

To be proposed at the AGM of OSB GROUP PLC on 7 May 2026

OSB GROUP PLC

RULES OF THE OSB GROUP PLC PERFORMANCE SHARE PLAN 2020

Directors' adoption: 25 August 2020
Expiry date: 30 November 2030

Shareholder approval of amendments: [\[7\] May 2026](#)

**SLAUGHTER AND MAY
One Bunhill Row
London EC1Y 8YY**

Ref: IAB

[566306118593151088](#)

The OSB GROUP PLC Performance Share Plan 2020

Introduction

This introduction does not form part of the rules. An Award under the Plan can take the form of:

- **a nil or nominal cost option** - which is a right to acquire Shares during the Exercise Period either for nothing or for the Shares' nominal value; or
- **a conditional award** - which is a right to be given Shares automatically on Vesting (or at the end of the Holding Period, if applicable).

Awards may be subject to: (i) one or more Performance Conditions; and/or (ii) a post-Vesting Holding Period. Following Vesting or (if applicable) the end of the Holding Period, Awards will be satisfied by the issue of new Shares or the transfer of "market purchase" Shares or treasury Shares to the Participant.

Definitions

In these rules:

"Acquiring Company" has the meaning given in rule 8.3.1;

"Admission" means the admission of the Shares to the Official List and to trading on the main market for listed securities of the London Stock Exchange becoming effective in accordance with LR 3.2.7G of the Listing Rules and paragraph 2.1 of the Admission and Disclosure Standards published by the London Stock Exchange;

"Award" means a Conditional Award or an Option;

"Award Certificate" has the meaning given in rule 1.5.1;

"Award Date" means the date which the Committee specifies for the grant of an Award;

"Business Day" means a day on which the London Stock Exchange (or, if relevant and if the Committee determines, any other stock exchange nominated by the Committee on which the Shares are traded) is open for the transaction of business;

"Committee" means, subject to rule 8.4, the Group Remuneration Committee of the Board of Directors of the Company, or any sub-committee or person duly authorised by it;

"Company" means OSB GROUP PLC (registered no. 11976839);

"Conditional Award" means a conditional right to acquire Shares granted under the Plan;

"Control" means, in relation to a body corporate, the power of a person to secure by means of the holding of shares or the possession of voting power in or in relation to that or any other body corporate, or as a result of any powers conferred by the articles of association, or other document regulating that or any other body corporate, that the affairs of the first mentioned body corporate are conducted in accordance with the wishes of that person;

"Dealing Restrictions" means restrictions imposed by statute, order, regulation or Government directive, or by the Market Abuse Regulation or any dealing policy adopted by the Company;

“Directors’ Remuneration Policy” means the directors’ remuneration policy within the meaning of section 421(2A) of the Companies Act 2006;

“Exercise Period” means, in relation to an Option, the period beginning on the Release Date or, if there is no Holding Period, on the Vesting Date and ending on the tenth anniversary of the Award Date (unless the Committee determines a shorter period under rule 2.1);

“Expiry Date” means ~~F~~30 November 2030, being the tenth anniversary of Admission;

“Holding Period” means a period beginning on the Vesting Date and ending on the Release Date as determined by the Committee in accordance with rule 2.1;

“Listing Rules” means the rules relating to admission to the Official List;

“Market Abuse Regulation” means the EU Market Abuse Regulation (596/2014) and any delegated acts, technical standards and guidelines produced pursuant to that regulation;

“Member of the Group” means:

- (i) the Company;
- (ii) its Subsidiaries from time to time; and
- (iii) any other company which is associated with the Company and is so designated by the Committee,

and **“Group”** will be construed accordingly;

“Official List” means the list maintained by the Financial Conduct Authority for the purposes of section 74(1) of the Financial Services and Markets Act 2000;

“OneSavings Bank” means OneSavings Bank plc (registered no. 07312896);

“Option” means a right to acquire Shares granted under the Plan in the form of a nil or nominal cost option;

“Option Exercise Date” has the meaning given in rule 4.2.2;

“Participant” means a person holding an Award or his personal representatives (or, in relation to rule 5, a person who has held an Award or his personal representatives);

“Performance Conditions” means any performance conditions imposed under rule 1.3;

“Performance Period” means the period in respect of which the Performance Conditions are to be satisfied as determined by the Committee in accordance with rule 1.3;

“Plan” means the plan constituted by these rules known as “The OSB GROUP PLC Performance Share Plan 2020”, as amended from time to time;

“Pro-Rating Period” means, in relation to an Award subject to a Performance Condition, the Performance Period and, in relation to an Award which is not subject to a Performance Period, the period beginning on the Award Date and ending on the Vesting Date;

“Recovery Period” has the meaning given in rule 5.1;

“Recruitment Award” means an Award granted to facilitate an individual's recruitment to a Member of the Group to compensate him for awards forfeited as a result of leaving his former employer;

“Regulatory Information Service” means a service that is approved by the Financial Conduct Authority as meeting the Primary Information Provider criteria and is on the list of Regulatory Information Services maintained by the Financial Conduct Authority;

“Release” means, in relation to an Award that is subject to a Holding Period, the Participant becoming entitled to receive the Shares subject to a Conditional Award or exercise an Option, and **“Released”** will be construed accordingly;

“Release Date” means the date specified under rule 2.1.7, on which the Award will normally be Released;

“Relevant Employee Share Plan” means an employee share plan operated by a Member of the Group, other than an employee share plan which has been registered with HM Revenue & Customs for the purposes of the Income Tax (Earnings and Pensions) Act 2003;

“Retained Portion” means the percentage of the Shares subject to an Option or a Conditional Award to be retained during the Holding Period and specified under rule 2.1 and, unless the Committee determines otherwise on or before the grant of an Award, the Retained Portion will be 100 per cent or, where any tax or social security contributions arise on Vesting, the Shares remaining (or that would have remained) after sale of sufficient Shares to meet such tax or social security contributions;

“Shares” means fully paid ordinary shares in the capital of the Company;

“Subsidiary” means a company which is a subsidiary of the Company within the meaning of section 1159 of the Companies Act 2006;

“Summary Dismissal” means, in relation to a Participant, the termination of the Participant's employment with a Member of the Group in circumstances where that Member of the Group is entitled to terminate the Participant's employment contract summarily without payment;

“Vest” means:

- (i) in relation to an Award which is subject to a Holding Period, the Participant becoming entitled, subject to these rules, to receive the Shares subject to a Conditional Award on the Release Date or exercise an Option during the Exercise Period; and
- (ii) in relation to an Award which is not subject to a Holding Period, the Participant becoming entitled to receive the Shares subject to a Conditional Award or exercise an Option,

and **“Vesting”**, **“Vested”** and **“Unvested”** will be construed accordingly; and

“Vesting Date” means the date specified under rule 2.1.6, on which the Award will normally Vest.

