
details

Entain plc

The Entain plc 2017 Long Term Incentive Plan

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1. *Grant of Awards*

1.1. *Awards granted by Grantor*

Subject to Rules 1.5, 1.6, 1.7 and 18.3, the Grantor may from time to time grant Awards to Eligible Employees.

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

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

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

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

An Award shall be granted by the Grantor passing a resolution. The Award Date shall be the date on which the Grantor passes the resolution or any later date specified in the resolution and allowed by Rule 1.5. The grant of an Award shall be evidenced by a deed executed by or on behalf of the Grantor.

An Award Certificate or a Restricted Share Agreement (as applicable) shall be issued to each Award Holder as soon as reasonably practicable following the grant of the Award setting out details of the Award determined in accordance with Rule 1.4 and, where applicable, Rule 1.12.

1.4. *Terms and conditions set at grant*

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

1. whether the Award comprises an Option, a Conditional Share Award or Restricted Shares;
2. the Award Date;
3. the number of Plan Shares subject to the Award or the basis on which the number of Plan Shares will be calculated;
4. the Award Price (if any);
5. the date or dates on which the Award will normally Vest;
6. whether or not any dividend equivalents will be payable under Rule 10;
7. in the case of an Option, the Exercise Period;
8. any Performance Target;
9. any Holding Period;
10. whether Rule 6 (Malus) and/or Rule 7 (Clawback) shall apply to the Award;
11. any other conditions of the Award; and
12. where the Award comprises Restricted Shares, any provisions which must be determined under Rule 1.12.

1.5. *When Awards may be granted*

Subject to Rule 1.6, the Grantor may grant Awards only during the 42 days beginning on:

1. the date of shareholder approval of the Plan;
2. the Dealing Day after the announcement of the Company's results, including a preliminary announcement, for any period through a Regulatory Information Service;

3. any Dealing Day on which the Board determines that circumstances are sufficiently exceptional to justify the grant of the Award at that time; or
4. the Dealing Day after the lifting of any Dealing Restrictions which prevented the grant of Awards during any of the times described above.

1.6. *When Awards may not be granted*

Awards may not be granted:

1. when prevented by any Dealing Restrictions; or
2. after the 10th anniversary of shareholder approval of the Plan.

1.7. *Who can be granted Awards*

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

1.8. *Confirmation of acceptance of Award*

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

1.9. *Right to refuse Award*

An Award Holder may by notice in writing to the Company within 30 days after the Award Date say he does not want his Award in whole or part. In such a case, the Award shall to that extent be treated as never having been granted.

1.10. *No payment for an Award*

An Award Holder shall not be required to make payment for the grant of an Award unless the Board determines otherwise. Where an Award Holder refuses his Award pursuant to the terms of Rule 1.9, no payment in connection with the refusal is required from the Award Holder or the Grantor.

1.11. *Awards non-transferable*

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

1.12. *Awards which are Restricted Shares*

This Rule 1.12 sets out specific provisions in relation to Restricted Shares.

1. An Eligible Employee who is to be granted Restricted Shares must enter into a Restricted Share Agreement with the Grantor providing that to the extent the Award lapses, the Restricted Shares are forfeit and the Restricted Shares will immediately be transferred for no (or nominal) consideration to any person specified by the Grantor. The Restricted Share Agreement will also provide that, except for transfer on death of the Award Holder to his personal representatives or to the extent agreed by the Grantor (and subject to such conditions as it may decide), the Award Holder will not transfer or assign the Restricted Shares subject to his Award during the Vesting Period.
2. The Award Holder must sign any document (including a blank stock transfer form) requested by the Grantor relating to the Restricted Shares. The Grantor may provide that the Award will lapse if any such document is not signed within any specified period.

3. On or as soon as practicable after the Award Date of Restricted Shares the Grantor will procure that the relevant number of Restricted Shares are transferred (including out of treasury or otherwise) to the Award Holder or another person to be held for the benefit of the Award Holder.
4. Except to the extent set out in the Restricted Share Agreement, the Award Holder shall have all the rights in respect of Restricted Shares from the date of transfer until any date on which the Award comprising the Restricted Shares lapses (whether in whole or in part).

2. Plan limits

2.1. General

The aggregate number of Plan Shares over which Awards may be granted shall be limited as set out in this Rule 2. In the event of any conflict between the limits in this Rule 2, the lower limit shall prevail.

2.2. 10 per cent in 10 years

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

1. Awards under the Plan; or
2. options or awards granted under any other Employees' Share Scheme (whether or not discretionary) operated by the Group,

would exceed 10 per cent of the Company's issued ordinary share capital at that time.

