

Marked-up (in draft) to show amendments to be proposed to shareholder at the 2025 AGM.  
Draft (2): 19 November 2024

**DATED**

16 November 2022

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AJ BELL plc

**Executive Incentive Plan**

[As amended by the [Remuneration Committee] on [ ] [ ] 20[ ]  
conditional upon the approval of shareholders  
(with shareholder approval having been given on 29 January 2025)]

## CONTENTS

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1. Interpretation.....	3
2. Grant of Awards .....	10
3. Performance Condition.....	11
4. Dividend Equivalents .....	12
5. Overall grant limit .....	13
6. Individual grant limits .....	13
7. Payment Date and Vesting Date.....	<u>14</u> <u>14</u> <u>15</u>
8. Suspension of Awards .....	<u>15</u> <u>15</u> <u>16</u>
9. Circumstances in which the Performance Underpin can apply.....	17
10. Circumstances in which malus and clawback can apply .....	<u>17</u> <u>17</u> <u>18</u>
11. Operation of malus and clawback.....	20
12. Exercise of Options.....	22
13. Manner of exercise of Options .....	22
14. Settlement of Share Awards .....	23
15. Alternative methods of settlement of Share Awards .....	24
16. Lapse of Awards .....	27
17. Termination of employment (Cash Awards) .....	28
18. Termination of employment (Options).....	31
19. Termination of employment (Conditional Share Awards) .....	<u>34</u> <u>34</u> <u>35</u>
20. Takeovers and liquidations .....	<u>37</u> <u>37</u> <u>38</u>
21. Exchange of Awards .....	42
22. Variation of share capital.....	43
23. Tax liabilities .....	44
24. Relationship with employment contract .....	45
25. Notices .....	46
26. Administration and amendment .....	47
27. Third party rights.....	48

28. Data protection .....	<u>484849</u>
29. Governing law.....	<u>484849</u>
30. Jurisdiction.....	49

## Rules of the AJ Bell plc Executive Incentive Plan

~~Established by resolution of the board of directors of the Company on 23 November 2018 and amended by resolution of the remuneration committee of the board acting under delegated authority on 16 November 2022.~~

### 1. Interpretation

The following definitions and rules of interpretation apply in the Plan.

#### 1.1 Definitions

**Accelerated Cash Payment:** has the meaning given in rule 20.1.

**Acceptance Notice:** a document in a form approved by the Board that the Award Holder must sign and return to the Company as a condition of the Release Vesting of a Conditional Share Award.

**Acquiror:** a person who obtains Control of the Company either alone or together with persons Acting in Concert.

**Acting in Concert:** has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers.

**Adoption Date:** the date of the approval of the Plan by the Board, being 23 November 2018.

**Annual Award:** ~~an~~ a Cash Award that is scheduled to become payable on the Payment Date, as referred to in rule 7.3 or a Share Award that vests ~~is~~ scheduled to Vest on the Performance Release Date ~~first~~ Dealing Day following the Performance Measurement Date, as referred to in rule 7.4(a).

**Award:** a Cash Award or a Share Award.

**Award:** any of the following:

- a) a Conditional Share Award;
- b) a Nil Cost Option; or
- c) a Nominal Cost Option.

**Award Certificate:** a certificate setting out the terms of an Award, in accordance with rule 2.32.5.

**Award Holder:** an individual who holds an Award or, where applicable, that individual's personal representatives.

**Board:** the board of directors of the Company or a committee of directors appointed by that board to carry out any of its functions under the Plan, or any successor body to that board of directors.

**Business Day:** a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business.

**Cash Award:** a right to be paid an amount of money at the Payment Date.

**Clawback Amount:** an amount of value determined in accordance with rule 11.

**Clawback Period:** the period that starts on the Performance Measurement Date and ends on such date as the Board may specify, not being earlier than the third anniversary of the end of the Performance Period.

**Closed Period:** has the same meaning as in UK MAR.

**Company:** AJ Bell plc incorporated and registered in England and Wales with number 04503206.

**Conditional Share Award:** a right to acquire for no cost a specified number of Shares on the Release-Vesting Date.

**Control:** shall be as defined in section 719 of ITEPA 2003 and the expression **change of Control** shall be construed accordingly.

**Dealing Day:** a day on which the London Stock Exchange is open for business.

**Dealing Restrictions:** restrictions imposed by the Company's share dealing code, the Listing Rules, UK MAR or any other laws or regulations that impose restrictions on share dealing

**Deferral Period:** the period that starts on the Performance Measurement Date and ends:

- a) in the case of an Executive Director, on such date as the Board may specify, not being earlier than the third anniversary of the end of the Performance Period; or
- b) in the case of an Executive Manager or Senior Manager, such date as the Board may specify, not being earlier than the second anniversary of the end of the Performance Period.

**Deferral Release Date:** the date determined in accordance with rule 7.3(b).

**Deferred Award:** an Award that vests is scheduled to Vest on the Deferral Release Date first Dealing Day following the end of the Deferral Period, as referred to in rule 7.4(b).

**Dilutive Shares:** on any date, all shares of the Company which:

- a) have been issued, or transferred out of treasury, on the exercise of options granted, or in satisfaction of any other awards made, under any Share Incentive Scheme (including the Plan) during the shorter of:
  - (i) the ten years ending on (and including) that date; and
  - (ii) the period since such shares were first admitted to the Official List maintained by the United Kingdom Listing Authority; and

b) remain capable of issue, or transfer out of treasury, under any Existing Award granted after such shares were first admitted to the Official List maintained by the United Kingdom Listing Authority,

**PROVIDED THAT** The Board may determine that shares transferred from treasury will cease to count as "Dilutive Shares" if guidelines published by institutional investor representative bodies no longer require such shares to be counted

For the avoidance of doubt, Shares subject to Transfer Only Awards are not Dilutive Shares.

**Discretionary Dilutive Shares:** ~~Dilutive Shares which:~~

- a) ~~were acquired under;~~ or
- b) ~~remain subject to Existing Awards granted under;~~  
~~any Share Incentive Scheme (including the Plan) under which awards;~~
- c) ~~are made at the discretion of the Board or any other grantor;~~ and
- d) ~~do not have to be offered to all, or substantially all, employees who are eligible to participate.~~

**Dividend Equivalent:** has the meaning set out in rule 4.

**Employee:** any individual who is an employee (including an Executive Director) of a Group Company.

**Employer Company:** the Award Holder's employer or former employer as applicable.

**Executive Director:** ~~a member of the Board who performs executive functions.~~

**Executive Committee:** the executive committee of the Company.

**Executive Director:** ~~a member of the Board who performs executive functions.~~

**Executive Manager:** a member of the Executive Committee who is not an Executive Director.

**Exercise Date:** in relation to an Option, the date on which it is exercised.

**Exercise Notice:** a document in a form approved by the Board that the Award Holder must sign and return to the Company in order to exercise an Option.

**Exercise Price:** the price at which each Share subject to a Nominal Cost Option may be acquired on the exercise of that Option.

**Existing Award:** an option or any other right or award under which shares in the Company may be acquired or received, granted under any Share Incentive Scheme (including the Plan).

**FCA:** Financial Conduct Authority.

**Grant Date:** the date on which an Award is, was, or is to be granted.

**Group:** the Company and any Subsidiary from time to time.

**Group Company:** any member of the Group.

**HMRC:** HM Revenue & Customs.

**Holding Period:** the period that starts on the relevant Deferral Release Vesting Date of a Deferred Award and ends on such date as the Board may specify, not being earlier than the fourth anniversary of the end of the Performance Period in the case of a Deferred Award granted to an Executive Director.

**Internal Reorganisation** where immediately after a change of Control of the Company, all or substantially all of the share capital of the acquiring company is owned directly or indirectly by the persons who were shareholders in the Company immediately before the change of Control.

**ITEPA 2003:** the Income Tax (Earnings and Pensions) Act 2003.

**Listing Rules:** the Listing Rules issued by the United Kingdom Listing Authority, as amended from time to time.

**Market Abuse Regulation:** Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse.

**Market Value:** the market value of a Share as determined by the Board (acting in its absolute discretion) for the purposes of the Plan from time to time.

**Material Risk Taker:** has the meaning given to that expression in the FCA handbook of rules and guidance.

**Maximum Amount:** in relation to an Award on its Grant Date:

- a) in the case of a Share Award, the Market Value of the Shares over which it is granted; and
- b) in the case of a Cash Award, the maximum amount which may become payable in respect of it.

**NICs:** National Insurance contributions.

**Nil Cost Option:** an Option to acquire Shares for no payment.

**Nominal Cost Option:** an Option to acquire Shares for payment of an Exercise Price equal to their nominal value from time to time.

**Option:** a Nil Cost Option or a Nominal Cost Option.

**Payment Date:** is the date on which a Cash Award falls due for payment as determined in accordance with rule 7.3 or 8.3(a), as applicable.

**Performance Condition:** a condition that complies with rule 3 and:

- a) must be satisfied before a Cash Award can be paid or an Award a Share Award can be Released/Vest;

- b) is linked to the achievement of challenging performance over a period of at least one year and has the intention of enhancing shareholder value; and
- c) is specified in the Award Certificate under rule 2.32.5.

**Performance Measurement Date:** the date on which the Board determines the extent to which any Performance Condition has been satisfied, unless an earlier event occurs to cause the Award to lapse or ~~be Released/Vest~~. This date may not be:

- a) earlier than the first day after the end of the Performance Period; or
- b) later than the tenth anniversary of the Grant Date.

**Performance Period:** the period over which performance is measured to determine whether a Performance Condition has been achieved, which shall not be less than one year.

**Performance Release Date:** the date determined in accordance with rule 7.3(a).

**Plan:** the ~~employee share incentive~~ plan constituted and governed by these rules, as amended from time to time ~~which is an employees' share scheme as defined in section 1166 of the Companies Act 2006~~.

**Policy:** the Company's directors' remuneration policy (within the meaning of section 422A(6) of the Companies Act 2006) that has most recently been approved by the Company's shareholders.

**Release:** means

- a) in relation to an Option, that it becomes exercisable in accordance with rule 12;
- b) in relation to a Conditional Share Award, that the Award Holder is entitled to beneficial ownership of the Shares subject to the Award in accordance with rule 7.

**Releasable Number:** has the meaning given in rule 20.1.

**Release Date:** is the date on which Release takes place and is determined:

- a) in the case of an Annual Award, in accordance with rule 7.3(a); and
- b) in the case of a Deferred Award, in accordance with rule 7.3(b).

**Relevant Restriction:** a restriction stated in an Award Certificate that applies to Shares issued or transferred pursuant to the Award.

**Rollover Period:** the period determined by the Acquiror during which an Award Holder can release an Award as set out in rule 21.21.20.

**Salary:** in relation to an Employee at any time means the rate of basic annual salary payable to that Employee by Group Companies before any salary sacrifice ~~or, in the case of an individual who is no longer an employee of a Group Company such rate of basic annual salary as the Board determines by reference to their rate of basic annual salary before they ceased to be such an employee~~.