References in these rules to any statutory provision are to that provision as amended or re-enacted from time to time (and any regulations made under it), and, unless the context otherwise requires, words in the singular will include the plural and vice versa and words importing the masculine will include the feminine and vice versa.

1. Grant of Awards

1.1 Eligibility

The Committee may, subject to any Dealing Restrictions, grant an Award to any current employee (including an Executive Director) of the Company or any Subsidiary.

1.2 Timing of Award

Awards may not be granted at any time after the Expiry Date. Awards may only be granted:

1.2.1 within the period of 42 days beginning on:

- (i) Admission;
- (ii) the Business Day after the day on which the Company's results are announced through a Regulatory Information Service for any period; or
- (iii) the day on which the Directors' Remuneration Policy (or any amendment to it) is approved by the Company in general meeting; or
- (iv) to the extent Dealing Restrictions apply at any time during the periods referred to in (i) to (iii) above, the day on which the grant of Awards is no longer prohibited by any Dealing Restrictions; or

1.2.2 on any other day on which the Committee resolves that exceptional circumstances exist which justify the grant of Awards.

1.3 Performance Conditions

1.3.1 When granting an Award, the Committee may make its Vesting conditional on the satisfaction of one or more conditions determined by the Committee linked to the performance of the Company. When granting any Award (other than a Recruitment Award) to Executive Directors of the Company, the Committee must make its Vesting conditional on the satisfaction of one or more such conditions to the extent required by the Directors' Remuneration Policy.

1.3.2 Any Performance Conditions must be specified at the Award Date. The Committee may amend a Performance Condition either:

- (i) in accordance with its terms; or
- (ii) if anything happens which causes the Committee reasonably to consider it appropriate

provided that the Committee considers that any amended Performance Condition will not be materially less or more challenging to satisfy than the original condition would have been but for such circumstances occurring.

- 1.3.3 When the Committee grants an Award which is subject to one or more Performance Conditions, the Committee must also determine the Performance Period relating to such Performance Condition(s).

1.4 **Other conditions**

- 1.4.1 The Committee may impose other conditions additional to these rules on the Vesting of an Award, provided that they are specified at the Award Date.

- 1.4.2 The Committee may waive or amend any such condition either:

- (i) in accordance with its terms; or
- (ii) if anything happens which causes the Committee reasonably to consider it appropriate.

1.5 **Award Certificate**

- 1.5.1 Each Participant will receive a certificate (in such form as the Committee may determine) specifying out the terms of the Award as soon as reasonably practicable after the Award Date (an "**Award Certificate**"). The Award Certificate may be the deed referred to in rule 2.1 or any other document determined by the Committee. The Award Certificate may be sent by email or other electronic means. If any Award Certificate is lost or damaged the Committee may replace it on such terms as it determines.

- 1.5.2 Unless the Committee determines otherwise, a Participant must, before a date specified by the Committee and notified to the Participant, agree in writing to be bound by these rules and the terms of the Award Certificate. If the Participant does not do so, the Committee may determine that either:

- (i) his Award lapses; or
- (ii) his Award will not Vest until he does so agree in writing.

1.6 **No payment**

A Participant is not required to pay for the grant of any Award.

1.7 **Administrative errors**

If the Committee tries to grant an Award which is inconsistent with rule 10, the Award will be limited and will take effect from the Award Date on a basis consistent with that rule.

2. Form of Awards

2.1 Terms of Awards

Awards must be granted by deed, in such form as the Committee determines. The terms of the Award, as determined by the Committee, must be specified in the deed. These should include:

- 2.1.1 whether the Award is:
 - (i) a Conditional Award; or
 - (ii) an Option (and if so, a nominal cost or nil cost option),
or a combination of the above;
- 2.1.2 the number of Shares subject to the Award;
- 2.1.3 the Award Date;
- 2.1.4 the Performance Conditions, if applicable;
- 2.1.5 any other condition imposed under rule 1.4;
- 2.1.6 the Vesting Date;
- 2.1.7 whether a Holding Period applies and if it does, the Release Date(s) applicable to the Award and the percentage of the Award that is the Retained Portion;
- 2.1.8 whether and on what basis rule 2.3 applies to the Award;
- 2.1.9 if the Award is an Option, the Exercise Period; and
- 2.1.10 whether the Participant is entitled to receive any cash or Shares under rule 4.5.

2.2 Awards in tranches

The Committee may grant an Award in any number of tranches, where the terms (as referred to in rule 2.1) of each tranche are different. In these circumstances, the rules of the Plan will be interpreted as if each tranche was a standalone Award.

2.3 Post-tax holding of Shares

The Committee may determine on or before the grant of an Award that, except in the case of death, a Participant may not, without the prior consent of the Committee (and subject to such conditions as the Committee may impose), transfer, assign, charge or otherwise dispose of any Shares in respect of which the Award has Vested or any rights in respect of them until such date as the Committee determines. This rule 2.3 will apply whether or not a Participant ceases (or has ceased) to be employed by any Member of the Group (unless the Committee, in its absolute discretion, decides otherwise).