2.3. 5 per cent in 10 years

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

1. Awards under the Plan; or
2. options or awards granted under any other discretionary Employees' Share Scheme adopted by the Group,

would exceed 5 per cent of the Company's issued ordinary share capital at that time.

2.4. Calculation

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

1. for as long as required by The Investment Association guidelines treasury shares shall be included in the limit as if they were new issue shares;
2. there shall be disregarded any Plan Shares where the right to acquire the Plan Shares has lapsed or been renounced;
3. there shall be disregarded any Plan Shares which the Trustees have purchased, or determined that they will purchase, in order to satisfy an Award or the exercise of an option or the vesting of other rights of an employee under any other Employees' Share Scheme operated by the Group;
4. any Plan Shares issued in relation to an Award, or on the exercise of an option or the vesting of other rights of an employee under any other Employees' Share Scheme operated by the Group, shall be taken into account once only (when the Award is granted or the option is granted or the right awarded) and shall not fall out of account when the Award Vests, the option is exercised or other rights vest; and
5. there shall be disregarded any Plan Shares subject to an option or other rights of an employee under an Employees' Share Scheme which were granted before the Flotation Date on 2 February 2016.

2.5. Scaling down

If the granting of an Award would cause the limits in this Rule 2 to be exceeded, such Award shall take effect as an Award over the maximum number of Plan Shares which does not cause the limit to be exceeded. If more

than one Award is granted on the same Award Date, the number of Plan Shares which would otherwise be subject to each Award shall be reduced pro rata.

3. Individual limit

3.1. General

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

3.2. Limit

An Award must not be granted to an Eligible Employee if the result of granting the Award would be that, at the proposed Award Date, the Market Value of the Plan Shares subject to that Award, when aggregated with the Market Value of Plan Shares subject to any other Award granted to that Eligible Employee under the Plan in respect of the same Financial Year exceeds the maximum individual grant limit that applies to any executive director of the Company as stipulated by the Director's Remuneration Policy.

For the purpose of this Rule 3.2:

1. **Financial Year** means the financial year of the Company.
2. The **Market Value** of Plan Shares subject to an Award shall be measured on the date on which that Award was granted.

3.3. Scaling down

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

4. Award Price

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

Where the Grantor has determined that an Award will be satisfied by the issue of new shares and the Award Price per Plan Share is less than the nominal value of a Plan Share, the Company will ensure that at the time of the issue of the Plan Shares arrangements are in place to pay up at least the nominal value of the relevant Plan Shares.

5. Performance Target and conditions

5.1. Setting of Performance Target and conditions

The Vesting of an Award and the extent to which it Vests will be subject to the satisfaction of any applicable Performance Target and any other conditions set by the Grantor on or before the Award Date.

5.2. Nature of Performance Target and conditions

Any Performance Target and any other conditions imposed under Rule 5.1 shall be:

1. objective; and
2. set out in, or attached in the form of a schedule to, the Award Certificate or Restricted Share Agreement, (as applicable).

5.3. Substitution, variation or waiver of Performance Target and conditions

If an event occurs which causes the Grantor to consider that any Performance Target and/or any other conditions imposed under Rule 5.1 subject to which an Award has been granted is no longer appropriate, the Grantor may substitute, vary or waive that Performance Target and/or any other conditions in such manner (and make such consequential amendments to the Rules) as:

1. is reasonable in the circumstances; and
2. except in the case of waiver, produces a fairer measure of performance and is not materially less difficult to satisfy than if the event had not occurred.

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

5.4. *Notification of Award Holders*

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

6. *Malus*

Notwithstanding any other provision of the Rules, the Board may, at (or at any time before) the Vesting of an Award to which the Grantor has specified under Rule 1.4 that this Rule 6 applies, reduce the number of Plan Shares subject to an Award in whole or in part (including, for the avoidance of doubt, to nil) in the following circumstances:

1. discovery of a material misstatement resulting in an adjustment in the audited consolidated accounts of the Company or the audited accounts of any Group Member; and/or
2. the assessment of any Performance Target or condition in respect of an Award was based on error, or inaccurate or misleading information; and/or
3. the discovery that any information used to determine the number of Plan Shares subject to an Award was based on error, or inaccurate or misleading information; and/or
4. action or conduct of an Award Holder which, in the reasonable opinion of the Board, amounts to fraud or gross misconduct; and/or
5. events or behaviour of an Award Holder have led to the censure of a Group Member by a regulatory authority or have had a significant detrimental impact on the reputation of any Group Member provided that the Board is satisfied that the relevant Award Holder was responsible for the censure or reputational damage and that the censure or reputational damage is attributable to him; and/or
6. Corporate Failure.