**Senior Manager:** any individual to whom an Award is made other than an Executive Director or an Executive Manager.

**Share Award** any of the following:

- a) a Conditional Share Award;
- b) a Nil-Cost Option; or
- c) a Nominal Cost Option.

**Share Incentive Scheme:** any arrangement to provide Employees with Shares.

**Shares:** ordinary voting shares in the Company ~~(subject to rule 22222221)~~.

**Subsidiary:** a subsidiary as defined in section 1159 of the Companies Act 2006.

**Tax Authority:** HMRC or, where relevant, its equivalent in another jurisdiction.

**Tax Liability:** any income tax and primary class 1 (employee) NICs (or their equivalents in any jurisdiction) or any other payroll deduction for which any Employer Company is or may be liable to account (or reasonably believes it is or may be liable to account) as a result of any Taxable Event.

**Taxable Event:** any event or circumstance that gives rise to a liability for the Award Holder to pay income tax and NICs or either of them (or their equivalents in any jurisdiction) in respect of:

- a) the Award, including its payment, ReleaseVesting, exercise, assignment or surrender for consideration, or the receipt of any benefit in connection with it;
- b) any Shares (or other securities or assets):
  - (i) earmarked (for the purposes of Part 7A of ITEPA 2003) or held to satisfy the Award;
  - (ii) acquired on ReleaseVesting or exercise of the Award;
  - (iii) acquired as a result of holding the Award; or
  - (iv) acquired in consideration of the assignment or surrender of the Award;
- c) any securities (or other assets) acquired or earmarked as a result of holding Shares (or other securities or assets) mentioned in paragraph (b);
- d) entering into an election under section 430 or 431 of ITEPA 2003; or
- e) any amount due under PAYE in respect of securities or assets within paragraph (a) to paragraph (d), including any failure by the Award Holder to make good such an amount within the time limit specified in section 222 of ITEPA 2003.

**Transfer Only Award:** an Award which the Board has designated can be satisfied only by the transfer of Shares, other than treasury shares. An Award is not a Transfer Only Award if it can be satisfied using Shares which have been issued to a person who holds those Shares in a fiduciary capacity for the purposes of a Share Incentive Scheme.

**United Kingdom Listing Authority:** the Financial Conduct Authority (or any successor body carrying out the same functions), acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000.

**UK MAR:** the retained EU law version of the Market Abuse Regulation which applies in the United Kingdom from the end of the Brexit transition period.

**Vest:** means

- a) in relation to an Option, that it becomes exercisable in accordance with rule 12;
- b) in relation to a Conditional Share Award, that the Award Holder is entitled to beneficial ownership of the Shares subject to the Award in accordance with rule 7.

**Vesting Date:** is the date on which Vesting takes place and is determined:

- a) in the case of an Annual Award granted in the form of a Share Award, in accordance with rule 7.4(a) or 8.3(b) as applicable; and
- b) in the case of a Deferred Award, in accordance with rule 7.4(b) or 8.3(b) as applicable.

**Year:** a financial year of the Company as defined in section 390 of the Companies Act 2006.

- 1.2 Rule headings shall not affect the interpretation of the rules.
- 1.3 A **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).
- 1.4 A reference to a **company** shall include any company, corporation or other body corporate, wherever and however incorporated or established.
- 1.5 Unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular.
- 1.6 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.7 A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time.
- 1.8 A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 1.9 A reference to **writing** or **written** includes email.

- 1.10 A reference to the Plan or to any other agreement or document referred to in the Plan is a reference to the Plan or such other agreement or document as varied (in each case, other than in breach of the provisions of the Plan) from time to time.
- 1.11 References to rules are to rules of the Plan.
- 1.12 Any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.

## **2. Grant of Awards**

- 2.1 Subject to the rules, the Company may grant an Award to any Employee it chooses during:
  - (a) any period of 42 days immediately following the end of a Closed Period;
  - (b) any period of 42 days following the date on which the Policy comes into effect;  
and
  - (c) any period of 42 days following the date on which any amendments to the Plan are approved by shareholders; and
  - (d) any other period in which the Board has decided to grant an Award due to exceptional circumstances which justify such a decision

provided that if the Company is prohibited from granting Awards during any such period as a result of any Dealing Restrictions, the Company may grant Awards during the period of 42 days starting on the date on which the relevant Dealing Restriction ceases to apply.

- 2.2 The Company grant an Award to any person who is a former Employee during any of the periods referred to in rule 2.1. If it does so, the Board will interpret and apply the rules in such manner (acting reasonably) as it determines having regard to the fact that person was a former Employee at the Grant Date.

- 2.22.3 The Company may not grant Awards after ~~the tenth anniversary of the Adoption Date~~<sup>23 November 2028</sup>.

- 2.32.4 An Annual Award may be granted as a Cash Award or a Share Award. A Deferred Award may only be granted as a Share Award.

- 2.42.5 The Company shall grant an Award in such written form as the Board approves from time to time. Each Award Certificate shall (without limitation):

- (a) state the Grant Date of the Award;
    - (b) state whether the Award is an Annual Award or a Deferred Award;

- (c) state whether, having regard to rule 2.4, the Award is a Cash Award or a Share Award;
- (d) in the case of a Cash Award, state the amount of the Award and in the case of a Share Award state the number of Shares in relation to which the Award is granted;
- (e) in the case of a Share Award, state the type of Award;
- (f) state whether the Award is a Transfer Only Award;
- (g) state whether the Award is an Annual Award or a Deferred Award;
- (h) if the Award is a Nominal Cost Option, state the Exercise Price;
- (i) if the Award is an Option, state the date when it will lapse, assuming that no event occurs to cause it to lapse earlier. This date may not be later than the tenth anniversary of the Grant Date;
- (j) specify the Performance Conditions set under rule 3, any other conditions to which the Award is subject and the Performance Period;
- (k) in the case of a Deferred Award, specify the Deferral Period;
- (l) if applicable, specify the Clawback Period;
- (m) if applicable, specify the Holding Period;
- (n) in the case of a Deferred Award, state whether Dividend Equivalents will apply to the Award and, if they do, state the terms of the Dividend Equivalents;
- (o) include a statement that the Award is subject to the rules (which shall be incorporated in the Award Certificate by reference);
- (p) state any Relevant Restriction;

2.52.6 No amount shall be paid by an Employee for the grant of an Award.

### 3. Performance Condition

- 3.1 On the Grant Date of any Award, the Board shall specify one or more appropriate Performance Conditions for the Award.
- 3.2 The Board may vary or substitute any Performance Condition, provided that any varied or substituted Performance Condition shall be (in the reasonable opinion of the Board):
  - (a) a fairer measure of performance than the original Performance Condition, as judged at the time of the variation;
  - (b) no more difficult to satisfy than the original Performance Condition was at the Grant Date; and

- (c) not materially easier to satisfy than the original Performance Condition was at the Grant Date, unless the variation of the Performance Condition has been approved in advance by the Company in general meeting.

3.3 The Board shall determine whether, and to what extent, the Performance Condition has been satisfied:

- (a) on the Performance Measurement Date, which shall be as soon as reasonably possible after the end of the Performance Period;
- (b) in order to determine the Accelerated Cash Payment and the Releasable Number in accordance with rule 20.1.

3.4 The Board shall notify the Award Holder within a reasonable time after the Board becomes aware of the relevant information:

- (a) whether (and, if relevant, to what extent) the Performance Condition has been satisfied;
- (b) of any subsequent change in whether, or the extent to which, the Performance Condition has been satisfied;
- (c) of any variation or substitution of that Performance Condition under rule 3.2.

3.5 If the Board considers that a Performance Condition has become incapable of being satisfied, in whole or in part, that Award, or the appropriate part of it, shall lapse immediately. This rule is subject to rule 7.2(b).

**4. Dividend Equivalents**

4.1 On the Grant Date of any Award the Board may specify that Dividend Equivalents apply to the Deferred Award.

4.2 A Dividend Equivalent is a right to receive a payment on the later of the Vesting Date and the Exercise Date.

4.3 The payment is equivalent to the dividends that would have been paid during the Deferral Period on the number of Shares in relation to which the Award is Released Vests.

4.4 The Board shall specify in the Award Certificate:

- (a) whether the Dividend Equivalent shall be paid in cash or additional Shares; and
- (b) whether the calculation of the Dividend Equivalent should assume that dividends paid on the Shares were reinvested in further Shares.

## 5. Overall grant ~~limits~~limit

5.1 The Company may not grant an Award if that grant would result in the total number of Dilutive Shares exceeding 10% of the issued share capital of the Company.

5.2 ~~The Company may not grant an Award if that grant would result in the total number of Discretionary Dilutive Shares exceeding 5% of the issued share capital of the Company.~~

**5.35.2** The Board may:

- (a) redesignate a Transfer Only Award as not being a Transfer Only Award, in which case the Shares subject to that Award will be Dilutive Shares (the Board may not do this if the consequence would be to break the ~~limits~~limit in either rule 5.1 or rule 5.2); and/or
- (b) designate an Award which is not a Transfer Only Award as being a Transfer Only Award, in which case the Shares subject to that Award will not be Dilutive shares.

## 6. Individual grant limits

6.1 ~~Except where rule 6.2 applies, the~~The Company may not grant an Award to any ~~Employee person~~ in respect of a Year if that grant would ~~result in:~~

- (a) ~~in the case of an Executive Director: the Maximum Amount of all Awards granted to that person in respect of a Year exceeding 400% of that person's Salary at the proposed Grant Date; or~~
- (b) ~~subject to rule 6.2, the Maximum Amount of all Annual Awards granted to that person in respect of a Year expressed as a percentage of the Maximum Amount of all Awards granted to that person in respect of a Year exceeding:~~
  - (i) ~~60%; or~~
  - (ii) ~~in the case of an Executive Director or former Executive Director, any other percentage determined in accordance with the Policy.~~
  - (iii) ~~the aggregate Market Value of Shares subject to Awards made to that Employee in respect of that Year exceeding 270% of the Employee's Salary as at the proposed Grant Date, or:~~
  - (iv) ~~the number of Shares subject to an Annual Award made to that Employee in respect of that Year exceeding 40% of the aggregate number of Shares subject to Awards made to that Employee in respect of that Year; or~~
  - (v) ~~the number of Shares subject to a Deferred Award made to that Employee in respect of that Year exceeding 60% of the number of Shares subject to Awards made to that Employee in respect of that Year; or~~
- (b) ~~in the case of an Executive Manager:~~

- (i) the aggregate Market Value of Shares subject to Awards made to that Employee in respect of that Year exceeding 150% of the Employee's Salary as at the proposed Grant Date, or:
- (ii) the number of Shares subject to an Annual Award made to that Employee in respect of that Year exceeding 60% of the aggregate number of Shares subject to Awards made to that Employee in respect of that Year; or
- (iii) the number of Shares subject to a Deferred Award made to that Employee in respect of that Year exceeding 40% of the aggregate number of Shares subject to Awards made to that Employee in respect of that Year; or

(c) in the case of a Senior Manager:

- (i) the aggregate Market Value of Shares subject to Awards made to that Employee in respect of that Year exceeding 100% of the Employee's Salary as at the proposed Grant Date, or:
- (ii) the number of Shares subject to an Annual Award made to that Employee in respect of that Year exceeding 60% of the aggregate number of Shares subject to Awards made to that Employee in respect of that Year; or
- (iii) the number of Shares subject to a Deferred Award made to that Employee in respect of that Year exceeding 40% of the aggregate number of Shares subject to Awards made to that Employee in respect of that Year.