3. Vesting of Awards

3.1 ~~Timing of Vesting and Release~~

- 3.1.1 Subject to rules 6 and 8, an Award will Vest on the latest of the following:
- (a) the date on which the Committee makes its determination under rule 3.3 of the extent to which Awards will Vest;
 - (b) the Vesting Date;
 - (c) the date on which the Committee determines that any investigation ongoing on the Vesting Date into the conduct or actions of any Participant or any Member of the Group in connection with the Award has been completed and that it does not wish to undertake any action specified in rule 5 in respect of such investigation;
 - (d) in the case of a Conditional Award which is not subject to a Holding Period, the date on which the Participant enters into arrangements satisfactory to the Committee to discharge the Participant's obligations under rule 4.7; and
 - (e) the date on which any Dealing Restrictions which would prevent dealing by the Participant in the Shares subject to the Award on the dates specified in rules 3.1.1(a) to (d) cease to apply.
- 3.1.2 Subject to rules 6 and 8, an Award subject to a Holding Period will then be Released on the latest of the following:
- (a) the Release Date;
 - (b) the date on which the Committee determines that any investigation ongoing on the Release Date into the conduct or actions of any Participant or any Member of the Group in connection with the Award has been completed and that it does not wish to undertake any action specified in rule 5 in respect of such investigation;
 - (c) in the case of a Conditional Award, the date on which the Participant enters into arrangements satisfactory to the Committee to discharge the Participant's obligations under rule 4.7; and
 - (d) the date on which any Dealing Restrictions which would prevent dealing by the Participant in the Shares subject to the Award on the dates specified in rules 3.1.2 (a) to (c) cease to apply.

Determination of Performance Conditions and other conditions

- 3.1.3 Subject to rule 3.2.2 below, as soon as reasonably practicable after the end of the Performance Period, the Committee will determine whether and to what extent any Performance Conditions and any other conditions imposed under rule 1.4 have been satisfied.

3.1.4 Where the Award Vests under rule 6 or 8, the Committee will have the absolute discretion to determine the extent to which the Performance Conditions have been satisfied either:

- (i) up to the date the Participant ceased to be an employee of the Group (where rule 6 applies) or the relevant corporate event occurs (where rule 8 applies), measured against the most recent information available or information to become shortly available to the Committee at that time, as determined by the Committee; or
- (ii) over the full Performance Period, having regard to actual or projected performance.

3.2 **Extent of Vesting**

3.2.1 The Committee will determine the extent to which an Award will Vest, taking into account:

- (i) the extent to which the Performance Conditions and any other conditions imposed under rule 1.4 have been satisfied;
- (ii) the underlying performance of the Company;
- (iii) such other factors as the Committee may, in its absolute discretion, consider relevant; and
- (iv) if an Award is Vesting under rule 6 or 8, unless the Committee determines otherwise, the proportion of the Pro-Rating Period that has elapsed on the date the Participant ceases to be an employee of the Group (where rule 6 applies) or the date on which the relevant corporate event occurs (where rule 8 applies).

3.2.2 If an Award Vests under rule 6.3 or 8 after the Participant has ceased to be an employee of the Group in accordance with rule 6.2, the factors specified in rules 3.3.1(i) and 3.3.1(iv) will, unless the Committee determines otherwise, be assessed by reference to the period ending on the date the Participant ceased to be an employee of the Group.

3.2.3 To the extent the Committee determines in accordance with rule 3.3.1 that an Award will not Vest it will lapse immediately.

3.2.4 If an Award lapses under any provision of the Plan it cannot subsequently Vest and a Participant has no rights in respect of it.

4. **Consequences of Vesting**

4.1 **Conditional Awards**

Subject to rules 4.7 and 12.10 and any Dealing Restrictions, the Company will, within 30 days of the date on which a Conditional Award is Released (or, if no Holding Period

applies, the date on which the Conditional Award Vests), arrange for the transfer (including a transfer out of treasury) of, or issue to or to the order of the Participant, the number of Shares in respect of which the Award has Vested.

4.2 Options

4.2.1 A Participant may, subject to any Dealing Restrictions, exercise his Option at any time during the Exercise Period (or any exercise period provided for under rule 6 or 8) by:

- (i) giving notice in the prescribed form to the Company or any person nominated by the Company;
- (ii) enclosing the relevant Award Certificate (if required by the Committee); and
- (iii) in the case of a nominal cost Option, paying to the Company the amount of the nominal value of each Share in respect of which the Option is exercised (or giving an undertaking in a form acceptable to the Committee to make that payment).

4.2.2 The “**Option Exercise Date**” will be the date of receipt by the Company or its duly appointed agent of the notice (and, if relevant, the Award Certificate, payment and/or undertaking) referred to in rule 4.2.1. However, if an option exercise notice is received at a time when:

- (a) any Dealing Restrictions would prohibit the exercise of Options by the Participant, the Option Exercise Date will be the first Business Day when such prohibitions cease to apply; or
- (b) the Participant has not entered into arrangements satisfactory to the Committee to discharge the Participant’s obligations under rule 4.7, the Option Exercise Date will be the first Business Day when such arrangements come into force.

4.2.3 Subject to rules 4.7 and 12.10 and any Dealing Restrictions, the Company will arrange for Shares to be transferred to or issued to the Participant within 30 days of the Option Exercise Date.

4.3 Lapse of Options

The Option will lapse to the extent that it has not been exercised at the end of the Exercise Period, unless it lapses earlier in accordance with these rules. However, the Committee may permit a Participant to exercise Vested Options within any period it determines that is longer than the periods permitted for exercise specified in these rules.

4.4 Rights

Shares issued or transferred on the exercise of an Option or the Vesting or Release of a Conditional Award will rank equally in all respects with the Shares in issue at the point of

issue or transfer, except as specified in these rules. They will not rank for any rights attaching to Shares by reference to a record date before the date of issue or transfer. Where Shares are transferred (including a transfer out of treasury) on the exercise of an Option or the Vesting or Release of a Conditional Award, the Participant will be entitled to all rights attaching to the Shares by reference to a record date on or after the transfer date. The Participant will not be entitled to rights before that date, subject to rule 4.5.

4.5 **Dividend equivalent**

4.5.1 If the Committee so determines and only to the extent permitted by any relevant law or regulation, Awards will include the right to receive, subject to rule 4.7, an amount equal in value to the dividends which would have been payable on the number of Shares that the Committee has determined will Vest in accordance with rule 3.3.1 in relation to dividends, the relevant record dates being the record dates which fall within the period determined by the Committee beginning no earlier than the Award Date and ending on:

- (i) the Release Date; or
- (ii) if there is no Holding Period, the Vesting Date; or
- (iii) in either case, any earlier date the Participant receives cash or Shares in satisfaction of his Award ("**dividend equivalents**").

4.5.2 The amount of any dividend equivalents will be paid in cash unless the Committee decides it will be paid (in full or in part) in Shares. Dividend equivalents will be paid to any relevant Participant as soon as reasonably practicable after the delivery of Shares under rule 4.1 or, in the case of an Option, after exercise.

