accordance with Rule 11.5. Any Award not so exercised shall lapse."

10. Rule 11.4 of the Plan shall be replaced with the following:

"11.4 If an Award Holder:

- 11.4.1 ceases to be an Eligible Employee in any circumstance not mentioned in Rules 11.2 or 11.3; or
- 11.4.2 gives or is given notice, pursuant to his contract of employment, to terminate the employment by virtue of which he is an Eligible Employee,

all the Awards then held by him shall lapse on the earlier of such notice and the date of such cessation except that, subject as provided in Rule 10, no later than three calendar months from the date of such cessation (or, if earlier, by 15 March in the calendar year following such cessation), the Committee may in its absolute discretion (provided that, for the avoidance of doubt, the Committee shall not be obliged in any circumstances to exercise such discretion in favour of the Award Holder), and subject to such conditions as it may determine, including determination of the extent to which the Award may be exercised, allow the Award Holder to retain his Awards. Any Awards retained in accordance with this Rule 11.4 will be automatically exercised in accordance with Rule 11.5. Any Award not so exercised shall lapse."

11. Rule 11.5 of the Plan shall be replaced with the following:

"11.5 If an Award Holder ceases to be an Eligible Employee in any circumstance mentioned in Rule 11.3 or where the Committee has allowed an Award Holder to retain his Awards under Rule 11.4, the Award Holder's Awards will be automatically exercised on such date as is determined by the Committee, being no later than 15 March in the calendar year following the date of the Award Holder ceases to be an Eligible Employee, subject as provided in Rule 10, and subject to such conditions as it may determine, including determination of the extent to which the Award may be exercised. Any Award not so exercised shall lapse."

12. The following shall be added to the end of rule 11.6 of the Plan:

"provided that, if any Award Holder ceases to be employed by the Company or any Subsidiary in circumstances where such cessation does not qualify as a "separation from service" under Section 409A then he shall be treated as not having ceased to be so employed until such time (if at all) as his cessation does qualify as a "separation from service" under Section 409A."

### **Change in Control, liquidation and demerger**

13. Rule 12.2 of the Plan shall be replaced with the following:

"12.2 If at any time any person makes a General Offer:

- 12.2.1 all Awards will, subject as otherwise provided in Rule 10, be automatically exercised on the Takeover Date; and
- 12.2.2 forthwith upon such an offer being posted to shareholders, the Committee shall notify Award Holders of such offer and shall use its reasonable endeavours to procure that if an Award Holder is allotted Shares which are not the subject of the said offer

pursuant to an automatic exercise of Awards, the offeror shall offer to acquire from the Award Holder all such Shares upon the same terms as the terms on which the offeror acquired Shares under the General Offer."

14. Rule 12.3 shall not apply.

### **Adjustment of Awards**

15. A new Rule 13.1 shall be added as follows:

"13.1 Any adjustment made under this Rule 13 will only be effective to the extent that it is consistent with the short-term deferral exemption to Section 409A."

### **Provisions for California Residents**

16. With respect to Awards granted to California residents prior to a public offering of capital stock of the Company that is effected pursuant to a registration statement filed with, and declared effective by, the Securities and Exchange Commission under the Securities Act of 1933, as amended, and only to the extent required by applicable law, the following provisions shall apply notwithstanding anything in the Plan or an Award to the contrary:
- 16.1 With respect to any Award granted in the form of a stock option: (a) the exercise period shall be no more than 120 months from the date the option is granted; (b) the options shall be non-transferable other than by will, by the laws of descent and distribution, or, if and to the extent permitted under the deed of grant, to a revocable trust or as permitted by Rule 701 of the Securities Act of 1933, as amended (17 C.F.R. 230.701); and (c) unless employment is terminated for "cause" as defined by applicable law, the terms of the Plan or Award, or a contract of employment, the right to exercise the option in the event of termination of employment, to the extent that the Award recipient is entitled to exercise on the date employment terminates, will continue until the earlier of the option expiration date, or: (1) at least 6 months from the date of termination if termination was caused by death or disability; and (2) at least 30 days from the date of termination if termination was caused by other than death or disability.
- 16.2 With respect to an Award that provides the Award recipient the right to purchase stock, the Award shall be non-transferable other than by will, by the laws of descent and distribution, or, if and to the extent permitted under the deed of grant, to a revocable trust or as permitted by Rule 701 of the Securities Act of 1933, as amended (17 C.F.R. 230.701).
- 16.3 The Plan shall have a termination date of not more than 10 years from the date the Plan is adopted by the Board or the date the Plan is approved by the security holders, whichever is earlier.
- 16.4 Security holders representing a majority of the Company's outstanding securities entitled to vote must approve the Plan by the later of (a) 12 months after the date the Plan is adopted or (b) 12 months after the granting of any Award to a resident of California. Any option exercised or any securities purchased before security holder approval is obtained must be rescinded if security holder approval is not obtained within the period described in the preceding sentence. Such securities shall not be counted in determining whether such approval is obtained.



- 16.5 The Company will provide financial statements to each Award recipient annually during the period such individual has Awards outstanding, or as otherwise required under Section 260.140.46 of Title 10 of the California Code of Regulations. Notwithstanding the foregoing, the Company will not be required to provide such financial statements to Award recipients when the Plan complies with all conditions of Rule 701 of the Securities Act of 1933, as amended (17 C.F.R. 230.701); provided that for purposes of determining such compliance, any registered domestic partner shall be considered a "family member" as that term is defined in Rule 701.
- 16.6 The Plan is intended to comply with Section 25102(o) of the California Corporations Code. Any provision of this Plan which is inconsistent with Section 25102(o), including without limitation any provision of this Plan that is more restrictive than would be permitted by Section 25102(o) as amended from time to time, shall, without further act or amendment by the Board, be reformed to comply with the provisions of Section 25102(o). If at any time the Committee determines that the delivery of Shares under the Plan is or may be unlawful under the laws of any applicable jurisdiction, or federal or state securities laws, the right to exercise an Award or receive Shares pursuant to an Award shall be suspended until the Committee determines that such delivery is lawful. The Company shall have no obligation to effect any registration or qualification of the Shares under federal or state laws.