For the purposes of this rule 6.1, the Market Value of ~~an~~ Shares subject to a Share Award shall be measured as at its Grant Date.

6.2 If the Board considers that the circumstances of the proposed Award are exceptional, rule 6.1 shall in the case of the percentage of the Employee's Salary for:

- (a) an Executive Manager apply with the substitution of 200% for 100%; or
- (b) a Senior Manager apply with the substitution of 200% for 100%.

6.2 If a person is granted only an Annual Award in respect of a Year, the limitation in rule 6.1(b) shall not apply, but the Maximum Amount of that Annual Award may not exceed the product of: (a) 400% of that person's Salary; and (b) the relevant percentage for the purposes of rule 6.1(b).

6.3 For the avoidance of doubt, Transfer Only Awards are included for the purposes of rule 6.1 and rule 6.2.

**7. Payment Date and Release Vesting Date**

7.1 The Board shall specify in the Award Certificate the Performance Period, ~~(in relation to a Deferred Award)~~ the Deferral Period, in the case of an Award to an Executive Director ~~or~~

former Executive Director, the Holding Period and, in the case of an Award to an Executive Manager or Senior Manager who is a Material Risk Taker, the Clawback Period.

7.2 As soon as reasonably practicable after the end of the Performance Period, the Board will determine:

- (a) the extent to which the Performance Conditions have been satisfied; and
- (b) whether, in its discretion, it is appropriate to adjust upwards or downwards (including to zero) the extent to which a Cash Award (or part of it) is payable and/or an Award a Share Award (or part of it) ~~is ReleasedVests~~ if it considers that the extent to which the Award would otherwise be paid Released or Vest is not a fair reflection of appropriate having regard to the performance of the Company, the Award Holder's performance and/or wider circumstances any other factors the Board considers relevant.

The date of that determination is the Performance Measurement Date and (subject to rule 7.37.4, rule 7.5 and rule 8.1), ~~the Award~~:

- (c) any Cash Award will be paid on the Payment Date; and
- (d) any Share Award will be ReleasedVest on the Release-Vesting Date,  
or, in each case, lapse accordingly, in whole or in part.

7.3 The Payment Date shall be the date determined by the Company which is not more than 50 days after the Performance Measurement Date.

7.4 The Release-Vesting Date shall be:

- (a) in the case of an Annual Award granted in the form of a Share Award, the first Dealing Day following the Performance Measurement Date; or
- (b) in the case of a Deferred Award, the first Dealing Day following the end of the Deferral Period.

However, in either case, if that date falls in a Closed Period or if on that date a Dealing Restriction applies to the Award Holder, the Release-Vesting Date for the relevant Award will be the first Dealing Day following the end of that Closed Period or the lifting of that Dealing Restriction as the case may be.

7.5 It shall be a condition of Release the Vesting of every Conditional Share Award that the Award Holder agrees to the provisions of rule 11 and rule 23 by signing an Acceptance Notice.

## 8. Suspension of Awards

8.1 Subject to rule 8.2, a Cash Award shall not be paid and an Award a Share Award shall not be ReleasedVest, and an Award Holder may not exercise an Option, at any time:

- (a) while disciplinary proceedings by any Group Company are underway against the Award Holder; or
- (b) while any Group Company is investigating the Award Holder's conduct and may as a result begin disciplinary proceedings; or
- (c) while the FCA or any other regulatory authority is known by a Group Company to be investigating the Award Holder's conduct; or
- (d) while any Group Company is investigating whether rule 8 may apply.

8.2 The Company shall not unfairly frustrate a valid payment of a Cash Award or Release Vesting of an Awarda Share Award or exercise of an Option by the inappropriate application of any provision of rule 8.1.

8.3 For the avoidance of doubt, and subject to rule 7.3, rule 7.4, rule 7.5, rule 9 and rule 19, a Cash Award that was not paid on its expected Payment Date and an Award a Share Award that was not Releaseddid not Vest on its expected Release-Vesting Date due to the application of rule 8.1 shall be paid or Released-will Vest as applicable if the Board so determines following the conclusion of the disciplinary proceedings or investigation or if later the end of the period of 30 days referred to in rule 9.49.5.

The:

- (a) Payment Date of that Cash Award shall be the date determined by the Company which is not more than 50 days after the date of the Board's determination and
- (b) the Release-Vesting Date of that Award shall be the date of the Board's determination, or, if that date falls in a Closed Period or on a date on which a Dealing Restriction applies to the Award Holder, the first Dealing Day following the end of that Closed Period or the lifting of the Dealing Restriction as the case may be.

8.38.4 An Award Holder who gives or receives notice of termination of employment before the relevant Release-Vesting Date (whether or not lawful) may not exercise an Option at any time while the notice remains effective.

8.48.5 No Cash Award shall be paid and no Share Award shall be Released Vest during a period when the Award Holder is on notice of termination of employment (whether or not lawful). An Award that would otherwise have been paid or Released have Vested during such a period shall instead be paid or Released shall Vest as applicable when and if the notice ceases to be effective.

## 9. Circumstances in which the Performance Underpin can apply

9.1 Rule 9 applies in relation to a Deferred Award if the Board, at its discretion, determines that during the Deferral Period:

- (a) there has been a material deterioration in the underlying performance of the Group as determined by the Board, which may take into account the Group's performance on an absolute basis and/or its performance relative to such which is significantly greater than any deterioration in the performance of comparator listed financial services companies selected by the Board in relation to the relevant Award; or
- (b) any part of the business for which the Award Holder is responsible, has suffered a material failure of risk management, conduct or compliance.

9.2 The Board may vary or substitute the factors that may be taken into account for the purposes of rule 9.1 if (in the reasonable opinion of the Board) it is appropriate to do so.

9.3 If the Board makes a determination under rule 9.1, the Board may determine to cancel the Deferred Award or reduce it by such number of Shares as the Board considers to be fair and reasonable, taking account of all circumstances that the Board considers to be relevant.

9.4 For the avoidance of doubt, the Board is not obliged to determine to cancel or reduce any particular Deferred Award, even if the Board does determine to cancel or reduce other Deferred Awards to the same or other Award Holders which had the same Grant Date or Release Vesting Date.

9.5 If the Board makes a determination in relation to a Deferred Award under this rule 9, it must do so, in the case by the later of:

- (a) an Executive Director, before the expiry of the relevant Holding Period; or the expiry of the relevant Deferral Period; and
- (b) an Executive Manager or Senior Manager who is a Material Risk Taker, before the expiry of the relevant Clawback Period; or 30 days after the date on which any investigation under rule 8.1(d) is completed.
- (c) a Senior Manager who is not a Material Risk Taker, before the expiry of the relevant Deferral Period,  
or, if later, within 30 days of the date on which any investigation under rule 8.1 (d) is completed.

## 10. Circumstances in which malus and clawback can apply

10.1 Rule 10 applies in relation to an Award if:

- (a) either or both rule 10.2 and rule 10.3 apply; and
- (b) rule 10.4 applies.

10.2 This rule 10.2 applies in relation to an Award if the Board, at its discretion, determines that any of the following circumstances exist:

- (a) the Award Holder has participated in or was responsible for conduct which resulted in significant losses to a Group Company;
- (b) the Award Holder has failed to meet appropriate standards of fitness and propriety;
- (c) the Company has reasonable evidence of fraud or material dishonesty by the Award Holder;
- (d) the Company has become aware of any material wrongdoing on the part of the Award Holder;
- (e) the Award Holder has acted in any manner which in the opinion of the Board has brought or is likely to bring any Group Company into material disrepute or is materially adverse to the interests of any Group Company;
- (f) there is a breach of the Award Holder's employment contract that is a potentially fair reason for dismissal;
- (g) the Award Holder is in breach of a fiduciary duty owed to any Group Company;
- (h) in the case of an Award Holder who has ceased to be an Employee, discovery after cessation of an event was in breach of their employment contract or fiduciary duties in a manner that would have prevented the grant of the Award or the payment of the Cash Award or the Release Vesting of the Award Share Award as applicable had the Company been aware (or fully aware) of that breachevent, and of which the Company was not aware (or not fully aware) until after both:
  - (i) the Award Holder's ceasing to be an Employee; and
  - (ii) the time (if any) when the Board decided to permit the payment of the Cash Award and/or the Release Vesting of the Award Share Award or the exercise of the Option; or
- (i) there was an error in:
  - (i) determining whether the Award should be made;
  - (ii) determining the size and nature of the Award; or
  - (iii) assessing the extent to which any Performance Condition was satisfied on the Performance Measurement Date;
- (j) there is reasonable evidence of misbehaviour or material error by the Award Holder; or

(k) there has been a material downturn in the financial performance of any Group Company or relevant business unit.

10.3 This rule 10.3 applies in relation to an Award if the Board, at its discretion, determines that either of the following circumstances exist:

- (a) a Group Company mis-stated any financial or non-financial information (whether or not audited) for any part of any Year that was taken into account in:
  - (i) determining whether the Award should be made;
  - (ii) determining the size and nature of the Award; or
  - (iii) assessing the extent to which any Performance Condition was satisfied; or
- (b) any part of a business for which the Award Holder is responsible (or was responsible at any relevant time), has suffered a material failure of risk management.

10.4 This rule 10.4 applies in relation to an Award if the Board, at its discretion, determines that, if the circumstances mentioned in rule 10.2 or rule 10.3 had existed, and the Board had been fully aware that they existed:

- (a) at the Grant Date,~~or~~
- (b) in the case of a Cash Award that has already been paid, at the Payment Date, or
- (c) in the case of an Award Share Award that has already been Released\~~Vested~~, at the Release\~~Vesting~~ Date,

then:

- (d) the Board would not have granted the Award;
- (e) the Board would have granted the Cash Award as a lower monetary value;
- (f) the Board would have granted the Award Share Award in relation to a smaller number of Shares; or
- (g) in the case of a Cash Award that has already been paid:
  - (i) it would not have been paid at all, or
  - (ii) a lower amount would have been paid; or
- (h) in the case of an Award Share Award that has already been Released\~~Vested~~:
  - (i) it would not have been Released\~~Vested~~ at all, or
  - (ii) it would have been Released\~~Vested~~ in relation to a smaller number of Shares.