4.5.3 The Committee may decide that the dividend equivalents will assume the re-investment of such dividend equivalents on such basis as the Committee determines.

4.5.4 The Committee may at any time decide to disapply this rule 4.5 in relation to all or part of a special dividend or dividend in specie which may otherwise be covered by this rule 4.5.

4.6 **Alternative ways to satisfy Awards**

The Committee may decide to satisfy all or part of an Award by paying an equivalent amount in cash (subject to rule 4.7). For Conditional Awards, the cash amount must be equal to the Market Value of the relevant Shares on the Business Day before the date on which the Conditional Award Vests (or, if the Award is subject to a Holding Period, the date it is Released). For Options, the cash amount must be equal to the Market Value of the relevant Shares on the Business Day before the Option Exercise Date. The Company may determine that Awards will be satisfied in cash at the Award Date or at any time subsequently.

For the purposes of this rule 4.6 only, “**Market Value**” will be calculated by reference to the closing middle-market quotation of a Share or on such other basis as the Committee determines.

4.7 **Withholding**

The Company, any employing company (or former employing company) of the Participant or the trustee of any employee benefit trust may make such arrangements as it considers necessary to meet any liability to taxation, duties, social security contributions or other amounts in respect of Awards or otherwise in connection with a person’s participation in the Plan, whether (to the extent permitted by law) the liability is a liability of, or is payable by, the Participant, the Company, the employing company or the trustee. These arrangements may include a reduction in the number of Shares subject to an Award and/or the exercise of an Option on behalf of the Participant and/or the sale on behalf of the Participant of any of the Shares to which he is entitled under the Plan and the retention of the sale proceeds to meet the liability. References to social security contributions include anything in a jurisdiction outside the United Kingdom which, in the Committee’s opinion, is reasonably comparable to social security contributions.

The Participant authorises the Company to sell on his behalf sufficient Shares subject to his Award to discharge any liability to taxation, duties or social security contributions arising in connection with that Award that any current or former Member of the Group is required to withhold and any related costs associated with that sale. In facilitating such a sale, the Company may appoint a broker of its choosing.

5. **Recovery of Awards**

5.1 **Length of Recovery Period**

5.1.1 The period during which the Committee may undertake any of the actions specified in rules 5.3, 5.4 and 5.5 (the “**Recovery Period**”) will, subject to rule 5.1.2, be the period of seven years beginning on the Award Date.

5.1.2 If an investigation into the conduct or actions of any Participant or any Member of the Group has started before, but has not been completed by, the end of the Recovery Period, the Committee may, in its absolute discretion, determine that the terms of rules 5.3, 5.4 and 5.5 may be applied to an Award until such later date as the Committee may determine to allow that investigation to be completed and for the Committee to consider its findings and determine whether it wishes to undertake any action specified in rules 5.3, 5.4 and 5.5.

5.2 **Recovery triggers**

5.2.1 Notwithstanding any other rule, the Committee may, on such basis as it considers in its absolute discretion to be fair, reasonable and proportionate, undertake:

- (i) where one or more of the events specified in rule 5.2.2 a) to 5.2.2 m) occurs, any of the actions specified in rule 5.3; and
- (ii) where one or more of the events specified in rule 5.2.2 a) to 5.2.2 j) occurs, any of the actions specified in rule 5.4

at any time before the end of the Recovery Period.

5.2.2 The events referred to in rule 5.2.1 are:

- a) a material misstatement in the published results of the Company or Group or any Member of the Group;
- b) an error in assessing any applicable Performance Conditions and/or the number of Shares subject to an Award;
- c) the assessment of any applicable Performance Conditions and/or the number of Shares subject to an Award being based on inaccurate or misleading information;
- d) a material failure of risk management by a Member of the Group or a business unit within the Group;
- e) a material breach of any applicable law, regulation or code of practice by a Member of the Group, a business unit within the Group or a Participant;
- f) gross misconduct on the part of the Participant concerned or the Participant failing to meet the required standards of fitness and propriety;
- g) the discovery by the Committee of reasonable evidence of the Participant's misbehaviour or material error;
- h) where, as a result of an appropriate review of accountability, the Committee determines that the Participant has caused wholly or in part, or had management oversight over, a material loss for the Company or Group as a result of:
 - 1) reckless, negligent or wilful actions or omissions; or
 - 2) inappropriate values or behaviour;
- i) a Member of the Group is censured by a regulatory body or suffers, in the Committee's opinion, a significant detrimental impact on its reputation, provided that the Committee determines that, following an appropriate review of accountability, the Participant was responsible for, or had management oversight over, the actions, omissions or behaviour that gave rise to that censure or detrimental impact;
- j) the Company or entities representing a material proportion of the Group becomes insolvent or otherwise suffers a corporate failure so that ordinary shares in the Company cease to have material value, provided that the Committee determines, following an appropriate review of accountability, that the Participant should be held responsible (in whole or in part) for that insolvency or failure;

- k) a material downturn in the financial performance of a Member of the Group or a business unit within the Group;
- l) where the Committee determines, in its discretion, that there is a difference between the risk estimates of a Member of the Group and any actual outcomes; and
- m) where the Committee determines, in its discretion, that the satisfaction of the Award would negatively impact the sustainable financial situation of a Member of the Group.

5.2.3 For the purposes of this rule 5, references to Members of the Group include references to former Members of the Group.

5.3 **Malus**

5.3.1 The Committee may, in its absolute discretion, at any time during the Recovery Period:

- (i) cancel, or reduce the number of Shares subject to, an Award; and/or
- (ii) impose additional conditions on an Award.

5.3.2 If an Award is cancelled or reduced in accordance with rule 5.3.1, that Award will be treated (to the relevant extent) as having lapsed.

5.3.3 The Company must notify the Participant as soon as reasonably practicable after the Committee has taken any action in accordance with rule 5.3.1.

5.4 **Clawback**

5.4.1 The Committee may, in its absolute discretion, at any time during the Recovery Period require the Participant to transfer to the Company (or the trustee of any employee benefit trust, if required by the Company):

- (i) all or some of the Shares acquired under the Award; or
- (ii) a cash payment in respect of all or some of the Shares acquired under the Award.

5.4.2 In determining the number of Shares to be transferred and/or the cash payment to be made in accordance with rule 5.4.1, the Committee will take into account the amount of tax and social security contributions actually paid (or due to be paid) by the Participant in respect of the acquisition of the relevant Shares under the Award and whether, in its opinion, the Participant can claim relief from any such tax and social security contributions.