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

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

7. *Clawback*

7.1. *Trigger Events*

In this Rule 7, **Trigger Events** means:

1. discovery of a material misstatement resulting in an adjustment in the audited consolidated accounts of the Company or the audited accounts of any Group Member for a period that was wholly or partly before the end of the period over which the Performance Target applicable to an Award was assessed; and/or
2. the discovery that the assessment of any Performance Target or condition in respect of an Award was based on error, or inaccurate or misleading information; and/or
3. the discovery that any information used to determine the number of Plan Shares subject to an Award was based on error, or inaccurate or misleading information; and/or
4. action or conduct of an Award Holder which, in the reasonable opinion of the Board, amounts to fraud or gross misconduct; and/or

5. events or behaviour of an Award Holder have led to the censure of a Group Member by a regulatory authority or have had a significant detrimental impact on the reputation of any Group Member provided that the Board is satisfied that the relevant Award Holder was responsible for the censure or reputational damage and that the censure or reputational damage is attributable to him: and/or
6. Corporate Failure.

7.2. Application

Notwithstanding any other provision of the Rules, if at any time during the period of two years following the Vesting of an Award to which the Board has specified under Rule 1.4 that this Rule 7 applies a Trigger Event occurs, then:

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

7.3. Clawback methods

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

1. transfer to the Company (or, if required by the Company, any other person specified by the Company) all or some of the Plan Shares acquired by the Award Holder (or his nominee) pursuant to the Vesting of the Award or, in the case of an Award which is an Option, the exercise of that Option; and/or
2. pay to the Company (or if required by the Company, any other person specified by the Company) an amount equivalent to all or part of the proceeds of sale or, in the event of a disposal of the Plan Shares at a price which the Board reasonably determines was less than market value at the time of disposal and where the disposal was not made at arm's length, an amount equivalent to the market value (as reasonably determined by the Board) at the time of disposal of all or some of the Plan Shares acquired pursuant to the Vesting of the Award or, in the case of an Award that is an Option, the exercise of that Option; and/or
3. pay to the Company (or, if required by the Company, any other person specified by the Company) an amount equivalent to all or part of the amount of any cash in respect of an Award paid to or for the benefit of the Award Holder; and/or
4. pay to the Company (or, if required by the Company, any other person specified by the Company) an amount equivalent to all or part of any benefit or value derived from or attributable to the Plan Shares referred to in paragraph 1 above (including but not limited to any special dividend or additional or replacement shares) on such terms as the Board may reasonably direct,

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

7.4. Award Holder's obligation to recover tax

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

7.5. Authorisation of deductions

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

7.6. *Timing of transfers, payments and repayments*

Any transfers, payments or repayments to be made by the Award Holder under this Rule 7 shall be made within 30 days of the date the Award Holder is notified in writing of the transfer required or the amount due, as appropriate.

7.7. *Additional methods of effecting clawback*

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

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

provided that the total amount represented by:

- a. reductions under this Rule 7.7;
- b. reductions under Rule 7.8; and
- c. the amount represented by any transfer and any amount or value payable under Rule 7.3,

shall not, in the Board's reasonable opinion, exceed the amount represented by any transfer and any amount or value which would have been due if the Board had only carried out the Actions.

7.8. *Reduction of unexercised Option*

Where Rule 7.2 applies and the Award takes the form of an Option which the Award Holder has not exercised in full, the Board may in its absolute discretion reduce the number of Plan Shares subject to such Option (including, for the avoidance of doubt, to nil). In addition to or in substitution for reducing such Option, the Board may take any of the actions set out in Rules 7.7.1 to 7.7.4 provided that the total amount represented by reductions under Rules 7.7.1 to 7.7.4 and any reduction of the Option under this Rule 7.8 shall not, in the Board's reasonable opinion, exceed the amount which would have been represented by the reduction of the Option only.

7.9. *General provisions*

In carrying out any action under this Rule 7, the Board shall act fairly and reasonably but its decision shall be final and binding.

For the avoidance of doubt, any action carried out under this Rule 7 may be applied on an individual basis as determined by the Board. Whenever a reduction of an award, right to acquire Plan Shares or option is made under this Rule 7, the relevant award, right to acquire Plan Shares or option shall be treated to that extent as having lapsed.

7.10. Interaction with other plans

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

1. to give effect to one or more provisions of any form which are equivalent to those in Rule 7 (**Clawback Provisions**) contained in any Employees' Share Scheme operated by any Group Member (other than the Plan) or any bonus plan operated by any Group Member; or
2. as an alternative to giving effect to any such Clawback Provisions.