10.5 If the Board makes a determination in relation to an Award under rule 10, it must do so:

- (a) in the case of an Executive Director or former Executive Director, in relation to:
  - (i) an Annual Award, before the fourth anniversary of the end of the Performance Period; and
  - (ii) a Deferred Award, before the end of the Holding Period; or
- (b) in the case of an Executive Manager or Senior Manager who is a Material Risk Taker, in relation to both an Annual Award and a Deferred Award, before the end of the Clawback Period; or
- (c) in the case of an-a Senior Manager who is not a Material Risk Taker, in relation to a Deferred Award, before the end of the Deferral Period.

## 11. Operation of malus and clawback

11.1 This rule 11 applies to an Award if rule 10 applies to the Award.

11.2 If at the date of the determination under rule 10.4, the Cash Award has not yet been paid or the Award Share Award has not yet been ReleasedVested or, in the case of an Option, it has not yet been exercised, the Board may determine:

- (a) in the case of a Cash Award, to cancel the Cash Award or reduce it by such amount as the Board considers to be fair and reasonable; and
- (b) in the case of a Share Award, to cancel the Award Share Award or reduce it by such number of Shares as the Board considers to be fair and reasonable,  
taking account of all circumstances that the Board considers to be relevant.

11.3 If at the date of the determination under rule 10.4, the Award has been ReleasedVested or, in the case of an Option, it has been exercised, the Board may determine a Clawback Amount in relation to the Award.

11.4 The Clawback Amount shall be such amount as the Board considers to be fair and reasonable, taking account of all circumstances that the Board considers to be relevant, but shall not be more than:

- (a) in relation to a Cash Award that has been paid, the amount that was paid;
- (b) in relation to an Option that has been exercised, the greater of:
  - (i) the Market Value of the Shares measured on the date the Option was exercised, and
  - (ii) the Market Value of the Shares measured on the date of the determination minus any Exercise Price;

(c) in relation to a Conditional Share Award, the greater of:

- (i) the Market Value of the Shares measured on the Release-Vesting Date, and
- (ii) the Market Value of the Shares measured on the date of the determination.

11.5 If the Award Holder has paid or is liable to pay any income tax or NICs in relation to the Award or the SharesCash Award or the Share Award, the Board may in its discretion decide to reduce the Clawback Amount to take account of this amount. In deciding whether to reduce the Clawback Amount, the Board shall take account of such factors it thinks fit, which may include market practice, corporate governance rules and guidelines, and the expectations of shareholders of the Company.

11.6 For the avoidance of doubt, the Board is not obliged to determine a Clawback Amount in relation to any particular Award, even if the Board does determine a Clawback Amount in relation to other Awards to the same or other Award Holders which had the same Grant Date, Payment Date or Release-Vesting Date.

11.7 The Award Holder shall reimburse the Company for the Clawback Amount, in any way acceptable to the Board, on or as soon as possible after the Board determines a Clawback Amount in relation to the Award, which may include:

- (a) the payment of cash to the Company equal to the Clawback Amount;
- (b) the transfer to the Company (or as directed by the Company) of Shares with a Market Value equal to the Clawback Amount.

11.8 If the Award Holder fails to reimburse the Company within 30 days after the determination, the Company shall obtain reimbursement from the Award Holder in any (or any combination) of the following ways:

- (a) by reducing or cancelling any Cash Award that has not yet been paid to the Award Holder;
- (b) by reducing or cancelling any Options that the Award Holder has not exercised;
- (c) by reducing or cancelling any Conditional Share Awards that have not yet been ReleasedVested;
- (d) by reducing or cancelling any cash bonus payable to the Award Holder by any Group Company;
- (e) by reducing or cancelling any future or existing award made or option granted to the Award Holder under any other Share Incentive Scheme or bonus scheme operated by any Group Company (other than a Schedule 2 SIP, a Schedule 3

SAYE option scheme or a Schedule 4 CSOP, as those terms are defined in ITEPA 2003);

- (f) by requiring the Award Holder to make a cash payment to a Group Company; or
- (g) by reducing the Award Holder's Salary.

11.9 It is a condition of the payment of a Cash Award and the Release-Vesting of an Award Share Award and the exercise of an Option that the Award Holder sign an Acceptance Notice or Exercise Notice declaring an irrevocable agreement to the terms of rule 11 and including a power of attorney appointing the Company as the Award Holder's agent and attorney for the purposes of effecting the transfer of any Shares as referred to in rule 11.7.

11.10 In rules 10 and 11 references to a "Group MemberCompany" include a former Group MemberCompany, and references to an Award Holder include any person to whom Shares have been delivered or cash has been paid to satisfy the Release-Vesting or exercise of an Award.

## **12. Exercise of Options**

12.1 An Award Holder may not exercise an Option before the earliest of:

- (a) its Release-Vesting Date;
- (b) the time when it becomes exercisable under rule 18; and
- (c) the time when it becomes exercisable under rule 20.

12.2 An Award Holder may only exercise an Option to the extent that the relevant Performance Condition is achieved and any other condition stated in the Award Certificate is satisfied.

12.3 An Award Holder may not exercise an Option at a time when its exercise is prohibited by, or would be a breach of any Dealing Restrictions.

12.4 An Award Holder may not exercise an Option without having signed the Exercise Notice and made any arrangements, or entered into any agreements, that may be required and are referred to in rule 11 and rule 23.

## **13. Manner of exercise of Options**

13.1 An Award Holder who exercises an Option in part must exercise it over at least 100 of the Shares or, if fewer, the number of Shares over which the Option is then exercisable.

13.2 The Award Holder shall exercise an Option by giving an Exercise Notice to the Company setting out the number of Shares over which the Award Holder wishes to exercise the Option. If that number exceeds the number over which the Option may be validly exercised at the time, the Company shall:

- (a) treat the Option as exercised only in respect of that lesser number; and
- (b) refund any excess amount paid to exercise the Option or meet any Tax Liability.

13.3 The Exercise Notice shall be accompanied by both of the following:

- (a) in relation to a Nominal Cost Option payment of an amount equal to the Exercise Price multiplied by the number of Shares specified in the notice;
- (b) any payment required under rule 23,

unless the Award Holder has entered into binding alternative arrangements to secure the payment of those amounts which are satisfactory to the Board.

13.4 The Exercise Notice shall contain or be accompanied by any documents relating to arrangements or agreements required under rule 11 and rule 23.

13.5 Any Exercise Notice shall be invalid:

- (a) to the extent that it is inconsistent with the Award Holder's rights under these rules and the Award Certificate;
- (b) if any of the requirements of rule 13.2, rule 13.3 or rule 13.4 are not met; or
- (c) if any payment referred to in rule 13.3 is made by a cheque that is not honoured on first presentation or that fails in any other manner to transfer the expected value to the Company.

The Company may permit the Award Holder to correct any defect referred to in rule 13.5 (but shall not be obliged to do so). The date of any corrected Exercise Notice shall be the date of the correction rather than the original notice date for all other purposes of the Plan.

#### 14. **Settlement of Share Awards**

14.1 This rule 14 is subject to rule 15.

14.2 The Company shall allot and issue Shares (or, as appropriate, procure their transfer) to the Award Holder within 30 days after:

- (a) the Release-Vesting of a Conditional Share Award; or
- (b) the valid exercise of a Nil Cost or Nominal Cost Option.

14.3 Shares allotted and issued in accordance with rule 14.2 shall rank equally in all respects with the other shares of the same class in issue at the date of allotment, except for any Relevant Restriction or any rights determined by reference to a date before the date of allotment.

14.4 Shares transferred in accordance with rule 14.2 shall be transferred free of any lien, charge or other security interest, other than any Relevant Restriction, and with all rights attaching to them, other than any rights determined by reference to a date before the date of transfer.

14.5 If the Shares are listed or traded on any stock exchange, the Company shall apply to the appropriate body for any newly issued Shares allotted in accordance with rule 14.2 to be listed or admitted to trading on that exchange.

14.6 During the Holding Period, the Award Holder may not transfer, assign, charge or otherwise dispose of the beneficial interest in the Shares ~~Released under~~ in respect of which an Award has Vested (including any Shares acquired on the exercise of an Option) except:

- (a) with the permission of the Board;
- (b) in order to raise sufficient funds to pay a Tax Liability in relation to the Vested Shares ~~so Released~~;
- (c) in order to raise sufficient funds to pay the Exercise Price of a Nominal Cost Option; or
- (d) to the extent required to comply with rule 11.

## **15. Alternative methods of settlement of Share Awards**

15.1 Instead of delivering the number of Shares specified in the relevant Exercise Notice, the Company may settle the exercise of a Nominal Cost Option in any of the ways specified in rule 15.2 to rule 15.6.

15.2 The Company may settle the Option by procuring the transfer of sufficient Shares to deliver the gain net of the Exercise Price in the following manner:

- (a) deduct the Exercise Price from the Market Value of a Share on the Exercise Date;
- (b) multiply the result by the number of Shares specified in the relevant Exercise Notice;
- (c) divide by the Market Value of a Share on the Exercise Date;
- (d) round down to the nearest whole number and procure the transfer of that number of Shares to the Award Holder, together with a cash payment of the rounding amount; and
- (e) refund the amount of any payment the Award Holder has made in respect of the Exercise Price.

15.3 The Company may settle the Option by procuring the transfer of sufficient Shares to deliver the gain net of the Exercise Price and the Tax Liability in the following manner:

- (a) deduct the Exercise Price from the Market Value of a Share on the Exercise Date;
- (b) multiply the result by the number of Shares specified in the relevant Exercise Notice;
- (c) deduct the Tax Liability;
- (d) divide by the Market Value of a Share on the Exercise Date;
- (e) round down to the nearest whole number and procure the transfer of that number of Shares to the Award Holder, together with a cash payment of the rounding amount;
- (f) refund the amount of any payment the Award Holder has made in respect of the Exercise Price and the Tax Liability; and
- (g) settle the Tax Liability on the Award Holder's behalf.

15.4 The Company may settle the Option by allotting and issuing sufficient Shares to deliver the gain net of the Exercise Price in the following manner:

- (a) deduct the nominal value of a Share from the Exercise Price;
- (b) deduct the result from the Market Value of a Share on the Exercise Date;
- (c) multiply the result by the number of Shares specified in the relevant Exercise Notice;
- (d) divide by the Market Value of a Share on the Exercise Date;
- (e) round down to the nearest whole number and allot and issue that number of Shares to the Award Holder, together with a cash payment of the rounding amount; and
- (f) refund the amount of any payment the Award Holder has made in respect of the Exercise Price, minus the nominal value of the Shares so issued.

15.5 The Company may settle the Option by allotting and issuing sufficient Shares to deliver the gain net of the Exercise Price and the Tax Liability in the following manner:

- (a) deduct the nominal value of a Share from the Exercise Price;
- (b) deduct the result from the Market Value of a Share on the Exercise Date;
- (c) multiply the result by the number of Shares specified in the relevant Exercise Notice;
- (d) deduct the Tax Liability;
- (e) divide by the Market Value of a Share on the Exercise Date;
- (f) round down to the nearest whole number and allot and issue that number of Shares to the Award Holder, together with a cash payment of the rounding amount;

- (g) refund the amount of any payment the Award Holder has made in respect of the Exercise Price and the Tax Liability, minus the nominal value of the Shares so issued; and
- (h) settle the Tax Liability on the Award Holder's behalf.