5.5 **Recovery mechanisms**

5.5.1 In place of requiring the Participant to take the action referred to in rule 5.4, the Committee may, in its absolute discretion, during the Recovery Period:

- (i) reduce the amount of any future payments in connection with the Plan or under discretionary bonus plans or other incentive arrangements;
- (ii) reduce the number of Shares that would become available to the relevant Participant upon the vesting of any unvested share award granted under any Relevant Employee Share Plan and held by the relevant Participant; and/or
- (iii) reduce the number of shares over which a vested but unexercised share award granted under any Relevant Employee Share Plan and held by the relevant Participant may be exercised

on such basis that the Committee considers in its absolute discretion to be fair, reasonable and proportionate.

5.5.2 The Committee may take any action referred to in rule 5.3.1 to give effect to the operation of any withholding or recovery provisions similar to this rule 5 in any Relevant Employee Share Plan, discretionary bonus plan or other incentive arrangement operated by a Member of the Group.

5.5.3 In the event of any of the transactions referred to in rule 8, the Committee must determine whether the completion of such transaction will affect its ability to require clawback before the relevant event becomes effective.

6. Leaving the Group

6.1 General rule on leaving employment

6.1.1 Unvested Awards will lapse on the date the Participant ceases to be an employee of the Group unless rule 6.2 or 6.3 applies.

6.1.2 If a Participant ceases to be an employee of the Group during any Holding Period applicable to a Vested Award for any reason other than his Summary Dismissal, it will, subject to rules 6.1.3, 6.2.6, 6.3 and 8, be Released on the Release Date. Any Awards structured as Options may, subject to rule 8, be exercised for a period of 12 months beginning on the Release Date, after which time they will lapse.

6.1.3 If a Participant ceases to be an employee of the Group during any Holding Period applicable to a Vested Award for any reason other than his Summary Dismissal, the Committee may determine that it will, subject to rule 6.2.6, be Released on the date of cessation of employment (or such other date before the Release Date as the Committee may determine). Any Awards structured as Options may, subject to rule 8, be exercised for a period of 12 months beginning on the date of cessation of employment (or such other date before the Release Date as the Committee may determine), after which time they will lapse.

6.1.4 If a Participant ceases to be an employee of the Group, for any reason other than his Summary Dismissal, holding Vested Options which are not or are no

longer subject to a Holding Period, they may, subject to rules 6.2.6 and 8, be exercised for a period of 12 months beginning on the date of cessation of employment, after which time they will lapse.

- 6.1.5 If a Participant ceases to be an employee of the Group because of his Summary Dismissal, all his Awards (whether Vested or not) lapse.

6.2 Leaving as a “good leaver” - Unvested Awards

- 6.2.1 If a Participant ceases to be an employee of the Group because of:

- (i) ill-health, injury or disability, in each case evidenced to the satisfaction of the Committee;
- (ii) redundancy;
- (iii) the Participant's employing company ceasing to be under the Control of the Company;
- (iv) a transfer of the undertaking, or the part of the undertaking, in which the Participant works to a person which is neither under the Control of the Company nor a Member of the Group; or
- (v) any other reason, at the discretion of the Committee

then his Unvested Awards will, subject to rules 6.2.2, 6.2.6 and 8, Vest on the date determined in accordance with rule 3.1 to the extent determined in accordance with rule 3.3.

- 6.2.2 If a Participant ceases to be an employee of the Group for one of the reasons specified in rules 6.2.1(i) to 6.2.1(v), the Committee may, in its absolute discretion, decide that his Unvested Awards will Vest on the date of cessation of employment (or such other date before the Vesting Date as the Committee may determine) to the extent determined in accordance with rule 3.3.

- 6.2.3 Where the determination as to whether a Participant has ceased to be an employee for one of the reasons specified in rules 6.2.1(i) to 6.2.1(v) depends on a decision of the Committee, it may, in its absolute discretion, delay such decision until the date determined in accordance with rule 3.1 and base its decision on all relevant circumstances (including, without limitation, the achievement of any applicable Performance Conditions over the Performance Period, whether the Participant has complied with any applicable restrictive covenants and/or, if the Participant retired from the Group, whether the Participant has remained in retirement).

- 6.2.4 The Award will remain subject to any Holding Period following Vesting, unless the Committee, in its absolute discretion, determines otherwise.

- 6.2.5 Awards structured as Options may then (to the extent Vested and subject to rule 8) be exercised for a period of 12 months beginning on:

- (i) if the Award is subject to a Holding Period, the Release Date (or such other date as the Committee may determine in accordance with rule 6.2.4); and
- (ii) if the Award is not subject to a Holding Period, the Vesting Date, unless rule 6.2.2 applies, when the 12 month period will begin on the date determined by the Committee in accordance with that rule,

after which time, they will lapse.

6.2.6 If a Participant ceases to be an employee of the Group for one of the reasons specified in rules 6.2.1(iii) or 6.2.1(iv), the Committee may determine that:

- (i) an Unvested Award will not Vest under rule 6.2.1;
- (ii) a Vested Award subject to a Holding Period will not be Released under rule 6.1.2; and
- (iii) a Vested Option will not lapse under rule 6.1.4

but will be automatically exchanged under rule 9.

6.3 **Death**

If a Participant dies:

- 6.3.1 his Unvested Awards will Vest on the date of death to the extent determined in accordance with rule 3.3;
- 6.3.2 his Vested Awards subject to a Holding Period will be Released on the date of death; and
- 6.3.3 Awards structured as Options may then (to the extent Vested and subject to rule 8) be exercised for a period of 12 months beginning on the date of death, after which time they will lapse.

Alternatively, the Committee may, in its absolute discretion, decide that Unvested Awards will Vest, subject to rule 8, on the date determined in accordance with rule 3.1 (and Vested Awards subject to a Holding Period will, subject to rule 8, be Released on the Release Date), in which case the provisions in rule 6.2 will apply *mutatis mutandis*, except that Unvested Awards will not be subject to a Holding Period (unless the Committee, in its absolute discretion, decides otherwise).