15.6 If the Award Holder consents, the Company may settle the Option in cash in the following manner:

- (a) take the Market Value of a Share on the Exercise Date and deduct the Exercise Price;
- (b) multiply the result by the number of Shares specified in the relevant Exercise Notice;
- (c) deduct the Tax Liability and pay the resulting amount to the Award Holder; and
- (d) refund the amount of any payment the Award Holder has made in respect of the Exercise Price and Tax Liability.

15.7 Instead of delivering the number of Shares subject to a Nil Cost Option or a Conditional Share Award, the Company may settle the Award in either of the manners specified in rule 15.8 or rule 15.9.

15.8 The Company may settle the Award by procuring the transfer of sufficient Shares to the Award Holder to deliver the gain net of the Tax Liability in the following manner:

- (a) multiply the number of Shares in relation to which the Award has ~~been Released~~Vested by the Market Value of a Share on the ~~Release~~Vesting Date;
- (b) deduct the Tax Liability;
- (c) divide by the Market Value of a Share on the ~~Release~~Vesting Date;
- (d) round down to the nearest whole number and procure the transfer of that number of Shares to the Award Holder, together with a cash payment of the rounding amount;
- (e) refund the amount of any payment the Award Holder has made in respect of the Tax Liability; and
- (f) settle the Tax Liability on the Award Holder's behalf.

15.9 If the Award Holder consents, the Company may settle the Award in cash in the following manner:

- (a) multiply the number of Shares in relation to which the Award has ~~been Released~~Vested by the Market Value of a Share on the ~~Release~~Vesting Date;
- (b) deduct the Tax Liability and pay the resulting amount to the Award Holder; and

(c) refund the amount of any payment the Award Holder has made in respect of the Tax Liability.

## 16. Lapse of Awards

16.1 An Award Holder may not transfer or assign, or create any charge or other security interest over an Award (or any right arising under it). An Award shall lapse if the Award Holder attempts to do any of those things. However, this rule 16.1 does not prevent the transmission of an Award to an Award Holder's personal representatives on the death of the Award Holder.

16.2 An Award shall lapse on the earliest of the following:

- (a) any attempted action by the Award Holder falling within rule 16.1;
- (b) when the Board decides in accordance with rule 3.5, to the extent that the Performance Condition has become wholly or partly incapable of being met, subject to rule 7.2(b);
- (c) any date on which the Award shall lapse, as specified in the Award Certificate;
- (d) to the extent necessary to give effect to any reduction or cancellation under rule 9, rule 10 or rule 11;
- (e) to the extent required by rule 17, rule 18 or rule 19, the date the Award Holder dies or ceases employment;
- (f) the end of the six monthrelevant period, if rule 18.4(a) or rule 18.5(a) applies;
- (g) the end of the 90 dayrelevant period, if rule 18.4(b) or rule 18.5(b) applies;
- (h) if the Board decides under rule 18.6 that it will not permit the Award Holder to exercise the Option, the date the Board so decides;
- (i) the end of the 90 dayrelevant period during which exercise is permitted, if the Board decides under rule 18.6 that it will permit the Award Holder to exercise the Option;
- (j) the end of the 90 dayrelevant period during which exercise is permitted under rule 18.7;
- (k) the end of any relevant period during which exercise is permitted under rule 18.8;
- (l) the time specified for the lapse of the Award under rule 20 if any part of that rule 20 applies;
- (m) if the Board so determines under rule 22.3; or
- (n) when the Award Holder becomes bankrupt under Part IX of the Insolvency Act 1986, applies for an interim order under Part VIII of the Insolvency Act 1986, proposes or makes a voluntary arrangement under Part VIII of the Insolvency Act

1986, takes similar steps, or is similarly affected, under laws of any jurisdiction that correspond to those provisions of the Insolvency Act 1986; or

(o) in the case of an Award granted to a former Employee, any date specified in the Award Certificate.

## **17. Termination of employment (Cash Awards)**

### **17.1 Rule 17 applies to Cash Awards.**

Leaving in the first six months of the Performance Period – Cash Award lapses unless the Board determines otherwise

17.2 If an Award Holder ceases to be an Employee for any reason within six months of the beginning of a Performance Period, any Cash Award granted to the Award Holder in respect of that Performance Period shall lapse immediately, unless the Board determines that the Cash Award should not lapse, in which case rules 17.3 and 17.4 will apply if the cessation is for a reason referred to in rule 17.3, and rule 17.6 will apply if the cessation is for any other reason.

Leaving as a “good leaver” in the second six months of the Performance Period – default of immediate partial lapse based on unexpired Performance Period, subject to discretion to vary

17.3 If an Award Holder ceases to be an Employee for any of the following reasons:

- (a) death; or
- (b) injury evidenced to the satisfaction of the Board; or
- (c) ill health evidenced to the satisfaction of the Board; or
- (d) disability evidenced to the satisfaction of the Board,

during the period which starts six months after the beginning of a Performance Period and ends on the last day of that Performance Period, any Cash Award granted to the Award Holder in respect of that Performance Period shall (subject to rule 17.8) lapse immediately in respect of a proportion of it. That proportion is calculated in accordance with the formula N x (X/Y) where:

- (a) N = the amount of the Cash Award which was originally granted, less any amount in respect of it which has lapsed;
- (b) X = the number of days between the date of cessation and the end of the Performance Period; and
- (c) Y = the number of days in the Performance Period.

Leaving as a “good leaver” in the second six months of the Performance Period – potential payment in respect of retained Cash Award, subject to performance etc.

17.4 If an Award Holder ceases to be an Employee during the period which starts six months after the beginning of a Performance Period and ends on the last day of that Performance Period, to the extent the Cash Award granted to the Award Holder in respect of that Performance Period does not lapse in accordance with rule 17.3 then payment may become due in respect of it subject to the achievement of the Performance Condition and to any adjustment as referred to in rule 7.2(b) or 9 and to rule 17.8. Any payment made in respect of such an Award will:

- (a) if cessation is due to death, be made to the Award Holder's personal representatives on the relevant Payment Date or as soon as reasonably practicable thereafter; or
- (b) if cessation is for any of the other reasons set out in rule 17.3, be made to the Award Holder on the relevant Payment Date or as soon as reasonably practicable thereafter.

*Leaving as a "good leaver" after the end of the Performance Period but before the Payment Date*

17.5 This rule 17.5 applies if an Award Holder ceases to be an Employee after the end of a Performance Period but before the Payment Date of the related Cash Award, for any of the reasons set out in rule 17.3.

Subject to the achievement of the Performance Condition and to any adjustment as referred to in rule 7.2(b) or 9 and to rule 17.8, any Cash Award due to an Award Holder in respect of that Performance Period shall:

- (a) if cessation is due to death, be paid to the Award Holder's personal representatives on the relevant Payment Date or as soon as reasonably practicable thereafter; or
- (b) if cessation is for any of the other reasons set out in rule 17.3, be paid to the Award Holder on the relevant Payment Date or as soon as reasonably practicable thereafter.

*Leaving other than as a "good leaver" in the second six months of the Performance Period or after the end of the Performance Period but before the Payment Date*

17.6 This rule 17.6 applies if for any reason other than the reasons set out in rule 17.3, an Award Holder ceases to be an Employee:

- (a) during the period which starts six months after the beginning of a Performance Period and ends on the last day of that Performance Period; or
- (b) after the end of a Performance Period but before the relevant Payment Date.

The Board may in its absolute discretion authorise payment of the Cash Award to the Award Holder (in whole or in part) during the 90-day period beginning on the earlier of:

- (c) the relevant Payment Date; and

(d) the date on which any payment becomes due under rule 20.

If the Cash Award is not paid during the relevant 90-day period, the right to receive it will lapse at the end of that period.

Any decision by the Board to authorise payment under this rule 17.6 shall be made in the 90-day period following the cessation of employment and if the Board does not make such a decision within that period, the right to receive the Cash Award will lapse immediately and in accordance with rule 16 at the end of that period.

*Discretion to pay early if cessation in compassionate "good leaver" circumstances*

17.7 If an Award Holder ceases to be an Employee before a Cash Award's Payment Date for:

(a) any of the reasons set out in rule 17.3 and the Board (acting reasonably) determines that the circumstances of the cessation amount to "compassionate" circumstances; or

(b) for any other exceptional reason that Board determines amount to "compassionate" circumstances,

the Board may make payment in respect of the Cash Award before its Payment Date.

If payment is made in respect of a Cash Award before its Payment Date in accordance with this rule 17.7, it will be:

(c) of such amount as would be paid in accordance with rule 17.4 or 17.5 as the case may be (as those rules are applied by the Board in the event of cessation for other exceptional reasons as referred to above), and if relevant the Board shall determine the extent to which any Performance Condition is determined to be satisfied; and

(d) paid on such date as the Board determines.

17.8 The Board may, in its discretion, determine that it is appropriate to reduce or increase the extent to which a Cash Award shall lapse under rule 17.3 or be due for payment as referred to in rule 17.4, 17.5 or 17.7 but for this rule 17.8 to take account of the underlying performance of the Company, as determined by the Board, and any other factors that the Board considers relevant.

17.9 The Board shall notify the relevant Award Holder of any decision made under this rule 17, including any decision not to authorise payment of a Cash Award, within a reasonable time after making it.

17.10 An Award Holder who continues to be an employee or director of any Group Company shall not be regarded as ceasing to be an Employee for the purposes of this rule 17.

## **17.18. Termination of employment (Options)**

**17.118.1** Rule 18 applies to Options.

Leaving in the first six months of the Performance Period – Option lapses unless the Board determines otherwise

**18.2** If an Award Holder ceases to be an Employee for any reason within six months of the beginning of a Performance Period, any Option granted to the Award Holder in respect of that Performance Period shall lapse immediately, unless the Board determines that the Option should not lapse, in which case rules 18.3 and 18.4 will apply if the cessation is for a reason referred to in rule 18.3, and rule 18.6 will apply if the cessation is for any other reason.

Leaving as a “good leaver” in the second six months of the Performance Period – default of immediate partial lapse based on unexpired Performance Period, subject to discretion to vary

**17.218.3** If an Award Holder ceases to be an Employee for any of the following reasons:

- (a) death;
- (b) injury evidenced to the satisfaction of the Board;
- (c) ill health evidenced to the satisfaction of the Board;
- (d) disability evidenced to the satisfaction of the Board,

during the period which starts six months after the beginning of a Performance Period and ends on the last day of that Performance Period, any Option granted to the Award Holder in respect of that Performance Period shall (subject to rule 18.9) lapse immediately in respect of a number of Shares. That number is calculated in accordance with the formula  $N \times (X/Y)$  where:

- (a)  $N$  = the number of Shares in relation to which the Option was originally granted, less any Shares in respect of which it has lapsed;
- (b)  $X$  = the number of days between the date of cessation and the end of the Performance Period; and
- (c)  $Y$  = the number of days in the Performance Period.

Leaving as a “good leaver” in the second six months of the Performance Period – ability to exercise retained Option, subject to performance etc.

**17.318.4** If an Award Holder ceases to be an Employee during the period which starts six months after the beginning of a Performance Period and ends on the last day of that Performance Period, to the extent an Option granted to the Award Holder in respect of that Performance Period does not lapse in accordance with rule 18.3 then it may become exercisable (subject to the achievement of the Performance Condition, and to any

adjustment as referred to in rule 7.2(b) or 9 and to rule 18.9, any Option granted to the Award Holder in respect of that Performance Period: To the extent an Option becomes exercisable as referred to in this rule 18.4, it may be exercised:

- (a) if cessation is due to death, may be exercised by the Award Holder's personal representatives during the period of 6-12 months after the relevant Release Vesting Date or during such longer period as the Board may permit ending not later than the tenth anniversary of the Grant Date; or
- (b) if cessation is for any of the other reasons set out in rule 18.3, may be exercised by the Award Holder during the period of 90 days6 months after the relevant Release Vesting Date or during such longer period as the Board may permit ending not later than the tenth anniversary of the Grant Date,  
in each case, in respect of the number of Shares that remain after part of the Option has lapsed under rule 17.3.

If any such Option is not exercised, it will lapse at the end of the relevant period.

#### Leaving as a "good leaver" after the end of the Performance Period but before the Vesting Date

**17.418.5** This rule 18.5 applies if an Award Holder ceases to be an Employee after the end of a Performance Period but before the Release Vesting Date of the related Option, for any of the reasons set out in rule 18.3.

Subject to the achievement of the Performance Condition and to any adjustment as referred to in rule 7.2(b) or 9 and to rule 18.9, any Option granted to an Award Holder in respect of that Performance Period:

- (a) if cessation is due to death, may be exercised by the Personal Representatives of the Award Holder during the sixtwelve month period beginning on the earlier of:
  - (i) the relevant Release Vesting Date; and
  - (ii) the date on which the Option becomes exercisable under rule 20; and
- (b) if cessation is for any of the other reasons set out in rule 18.3, may be exercised by the Award Holder during the 90 dayssix month period beginning on the earlier of:
  - (i) the relevant Release Vesting Date; and
  - (ii) the date on which the Option becomes exercisable under rule 20.

or, in either case, during such longer period as the Board may permit ending not later than the tenth anniversary of the Grant Date.

If the Option is not exercised during the relevant period, it will lapse at the end of that period.

*Leaving other than as a “good leaver” in the second six months of the Performance Period or after the end of the Performance Period but before the Vesting Date*

**17.518.6** This rule 18.6 applies if for any reason other than the reasons set out in rule 18.3, an Award Holder ceases to be an Employee:

- (a) during the period which starts six months after the beginning of a Performance Period and ends on the last day of that Performance Period; or
- (b) after the end of a Performance Period but before the relevant Vesting Date.

The Board may in its absolute discretion permit the Award Holder to exercise the Option (in whole or in part) during the 90-daysix month period beginning on the earlier of:

- (c) the relevant ReleaseVesting Date; and
- (d) the date on which the Option becomes exercisable under rule 20,  
or such longer period as the Board may permit ending not later than the tenth anniversary of the Grant Date.

If the Option is not exercised during the relevant 90-day period, it will lapse at the end of that period.

Any decision by the Board to grant permission under this rule 18.6 shall be made in the 90-day period following the cessation of employment and if the Board does not make such a decision within that period, the Option will lapse immediately and in accordance with rule 16 at the end of that period. The Award Holder may not exercise the Option before the Board makes such a decision.

*Leaving after Vesting with an unexercised Option*

**17.618.7** An Award Holder who ceases to be an Employee on or after the relevant ReleaseVesting Date (except as a result of summary dismissal for gross conduct) may exercise the Option during the 90-daysix month period following the date of cessation, or such longer period as the Board may permit ending not later than the tenth anniversary of the Grant Date. If the Option is not exercised during that 90-daythe relevant period, it will lapse at the end of that period. If an Employee is dismissed for conduct which constituted gross misconduct, it will lapse on the date of cessation.

*Discretion to permit early exercise if cessation in compassionate “good leaver” circumstances*

**18.8** If an Award Holder ceases to be an Employee before an Option's Vesting Date for:

- (a) any of the reasons set out in rule 18.3 and the Board (acting reasonably) determines that the circumstances of the cessation amount to “compassionate” circumstances; or

(b) for any other exceptional reason that Board determines amount to "compassionate" circumstances,

the Board may permit the Award Holder to exercise the Option before its Vesting Date. If an Option is exercised before its Vesting Date in accordance with this rule 18.8, it may be exercised:

(c) in respect of such number of Shares as it would be exercisable in accordance with rule 18.4 or 18.5 as the case may be (as those rules are applied by the Board in the event of cessation for other exceptional reasons as referred to above), and if relevant the Board shall determine the extent to which any Performance Condition is determined to be satisfied; and

(d) during such period as the Board determines ending no later than the tenth anniversary of the Grant Date.

If any such Option is not exercised, it will lapse at the end of the period determined by the Board.

18.9 The Board may, in its discretion, determine that it is appropriate to reduce or increase the number of Shares in respect of which an Option shall lapse under rule 17.3 or be capable of exercise as referred to in rule 18.4, 18.5 or 18.7 but for this rule 17.8 to take account of the underlying performance of the Company, as determined by the Board, and any other factors that the Board considers relevant, which may include the proportion of any applicable Deferral Period which had elapsed on the date on which the Award Holder ceased to be an Employee.

17.7 18.10 The Board shall notify the relevant Award Holder of any decision made under this rule 18, including any decision not to permit the exercise of an Option, within a reasonable time after making it.

17.8 18.11 An Award Holder who continues to be an employee or director of any Group Company shall not be regarded as ceasing to be an Employee.

#### **18.19. Termination of employment (Conditional Share Awards)**

19.1 Rule 19 applies to Conditional Share Awards.

Leaving in the first six months of the Performance Period – Conditional Share Award lapses unless the Board determines otherwise

19.2 If an Award Holder ceases to be an Employee for any reason within six months of the beginning of a Performance Period, any Award made to the Award Holder in respect of that Performance Period shall lapse immediately, unless the Board determines that the Award should not lapse, in which case rules 19.3 and 19.4 will apply if the cessation is for

a reason referred to in rule 19.3, and rule 19.6 will apply if the cessation is for any other reason.

Leaving as a “good leaver” in the second six months of the Performance Period – default of immediate partial lapse based on unexpired Performance Period, subject to discretion to vary

**18.119.3** If an Award Holder ceases to be an Employee for any of the following reasons:

- (a) death;
- (b) injury evidenced to the satisfaction of the Board
- (c) ill health evidenced to the satisfaction of the Board;
- (d) disability evidenced to the satisfaction of the Board,

during the period which starts six months after the beginning of a Performance Period and ends on the last day of that Performance Period, any Award made to the Award Holder in respect of that Performance Period shall (subject to rule 18.719.8) lapse immediately in respect of a number of Shares. That number is calculated in accordance with the formula  $N \times (X/Y)$  where:

- (a)  $N$  = the number of Shares in relation to which the Award was originally granted, less any Shares in respect of which it has lapsed;
- (b)  $X$  = the number of days between the date of cessation and the end of the Performance Period; and
- (c)  $Y$  = the number of days in the Performance Period.

Leaving as a “good leaver” in the second six months of the Performance Period – potential Vesting of retained Conditional Share Award, subject to performance etc.

**18.219.4** If an Award Holder ceases to be an Employee during the period which starts six months after the beginning of a Performance Period and ends on the last day of that Performance Period, to the extent the Conditional Share Award granted to the Award Holder in respect of that Performance Period does not lapse in accordance with rule 19.3 then it may Vest (subject to the achievement of the Performance Condition and to any adjustment in accordance with as referred to in rule 7.2(b) or 9 and to rule 19.8. Any Award made to the Award Holder in respect of that Performance Period that Vests will:

- (a) if cessation is due to death, be Released Vest to the Award Holder's personal representatives during the period beginning on the relevant Release Vesting Date and ending 6-12 months after the relevant Release Vesting Date; or
- (b) if cessation is for any of the other reasons set out in rule 19.3, be Released Vest to the Award Holder during the period beginning on the relevant Release Vesting Date and ending 90 days/6 months after the relevant Release Vesting Date;

in each case, in respect of the number of Shares that remain after applying rule 18.3.

Leaving as a “good leaver” after the end of the Performance Period but before the Vesting Date

**18.319.5** This rule 19.5 applies if an Award Holder ceases to be an Employee after the end of a Performance Period but before the Release Vesting Date of the related Conditional Share Award, for any of the reasons set out in rule 19.3.

The Award will (subject to the achievement of the Performance Condition and to any adjustment in accordance with rule 7.2(b) or 9 and to rule 19.8 be ReleasedVest to on the earlier of:

- (a) ~~if cessation is due to death, the Personal Representatives of the Award Holder on the earlier of:~~ the relevant Vesting Date; and
  - (i) ~~the relevant Release Date; and~~
  - (ii) ~~the date on which the Award is Released under rule 19;~~ and
- (b) ~~if cessation is for any of the other reasons set out in rule 19.319.319.318.3, the Award Holder on the earlier of:~~ the date on which the Award Vests under rule 20.
  - (i) ~~the relevant Release Date; and~~
  - ~~the date on which the Award is Released under rule 19.~~

Leaving other than as a “good leaver” in the second six months of the Performance Period or after the end of the Performance Period but before the Vesting Date

**18.419.6** This rule 19.6 applies if an Award Holder ceases to be an Employee for any reason other than the reasons set out in rule 19.3:

- (a) during the period which starts six months after the beginning of a Performance Period and ends on the last day of that Performance Period; or
- (b) after the end of a Performance Period but before the Release Vesting Date of the related Conditional Share Award.

The Board may in its absolute discretion determine that the Award (subject to the achievement of the Performance Condition) shall be ReleasedVest (in whole or in part) during the 90 days six month period beginning on the earlier of:

- (c) the relevant Release Vesting Date; and
- (d) the date on which the Award is ReleasedVests under rule 20.

Any decision by the Board to permit ReleaseVest under this rule 19.6 shall be made in the 90-day period following the cessation of employment and if the Board does not make such a decision within that period, the Award will lapse immediately and in accordance with rule 16 at the end of that period.