6.4 **Meaning of “ceasing to be an employee of the Group”**

For the purposes of rule 3 and this rule 6, a Participant will not be treated as ceasing to be an employee of the Group until he ceases to be an employee of all Members of the Group and does not recommence employment with a Member of the Group within 7 days, unless the Committee determines that a Participant will be treated as ceasing to be an employee of the Group on the date that he gives or receives notice of termination of his employment.

If a Participant ceases to be an employee of the Group but remains a director of a Member of the Group, the Committee may determine that, for the purposes of rule 3 and this rule 6, that Participant will not be treated as ceasing to be an employee of the Group until he also ceases to be a director of that Member of the Group.

7. Variations of share capital, demergers and special distributions

7.1 Adjustment and automatic exchange of Awards

If there is:

- 7.1.1 a variation of the equity share capital of the Company, including a capitalisation or rights issue, sub-division, consolidation or reduction of share capital;
- 7.1.2 a demerger (in whatever form) or exempt distribution by virtue of section 1075 of the Corporation Tax Act 2010;
- 7.1.3 a special dividend or distribution; or
- 7.1.4 any other transaction which will materially affect the value of Shares,

the Committee may:

- (i) adjust the number or class of Shares or securities comprised in, the exercise price of and/or any Performance Condition applicable to an Award as it considers appropriate; or
- (ii) decide before the occurrence of any event specified in rule 7.1.1 to 7.1.4 that an Award will be automatically exchanged under rule 9.

7.2 Notice

The Company will notify Participants of any adjustment or automatic exchange made under this rule 7.

8. Takeovers

8.1 Takeovers and winding up

Subject to rule 8.3, where:

- 8.1.1 a person (or a group of persons acting in concert) obtains Control of the Company as a result of making an offer to acquire Shares;
- 8.1.2 a person (or a group of persons acting in concert) having obtained Control of the Company makes an offer to acquire all the Shares he does not already own;
- 8.1.3 a court sanctions a compromise or arrangement pursuant to section 899 of the Companies Act 2006 in connection with the acquisition of Shares; or
- 8.1.4 a resolution is passed or an order is made for the winding up of the Company

then:

- (i) an Unvested Award will Vest to the extent determined in accordance with rule 3.3; and
- (ii) a Vested Award subject to a Holding Period will be Released on the Effective Date.

8.1.5 For the purposes of this rule 8.1, the “**Effective Date**” will be:

- a) where rule 8.1.1 or 8.1.2 applies, the offer becoming unconditional in all respects;
- b) where rule 8.1.3 applies, the date on which the compromise or arrangement becomes effective, unless the Committee determines that an alternative date should be used; and
- c) where rule 8.1.4 applies, the date the resolution is passed or the order is made for the winding up of the Company.

8.1.6 Any Award structured as an Option (whether it Vested or was Released under this rule 8.1 or otherwise) may be exercised for a period of one month beginning on the Effective Date, after which time it will lapse.

8.2 **Demergers or other corporate events**

If the Committee becomes aware that the Company is or is expected to be affected by:

- 8.2.1 a variation of the equity share capital of the Company, including a capitalisation or rights issue, sub-division, consolidation or reduction of share capital;
- 8.2.2 a demerger (in whatever form) or exempt distribution by virtue of section 1075 of the Corporation Tax Act 2010;
- 8.2.3 a special dividend or distribution; or
- 8.2.4 any other transaction,

which, in the opinion of the Committee, would materially affect the value of the Shares and for which the Committee considers it cannot appropriately adjust or in respect of which it cannot appropriately apply automatic exchange under rule 7.1, the Committee may determine:

- (i) that an Unvested Award will Vest to the extent determined in accordance with rule 3.3;
- (ii) that a Vested Award subject to a Holding Period will be Released; and
- (iii) the period of time during which an Option may be exercised, after which time it will, unless the Committee determines otherwise, lapse.

8.3 Exchange

In the event that:

8.3.1 a company (the “**Acquiring Company**”) is expected to obtain Control of the Company as a result of an offer referred to in rule 8.1.1 or 8.1.2 or a compromise or arrangement referred to in rule 8.1.3; and

8.3.2 either:

- (i) substantially all of the shares in the Acquiring Company are expected to be held by the same persons who immediately before the obtaining of Control of the Company were shareholders in the Company; or
- (ii) the Committee determines that Awards should be automatically exchanged

then the Committee, with the consent of the Acquiring Company, may decide before the obtaining of such Control that:

- a) an Unvested Award will not Vest under rule 8.1.4(i);
- b) a Vested Award subject to a Holding Period will not be Released under rule 8.1.4(ii); and
- c) a Vested Option will not lapse under rule 8.1.6

but will be automatically exchanged under rule 9.

8.4 Committee

In this rule 8, “**Committee**” means those people who were members of the Committee immediately before the change of Control.

9. Exchange of Awards

9.1 Timing of exchange

Where an Award is to be exchanged under rule 6.2.6, 7.1 or 8.3 the exchange will take place as soon as reasonably practicable after the relevant event.

9.2 Exchange terms

Where a Participant is granted a new award in exchange for an existing Award, the new award:

- 9.2.1 must confer a right to acquire shares in the company that employs the Participant or another body corporate associated with that employing company;
- 9.2.2 must be equivalent to the existing Award, subject to rule 9.2.4;
- 9.2.3 is treated as having been acquired at the same time as the existing Award and, subject to rule 9.2.4, Vests and is Released in the same manner and at the same time;

9.2.4 must be subject to any performance conditions and any other conditions (including malus and clawback) which are, so far as possible, equivalent to any Performance Conditions and other conditions applying to the existing Award; and

9.2.5 is governed by the Plan as if references to Shares were references to the shares over which the new award is granted and references to the Company were references to the company over whose shares the new award is granted under rule 9.2.1.

10. ~~Limits~~Limit

10.1 ~~Dilution limits~~limit

The nominal amount of Shares over which the Committee may grant Awards on any date will be limited so that it does not exceed the limits specified in rules 10.2 and 10.6. The ~~limits~~limit specified in rule 10.2 only apply to Awards which are to be satisfied (directly or indirectly) by the issue of new Shares or the transfer of treasury Shares.

10.2 ~~5% and 10% in ten years~~

The ~~limits are~~limit is:

10.2.1 ten per cent. of the nominal amount of the Company's equity share capital on the Award Date less the aggregate of the nominal amounts of:

- (i) Shares allocated in respect of awards granted within the previous ten years under any employee share scheme;
- (ii) Shares remaining to be allocated in respect of awards granted on the same date or within the previous ten years under any employee share scheme; and
- (iii) Shares allocated on the same date or within the previous ten years under any employee share scheme ~~other than in respect of an award;~~
~~and~~

~~10.2.2 five per cent. of the nominal amount of the Company's equity share capital on the Award Date less the aggregate of the nominal amounts of:~~

- ~~(i) Shares allocated in respect of awards granted within the previous ten years under any executive share scheme;~~
- ~~(ii) Shares remaining to be allocated in respect of awards granted on the same date or within the previous ten years under any executive share scheme; and~~
- ~~(iii) Shares allocated on the same date or within the previous ten years under any executive share scheme other than in respect of an award.~~

10.3 Interpretation

For the purposes of this rule 10:

- 10.3.1 “**allocate**” means the issue of new Shares or the transfer of treasury Shares in satisfaction (directly or indirectly) of a person’s right under an award;
- 10.3.2 an “**award**” means any right to acquire or receive Shares whether conditional or unconditional and whether or not for payment;
- 10.3.3 an “**employee share scheme**” means any employees’ share scheme for employees of the Group which has been adopted by the Company;
- 10.3.4 “**equity share capital**” has the meaning given to it by section 548 of the Companies Act 2006;
- ~~10.3.5 an “**executive share scheme**” means any employees’ share scheme for employees and directors of the Group chosen at the discretion of the body administering the scheme;~~
- 10.3.5 ~~10.3.6~~ “**treasury Shares**” has the same meaning as in Chapter 6 of [Part 18 of the Companies Act 2006](#);
- 10.3.6 ~~10.3.7~~ no account will be taken of Shares acquired by an employee or former employee (or the personal representatives of such a person) where the Shares are acquired for a price equal to their market value at or about the date of acquisition and the cost of those Shares is borne by (or by the estate of) the employee or former employee;
- 10.3.7 ~~10.3.8~~ no account will be taken of awards granted over Shares in exchange for awards over shares in OneSavings Bank granted before OneSavings Bank’s admission to the Official List and to trading on the main market for listed securities of the London Stock Exchange;
- 10.3.8 ~~10.3.9~~ subject to rule ~~10.3.10~~10.3.9, no account will be taken of an award if and to the extent to which the Committee considers that it will be satisfied by the transfer of existing Shares other than treasury Shares or cash;
- 10.3.9 ~~10.3.10~~ any Shares allocated or remaining to be allocated to the trustee of any trust which were used or which are to be used to satisfy awards granted under an employee share scheme must be treated as having been allocated or as remaining to be allocated in respect of those awards unless the Shares were acquired by the trustee pursuant to a rights issue or other opportunity offered to the trustee in respect of Shares, other than Shares allocated to it pursuant to awards granted in exchange for awards over shares in OneSavings Bank granted before OneSavings Bank’s admission to the Official List and to trading on the main market for listed securities of the London Stock Exchange;
- 10.3.10 ~~10.3.11~~ account will only be taken of treasury Shares for so long as this is required under institutional shareholder guidelines; and

10.3.11 ~~10.3.12~~ where an award was granted in consideration of the release by the holder of an award previously granted to him under an employee share scheme, then the earlier award will be ignored and the later award will be deemed to have been granted at the same time as the earlier award.

10.4 Multiple related awards

Where an individual is granted two awards on terms that the exercise, vesting or release of one will automatically result in a reduction to the extent to which the other may be exercised, vest or be released and vice versa, then for the purposes of this rule 10 it will only be necessary to take into account that number of Shares which could be acquired in respect of those awards having regard to those terms.

10.5 Adjustments for variation of share capital

The Committee may adjust the ~~limits~~limit specified in rule 10.2 in the event of a variation of the equity share capital of the Company.

10.6 Individual limit

The Committee must not grant an Award (other than a Recruitment Award) which would cause the aggregate Market Value of:

10.6.1 the Shares subject to that Award; and

10.6.2 the Shares which the relevant Participant may acquire pursuant to any other Award (other than a Recruitment Award) in respect of the same financial year of the Company

to exceed ~~two~~three hundred (~~200~~300) per cent. of that Participant's then current base salary.

For the purposes of this rule 10.6 only:

10.6.3 "**Market Value**" means: (i) the closing middle-market quotation (taken from the Daily Official List of the London Stock Exchange) of a Share on the Business Day before the Award Date or (ii) if the Committee so determines, such closing middle-market quotation for any other Business Day (or the average of such closing middle-market quotations for any Business Days) occurring before the Award Date, as the Committee may determine, provided that such Business Day(s) do not fall within any period when Dealing Restrictions apply; and

10.6.4 base salary means base salary before any deductions for salary sacrifice.

11. Terms of employment

11.1 Definitions

For the purposes of this rule 11, "**Employee**" means any employee of a Member of the Group.

11.2 Scope

This rule 11 applies during an Employee's employment and after the termination of an Employee's employment, whether or not the termination is lawful.

11.3 **Awards separate from employment contract**

Nothing in the rules or the operation of the Plan forms part of the contract of employment of an Employee. The rights and obligations arising from the employment relationship between the Employee and his employer are separate from, and are not affected by, the Plan. Participation in the Plan does not create any right to, or expectation of, continued employment.

11.4 **Employee rights**

No Employee has a right to participate in the Plan. Participation in the Plan or the grant of Awards on a particular basis in any year does not create any right to or expectation of participation in the Plan or the grant of Awards on the same basis, or at all, in any future year.

11.5 **Exercise of discretion**

The terms of the Plan do not entitle the Employee to the exercise of any discretion in his favour.

11.6 **Rights to compensation**

No Participant has any right to compensation for any loss in relation to the Plan, including any loss in relation to:

- 11.6.1 any loss or reduction of rights or expectations under the Plan in any circumstances (including lawful or unlawful termination of employment);
- 11.6.2 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
- 11.6.3 the operation, suspension, termination or amendment of the Plan.

11.7 **Plan participation**

Participation in the Plan is permitted only on the basis that the Participant accepts all the provisions of the rules, including this rule. By participating in the Plan, an Employee waives all rights under the Plan, other than the right to acquire Shares subject to and in accordance with the express terms of the Plan and any Performance Conditions or other conditions applicable to the Award, in consideration for, and as a condition of, the grant of an Award under the Plan.