Discretion to Vest early if cessation in compassionate “good leaver” circumstances

**18.519.7 If an Award Holder ceases to be an Employee before a Conditional Share Award's Vesting Date for:**

- (a) any of the reasons set out in rule 19.3 and the Board (acting reasonably) determines that the circumstances of the cessation amount to "compassionate" circumstances; or
- (b) for any other exceptional reason that Board determines amount to "compassionate" circumstances,

the Board may Vest the Conditional Share Award before its Vesting Date. If a Conditional Share Award Vests before its Vesting Date in accordance with this rule 19.7, it will Vest:

- (c) in respect of such number of Shares as it would Vest in accordance with rule 19.4 or 19.5 as the case may be (as those rules are applied by the Board in the event of cessation for other exceptional reasons as referred to above), and if relevant the Board shall determine the extent to which any Performance Condition is determined to be satisfied; and
- (d) on such date as the Board determines, being no later than the Vesting Date.

**18.619.8** The Board may, in its discretion, determine that it is appropriate to reduce or increase the number of Shares in respect of which an Award shall lapse under rule 19.318.3 or be ReleasedVest under rule ~~18.4 or rule 18.5~~19.4, 19.5 or 19.7 but for this rule ~~18.7~~19.8 to take account of the underlying performance of the Company, as determined by the Board, and any other factors that the Board considers relevant, which may include the proportion of any applicable Deferral Period which had elapsed on the date on which the Award Holder ceased to be an Employee.

**18.719.9** The Board shall notify the relevant Award Holder of any decision made under this rule 19, including any decision to permit the ReleaseVesting of an Award, within a reasonable time after making it.

**18.819.10** An Award Holder who continues to be an employee or director of any Group Company shall not be regarded as ceasing to be an Employee.

**19.20. Takeovers and liquidations**

**19.420.1** The amount of the Accelerated Cash Payment and Releasable Number of Shares in relation to an Award if a change of Control or other event which is relevant for the purposes of this ~~Rule 19 or, as appropriate, Rule 20-20 or rule 22 as appropriate~~ occurs:

- (a) during the Performance Period, ~~is the number of Shares~~ determined by the Board as follows:

- (i) in the case of a Cash Award, multiply the maximum value in relation to which the Cash Award was originally granted, less any amount of the Cash Award that has already lapsed; and
- (ii) in the case of a Share Award, multiply the number of Shares in relation to which the Award was originally granted, less any Shares that have already lapsed,

by X/Y where:

X = the number of days between the beginning of the Performance Period and the date (or expected date) of the relevant event; and

Y = the number of days in the Performance Period; and

- (iii) apply a further reduction to reflect:

- (A) the likelihood as at the date (or expected date) of the change of Control of the Performance Condition not being achieved by the end of the Performance Period; or
- (B) the Board's assessment of the extent to which the Performance Condition is achieved at the date of the relevant event (or the date of assessment),

subject, in either case to a reduction or increase to take account of underlying performance of the Company, as determined by the Board taking into account such factors as it considers relevant, and any other factors that the Board considers relevant,

- (b) after the end of the Performance Period but before the Performance Measurement Date, (without limiting the effect of rule 7.2 and subject to rule 19.12~~20.4~~) is:

- (i) in the case of a Cash Award, the amount of the Cash Award that is determined by the Board to reflect the likelihood as at the date (or expected date) of the change of Control of the Performance Condition not having been achieved, less any amount of the Cash Award that has already lapsed or been paid; and

- (ii) in the case of a Share Award, number of Shares that is determined by the Board to reflect the likelihood as at the date (or expected date) of the change of Control of the Performance Condition not having been achieved, less any Shares that have already lapsed; and

- (c) on or after the relevant Performance Measurement Date, (subject to rule 20.4~~rule 19.12~~ and the achievement of the Performance Conditions), is:

- (i) in the case of a Cash Award, the amount of the Cash Award that was originally granted, less any amount of the Cash Award in respect of which it has already lapsed or been paid; and

(ii) in the case of a Share Award, the number of Shares in relation to which the Share Award was originally granted less any Shares that have already been ReleasedVested (or, in the case of an Option, has already been exercised) or lapsed.

20.2 Subject to rule 21 if an event referred to in rule 20.3 occurs:

- (a) all Cash Awards shall be paid as soon as practicable as to the Accelerated Cash Payment and lapse in respect of the balance;
- (b) all Share Awards which have not already Vested shall Vest in respect of the Releasable Number of Shares and lapse in respect of the balance; and
- (c) all Vested Options (whether they Vested under this rule 20.2 or earlier) may be exercised for a period of one month (or for such other period as the Board determines), after which time they will lapse.

20.3 The events referred to in rule 20.2 are:

- (a) any person (either alone or together with any person Acting in Concert with them):
  - (i) obtaining Control of the Company as a result of making a general offer to acquire Shares; or
  - (ii) already having Control of the Company, making an offer to acquire all of the Shares other than those which are already owned by them,  
and such offer becoming wholly unconditional; and
- (b) a compromise or arrangement in accordance with section 899 of the Companies Act 2006 for the purposes of a change of Control of the Company, being sanctioned by the Court.

19.2 If the Board considers that a change of Control is likely to occur, the Board may in its absolute discretion decide that:

- (a) all Awards shall be Released in relation to the Releasable Number of Shares; and
- (b) an Award Holder may exercise all or any part of any Option (but not in respect of more than the Releasable Number of Shares) within a reasonable period to be specified by the Board for that purpose and ending immediately before the Acquiror obtains Control of the Company. The Board shall have discretion to determine that an Option that is not exercised by the end of that period shall lapse.

The Board may decide that the Release of Awards and exercise of Options shall be conditional on the change of Control actually occurring and shall be treated as having no effect if the change of Control does not occur.

19.3 Rule 19.4, rule 19.5 and rule 19.6 apply if a change of Control occurs and the Acquiror declares that it is willing to make an agreement under rule 20.

19.4 The Board may in its absolute discretion decide that an Award Holder may exercise all or any part of any Option (but not in respect of more than the Releasable Number of Shares) within a reasonable period to be specified by the Board for that purpose. Any part of an Option that is not either exchanged under rule 20 or exercised by the end of that period shall lapse.

19.5 The Award Holder may at any time during the Rollover Period exchange the Award under rule 20.

19.6 The Board has discretion to determine at any time before the end of the Rollover Period that some or all of any Awards that are not so exchanged shall lapse at the end of the Rollover Period.

If the Board does not so determine, then any Conditional Share Awards that are not so exchanged shall be Released in relation to the Releasable Number immediately following the end of the Rollover Period and lapse in relation to the balance.

19.7 If the Acquiror is not willing to make an agreement under rule 20:

(a) all Awards shall be Released immediately following the change of Control in relation to the Releasable Number of Shares and lapse in relation to the balance; and

(b) an Award Holder may exercise all or any part of any Option (but not in respect of more than the Releasable Number of Shares) within the period of 30 days following the change of Control. Any part of an Option that is not exercised by the end of that period shall lapse.

19.8 If any person becomes bound or entitled to acquire Shares under sections 979 to 982 or 983 to 985 of the Companies Act 2006:

(a) all Awards shall be Released in relation to the Releasable Number of Shares and lapse in relation to the balance; and

(b) an Award Holder may exercise all or any part of any Option (but not in respect of more than the Releasable Number of Shares) at any time when the person remains so bound or entitled.

An Option that is not so exercised shall lapse at the end of the period during which that person is bound or entitled (unless it lapses earlier in accordance with rule 17 or is exchanged under rule 20).

19.9 If the court sanctions a compromise or arrangement under section 899 of the Companies Act 2006 which is for the purposes of a change of Control, the Board may decide that:

- (a) all Awards shall be Released in relation to the Releasable Number of Shares; and
- (b) an Award Holder may exercise all or any part of any Option (but not in respect of more than the Releasable Number of Shares) within a reasonable period to be specified by the Board for that purpose. The Board shall have discretion to determine that an Option that is not exercised by the end of that period shall lapse.

19.10 If any Shares, in one or a series of transactions, are sold resulting in the buyer and persons Acting in Concert with the buyer together acquiring Control of the Company, but the buyer is a company and its shareholders and the proportion of its shares held by each of them following completion of the sale are substantially the same as the shareholders and their shareholdings in the Company immediately before the sale, the Board may determine that this does not constitute a change of Control.

If the buyer offers to make such arrangements as the Board, in its reasonable opinion, considers to be fair, for new awards to be offered under rule 20 in exchange for Awards, then the Board may decide that any Awards that are not so exchanged shall lapse on such date as the Board shall specify.

If the buyer does not offer to make arrangements that the Board considers to be fair within 30 days after the buyer has acquired Control, then:

- (a) all Awards shall be Released on the 31st day following the buyer acquiring Control in relation to the Releasable Number of Shares and lapse in relation to the balance; and
- (b) an Award Holder may exercise all or any part of any Option (but not in respect of more than the Releasable Number of Shares) within the period starting 31 days and ending 90 days following the buyer acquiring Control. Any part of an Option that is not exercised by the end of that period shall lapse.

19.11 In rule 19 and rule 20, a person shall be deemed to have obtained Control of a company if that person, and others Acting in Concert with that person, have obtained Control of it together.

**19.1220.4** If the shareholders of the Company receive notice of a resolution for the voluntary winding up of the Company:

- (a) all Cash Awards shall be paid as soon as practicable following the passing of that resolution as to the Accelerated Cash Payment and lapse as to the balance;

(b) all Conditional Share Awards shall ~~be Released~~Vest upon the passing of that resolution in relation to the Releasable Number of Shares and lapse in relation to the balance; and

(c) any Award Holder may exercise an Option in respect of the Releasable Number of Shares at any time before that resolution is passed, conditional upon the passing of that resolution, and if the Award Holder does not exercise the Option, it shall lapse when the winding up begins. ~~The Board shall notify Award Holders of any event that is relevant to Awards under this rule 202020202019 within a reasonable period after the Board becomes aware of it.~~

~~The Board shall notify Award Holders of any event that is relevant to Awards under this rule 20 within a reasonable period after the Board becomes aware of it.~~

~~19.1320.5~~ For the avoidance of doubt, rule 20 is subject to rule 8.4 and rule 8.5.

## **20.21. Exchange of Awards**

~~21.1 If the Acquiror is a company, each Award Holder may, by agreement with the Acquiror within the Rollover Period, surrender any Award (Old Award) in exchange for a replacement right (New Award). A Cash Award shall not be paid as to the Accelerated Cash Payment in accordance with rule 20.2(a) and a Share Award that has not yet Vested shall not Vest in respect of the Releasable Number of Shares in accordance with rule 20.2(b) but in each case will be exchanged for a new award that, in the opinion of the Board, is equivalent to the Cash Award or the Share Award as the case may be to the extent that:~~

- ~~(a) an offer to exchange the Award is made and accepted by the Award Holder;~~
- ~~(b) there is an Internal Reorganisation, unless the Board determines otherwise; or~~
- ~~(c) the Board decides (before the relevant event) that an Award will be exchanged.~~

~~The new award may be over shares in and/or other securities issued by a different company (whether an acquiring company or a different company) and/or a right to receive a cash amount.~~

~~21.2 If an Award is exchanged under rule 21.1, the rules of this Plan will be construed in relation to the new award (the "New Award") as if:~~

- ~~(a) the New Award was an Award granted under the Plan at the same time as the Award;~~
- ~~(b) references to any Performance Condition were references to a new performance condition to which the New Award is subject;~~
- ~~(c) references to the Company were references to the company whose shares and/or other securities are subject to the New Award; and~~

(d) references to Shares were references to shares and/or other securities that are the subject of the New Award.