11.8 **Third party rights**

Nothing in the Plan confers any benefit, right or expectation on a person who is not an employee. No such third party has any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Plan. This does not affect any other right or remedy of a third party which may exist.

12. General

12.1 Rights

A Participant will not be entitled to vote, to receive dividends or to have any other rights of a shareholder in respect of Shares subject to an Award until the Participant has received the underlying Shares as a result of the Vesting or Release of a Conditional Award or the exercise of an Option.

12.2 Transfer

A Participant may not transfer, assign or otherwise dispose of an Award or any rights in respect of it. If he does, whether voluntarily or involuntarily, then it will immediately lapse. This rule 12.2 does not apply to the transmission of an Award on the death of a Participant to his personal representatives.

12.3 Not pensionable

None of the benefits received under the Plan is pensionable.

12.4 Committee's decisions final and binding

The decision of the Committee on the interpretation of the Plan or in any dispute relating to an Award or matter relating to the Plan will be final and conclusive.

12.5 Documents sent to shareholders

The Company may (but is not obliged to) send to Participants copies of any documents or notices normally sent to the holders of its Shares.

12.6 Regulations

The Committee has the power from time to time to make or vary regulations for the administration and operation of the Plan but these must be consistent with its rules.

12.7 Employee trust

The Company and any Subsidiary may provide money to the trustee of any trust or any other person to enable them or him to acquire Shares to be held for the purposes of the Plan, or enter into any guarantee or indemnity for those purposes, to the extent permitted by Chapter 2 of Part 18 of the Companies Act 2006.

12.8 Data protection

12.8.1 During the Participant's participation in the Plan, the Company will have access to and process, or authorise the processing of, personal data (as defined in the Data Protection Act 2018, the EU General Data Protection Regulation 5419/16 and/or any implementing legislation (together, the "**Data Protection Laws**") held and controlled by the Company or any Member of the Group and relating to employees or customers of the Company and any Member of the Group, or other individuals. The Company and each Member of the Group will comply with the terms of the Data Protection Laws, and the Company's data protection policies issued from time to time, in relation to such data.

12.8.2 Any Member of the Group and its employees and agents may from time to time hold, process and disclose Participants' personal data in accordance with the terms of the employee share plan privacy notice, the employee privacy notice and the data protection policy in force from time to time. The current versions of the applicable policies are available on the Company's intranet page.

12.9 Consents

All allotments, issues and transfers of Shares will be subject to any necessary consents under any relevant enactments or regulations for the time being in force in the United Kingdom or elsewhere. The Participant will be responsible for complying with any requirements he needs to fulfil in order to obtain or avoid the necessity for any such consent.

12.10 Articles of association

Any Shares acquired under the Plan are subject to the articles of association of the Company from time to time in force.

~~12.11 Listing~~

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

12.11 ~~12.12~~ Notices

12.11.1 ~~12.12.1~~ Except as otherwise specified in these rules any notice or communication to be given to any person who is or will be eligible to be a Participant may be:

- (i) delivered by electronic mail and it will be deemed to have been received upon electronic confirmation of such delivery; or
- (ii) personally delivered or sent by ordinary post to his last known address and where a notice or communication is sent by post it will be deemed to have been received 48 hours after the same was put into the post properly addressed and stamped.

Share certificates and other communications sent by post will be sent at the risk of the recipient concerned and neither the Company nor any of its Subsidiaries will have any liability whatsoever to any such person in respect of any notification, document, share certificate or other communication so given, sent or made.

12.11.2 ~~12.12.2~~ Any notice to be given to the Company or the trustee of any trust will be delivered or sent to the Company at its registered office, marked for the attention of the Company Secretary, and will be effective upon receipt. The Committee may make other arrangements to receive notices.

13. Amending the Plan and termination

13.1 Committee's powers

Subject to the rest of this rule 13, the Committee may at any time amend the Plan and the terms of any Award in any way.

13.2 Shareholder approval

13.2.1 Subject to rules 13.2.2 and 13.2.3, the Company in general meeting must approve in advance by ordinary resolution any proposed amendment to the Plan or an Award to the advantage of present or future Participants, which relates to the following:

- (i) the persons to or for whom Shares or cash may be provided under the Plan;
- (ii) the ~~limits~~limit on the number of Shares which may be issued or transferred from treasury under the Plan;
- (iii) the maximum entitlement for any Participant;
- (iv) the basis for determining a Participant's entitlement to, and the terms of, Shares or cash provided under the Plan;
- (v) the rights of a Participant in the event of a capitalisation issue, rights issue or open offer, sub-division or consolidation of shares or reduction of capital or any other variation of the equity share capital of the Company; or
- (vi) the terms of this rule 13.2.

13.2.2 The Committee can amend the Plan or the terms of any Award and need not obtain the approval of the Company in general meeting for any minor amendments:

- (i) to benefit the administration of the Plan;
- (ii) to comply with or take account of the provisions of any proposed or existing legislation; or
- (iii) to obtain or maintain favourable tax, exchange control or regulatory treatment of any Member of the Group or any present or future Participant.

13.2.3 The Committee need not obtain the approval of the Company in general meeting for any alteration to the Performance Conditions or other conditions imposed under rule 1.4 as permitted by rules 1.3 and 1.4 or the terms of any such Performance Condition or other condition.

13.3 Participant consent

If the Committee proposes an amendment to the Plan or the terms of any Award (other than a permitted alteration to the Performance Conditions or other conditions imposed under rule 1.4) which would be to the material disadvantage of Participants in respect of subsisting rights under the Plan, then:

13.3.1 the Committee will invite each so disadvantaged Participant to indicate whether or not they approve the amendment; and

13.3.2 such amendment will only take effect if the majority (assessed by reference to the size of affected Awards) of the Participants who respond to an invitation made in accordance with rule 13.3.1 consent to the amendment.

13.4 **Overseas sub-plans**

The Committee may establish further sub-plans based on the Plan but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any Shares made available under such further sub-plans are treated as counting against the limits specified in rule 10.

13.5 **Notice**

The Committee may (but is not obliged to) give written notice of any amendments to any Participant affected.

14. **Governing law and jurisdiction**

English law governs the Plan and all Awards and their construction. The English Courts will have exclusive jurisdiction in respect of disputes arising under or in connection with the Plan or any Award.