~~20.1 A New Award shall be granted on such terms and in relation to such shares of such company as the Acquirer and the Award Holder may agree.~~

~~20.2 The Rollover Period is a period specified by the Acquirer within which Award Holders may agree to surrender their Awards.~~

## **21.22. Variation of share capital**

~~21.122.1~~ This rule 22 applies where there is:

- (a) a variation of share capital of the Company;
- (b) a delisting; or
- (c) an extraordinary distribution to shareholders of the Company.

~~21.222.2~~ In this rule 22:

- (a) a variation of share capital includes a capitalisation issue, rights issue, consolidation, subdivision or reduction of capital, a vendor placing with clawback, a vendor rights offer or a cash open offer. However, a scrip dividend is not a variation of share capital.
- (b) an extraordinary distribution to shareholders includes a demerger or special dividend.

~~21.322.3~~ If notice is given to shareholders of the Company of a proposed extraordinary distribution or if a delisting is proposed, the Board shall determine whether the interests of Award Holders would or might be substantially prejudiced by the proposed extraordinary distribution.

If the Board does so decide, it may determine that:

- (a) some or all Cash Awards shall be paid as to the Accelerated Cash Payment;
- (b) some or all Awards shall ~~be Released~~Vest in relation to the Releasable Number of Shares; and
- (c) an Award Holder may exercise all or any part of any Option (but not in respect of more than the Releasable Number of Shares) within a reasonable period specified by the Board for that purpose and ending immediately before the record date for the extraordinary distribution or the date on which the delisting takes effect. The Board shall have discretion to determine that an Option that is not exercised by the end of that period shall lapse.

The Board may decide that the Release-Vesting of Awards and exercise of Options shall be conditional on the extraordinary distribution or delisting actually occurring and shall be treated as having no effect if the extraordinary distribution or delisting does not occur.

The Accelerated Cash Payment and the Releasable Number shall be determined in accordance with rule 20.1 as if the extraordinary distribution were a change of Control.

For the avoidance of doubt, if the Board does not determine that Awards shall be paid or Released shall Vest and Options may be exercised, the Board may nevertheless make an adjustment to the Awards under rule 22.4.

**21.422.4** If a variation of share capital or an extraordinary distribution occurs in respect of the Company and the Board considers that it has affected the value of Awards, the Board shall consider whether it is fair to adjust the terms of the Awards and, if so, the Board shall make such adjustment as it considers appropriate to:

- (a) the number of Shares subject to the Award; and
- (b) the class of Shares subject to the Award.

**21.522.5** The Board shall notify all affected Award Holders of any decision made under rule 22 within a reasonable time after making it.

### **22.23. Tax liabilities**

**22.123.1** Any Cash Award, including any Accelerated Cash Payment, will be subject to the deduction of income tax under PAYE and any NICs (and all and any other deductions required by law).

**22.223.2** The Award Holder shall indemnify each Employer Company in respect of any Tax Liability.

**22.323.3** The Acceptance Notice or Exercise Notice shall include the Award Holder's irrevocable agreement to:

- (a) pay the Tax Liability to the Employer Company; and
- (b) enter into arrangements to the satisfaction of the Company or Employer Company to pay the Tax Liability.

**22.423.4** If an Award Holder does not pay the Tax Liability within seven days of any Taxable Event the Company or Employer Company, as appropriate, may:

- (a) if the relevant Taxable Event is the exercise of an Option or the Release-Vesting of an Award, and the Shares are readily saleable at the time, retain and sell such number of Shares on behalf of the Award Holder as is necessary to meet the Tax Liability, and any costs of sale; or

(b) deduct the amount of any Tax Liability from any payments of remuneration made to the Award Holder on or after the date on which the Tax Liability arose except that, in the case of NICs, the Employer Company may only withhold such amount as is permitted by the Social Security (Contributions) Regulations 2001 (SI 2001/1004).

The Award Holder's obligations under rule 23.1 shall not be affected by any failure of the Company or Employer Company to withhold shares or deduct from payments of remuneration under this rule 23.4.

**22.5****23.5** It is a condition of the Release Vesting of a Conditional Share Award and exercise of an Option that the Award Holder enters into a joint election, under section 431(1) or 431(2) of ITEPA 2003, in respect of the Shares to be acquired on the Release Vesting of the Award or exercise of the Option, if required to do so by the Company or Employer Company, on or before the Release Vesting of the Award or exercise of the Option.

**22.6****23.6** The Acceptance Notice or Exercise Notice shall include a power of attorney appointing the Company as the Award Holder's agent and attorney for the purposes of rule 23.4 and rule 23.5.

#### **23.24.** Relationship with employment contract

**23.1****24.1** The rights and obligations of any Award Holder under the terms of an office or employment with any Group Company or former Group Company shall not be affected by being an Award Holder. Participation in the Plan does not create any right to continued employment for any Award Holder.

**23.2****24.2** The value of any benefit realised under the Plan by Award Holders shall not be taken into account in determining any pension or similar entitlements.

**23.3****24.3** Award Holders and Employees shall have no rights to compensation or damages on account of any loss in respect of Awards or the Plan where this loss arises (or is claimed to arise), in whole or in part, from:

- (a) termination of office or employment with; or
- (b) notice to terminate office or employment given by or to,

any Group Company or any former Group Company. This exclusion of liability shall apply however termination of office or employment, or the giving of notice, is caused, and however compensation or damages are claimed.

**23.4****24.4** Award Holders and Employees shall have no rights to compensation or damages from any Group Company or any former Group Company on account of any loss in respect

of Awards or the Plan where this loss arises (or is claimed to arise), in whole or in part, from:

- (a) any company ceasing to be a Group Company;
- (b) the transfer of any business from a Group Company to any person that is not a Group Company;
- (c) any exercise of a discretion or a decision taken in relation to an Award or to the Plan, or any failure to exercise a discretion or take a decision; or
- (d) the operation, suspension, termination or amendment of the Plan.

This exclusion of liability shall apply however the change of status of the relevant Group Company, or the transfer of the relevant business, is caused, and however compensation or damages are claimed.

**23.524.5** An Employee shall not have any right to receive Awards, whether or not the Employee has previously been granted any.

#### **24.25. Notices**

**24.425.1** Any notice or other communication given under or in connection with the Plan shall be in writing and shall be:

- (a) delivered by hand or by prepaid first-class post or other next working day delivery service at the **Appropriate Address**;

For the purposes of this rule 25.1, the Appropriate Address means:

- (i) in the case of the Company, its registered office, provided the notice is marked for the attention of the HR Director;
- (ii) in the case of an Award Holder, his-their home address; and
- (iii) in the case of an Award Holder who has died, and in respect of whom notice of the appointment of personal representatives is given to the Company, any contact address specified in that notice; or

- (b) sent by email to the **Appropriate Email Address**.

For the purposes of this rule 25.1, Appropriate Email Address means:

- (i) in the case of the Company, HR@ajbell.co.uk or such other email address as may be notified to an Award Holder in accordance with this rule **24.25** from time to time; and
- (ii) in the case of an Award Holder who is permitted to access personal emails at work, the work email address.

24.225.2 Any notice or other communication given under this rule 25 shall be deemed to have been received:

- (a) if delivered by hand, on signature of a delivery receipt, or at the time the notice is left at the appropriate address;
- (b) if sent by prepaid first-class post or other next working day delivery service, at 9.00 am on the second Business Day after posting, or at the time recorded by the delivery service; and
- (c) if sent by email, at 9.00 am on the next Business Day after sending.

#### **25.26. Administration and amendment**

25.126.1 The Board shall administer the Plan.

25.226.2 The Board may amend the Plan from time to time, but:

- (a) The Board may not amend the Plan if the amendment:
  - (i) applies to Awards granted before the amendment was made; and
  - (ii) materially adversely affects the interests of Award Holdersunless all Award Holders who may be affected by the amendment have been invited to indicate whether or not they approve of the amendment and the amendment is approved by a majority of those Award Holders who have so indicated.
- (b) While Shares are admitted to the Official List maintained by the United Kingdom Listing Authority, the Board may not make any amendment to the advantage of Award Holders or Employees if that amendment relates to:
  - (i) the definition of Employee;
  - (ii) the basis for determining An Award Holder's entitlement to, and the terms of, Shares or cash to be provided under the Plan
  - (iii) rule 5 or rule 6 or rule 22; or
  - (iv) the terms of this rule 25.2(b),without the prior approval of the Company in general meeting (except for 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 Award Holders or for a Group Company).

25.326.3 The cost of establishing and operating the Plan shall be borne by the Group Companies in proportions determined by the Board.

25.426.4 Any decision under rule 7.2(b), rule 9, rule 10, rule 11, rule 17.6, rule 18.6 or rule 19.6, and whether to consider making such a decision, shall be entirely at the discretion of the Board.

25.526.5 The Board shall determine any question of interpretation and settle any dispute arising under the Plan, including determining whether anything is material. In these matters, the Board's decision shall be final.

25.626.6 In making any decision or determination, or exercising any discretion under the rules, the Board shall act fairly and reasonably and in good faith.

25.726.7 The Company shall not be obliged to notify any Award Holder:

- (a) if an Option is due to lapse; or
- (b) when an Option is due to, or has, become exercisable.

25.826.8 The Company shall not be obliged to provide Award Holders with copies of any materials sent to the holders of Shares.

## **26.27. Third party rights**

26.127.1 A person who is not a party to an Award shall not have any rights under or in connection with it as a result of the Contracts (Rights of Third Parties) Act 1999 except where these rights arise under any rule of the Plan for any Employer Company that is not a party to an Award.

This does not affect any right or remedy of a third party that exists, or is available, apart from the Contracts (Rights of Third Parties) Act 1999.

26.227.2 The rights of the parties to an Award to surrender, terminate or rescind it, or agree any variation, waiver or settlement of it, are not subject to the consent of any person that is not a party to the Award as a result of the Contracts (Rights of Third Parties) Act 1999.

## **27.28. Data protection**

For the purpose of operating the Plan, the Company will collect and process information relating to Employees and Award Holders in accordance with the privacy notice which is on the Company intranet.

## **28.29. Governing law**

The Plan and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.

## **29.30. Jurisdiction**

**29.130.1** Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with the Plan or its subject matter or formation (including non-contractual disputes or claims).

**29.230.2** Each party irrevocably consents to any process in any legal action or proceedings under rule 30.1 being served on it in accordance with the provisions of the Plan relating to service of notices. Nothing contained in the Plan shall affect the right to serve process in any other manner permitted by law.