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

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

8. Vesting of Awards (and exercise of Options)

8.1. Formulaic outcomes

The Board retains the absolute discretion to override the outcome achieved by the operation of any Performance Target on a Participant by Participant basis where it considers that, when assessing the overall total remuneration for that Participant, the outcome achieved by the operation of the Performance Target is not appropriate. Examples of where the outcome achieved by the operation of the Performance Target may not be appropriate may include (but would not be limited to) where such outcome:

1. does not align to individual performance and results achieved by that individual;
2. would not deliver the intention of the Directors' Remuneration Policy; and/or
3. is not reasonable and/or does not reflect the Participant's contribution due to unexpected or unforeseen circumstances. Such circumstances may include, but are not limited to: share price growth and currency fluctuations, the impact of a share repurchase scheme or a government support initiative.

In circumstances where the Board determines that this Rule 8.1 applies, the Board may, in its absolute discretion, increase or reduce the number of Plan Shares in respect of which an Award Vests (including reducing the number of Plan Shares in respect of which the Award Vests to zero).

8.2. Earliest date for Vesting of Awards

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

1. the relevant date specified under Rule 1.4.5; and
2. the date on which the Board determines that the Performance Target and/or any other conditions imposed under Rule 1.4.11 or Rule 5.1 have been satisfied.

The Grantor may determine that Vesting of the Award shall be delayed until any relevant investigation or other procedure relevant to an event falling within the scope of Rule 6 or Rule 7 has been completed.

8.3. Effect of Award Vesting

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

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

8.4. No Vesting or exercise while Dealing Restrictions apply

Where the Vesting of an Award is prevented by any Dealing Restriction, the Vesting of that Award shall be delayed until the Dealing Restriction no longer prevents it. Plan Shares may not be issued or transferred to an Award Holder while Dealing Restrictions prevent such issue or transfer. In the case of an Option, the Option may not be exercised while Dealing Restrictions prevent such exercise.

8.5. Effect of cessation of Relevant Employment

Subject to Rule 10, an Award shall Vest and an Option may be exercised only while the Award Holder is in Relevant Employment and if an Award Holder ceases to be in Relevant Employment, any Award granted to him shall lapse on cessation. This Rule 5 shall apply where the Award Holder ceases to be in Relevant Employment in any circumstances (including, in particular, but not by way of limitation, where the Award Holder is dismissed unfairly, wrongfully, in breach of contract or otherwise).

An Award Holder who has given or received notice of termination of Relevant Employment (whether or not lawful) may not exercise an Option during any period when the notice is effective and an Award granted to him shall not Vest during this period, unless the Board determines otherwise. If an Award would otherwise have Vested during this period, and the notice is withdrawn by the relevant party, subject to Rule 4 the Award will Vest when the notice is withdrawn.

8.6. Options may be exercised in whole or in part

Subject to Rules 4, 5 and 15, a Vested Option may be exercised in whole or in part at any time. If exercised in part, the unexercised part of the Option shall not lapse as a result and shall remain exercisable until such time as it lapses in accordance with the Rules.

8.7. Procedure for exercise of Options

An Option shall be exercised by the Award Holder giving notice to the Grantor (or any person appointed by the Grantor) in the form from time to time prescribed by the Board, which may include (for the avoidance of doubt) any electronic and/or online notification. Such notice shall specify the number of Plan Shares in respect of which the Option is being exercised, and be accompanied by either the Award Price (if any) in full or confirmation of arrangements satisfactory to the Grantor for the payment of the Award Price, together with any payment and/or documentation required under Rule 15 and, if required, the Award Certificate.

For the avoidance of doubt, the date of exercise of an Option shall be the later of the date of receipt of a duly completed valid notice of exercise (or any later date as may be specified in that notice of exercise) and the date of compliance with the requirements of the first paragraph of this Rule 7.

8.8. Issue or transfer of Plan Shares

Subject to Rules 4, 9 and 15 and to any necessary consents and to compliance by the Award Holder with the Rules, the Grantor shall as soon as reasonably practicable and in any event not later than 30 days after:

1. the exercise date, in the case of an Option, arrange for the issue or transfer to the Award Holder (or a nominee specified or permitted by the Company) of the number of Plan Shares specified in the notice of exercise and provide to the Award Holder, in the case of the partial exercise of an Option, an Award Certificate in respect of, or the original Award Certificate updated to show, the unexercised part of the Option; and
2. the Vesting of an Award, in the case of a Conditional Share Award, arrange for the issue or transfer to the Award Holder (or a nominee specified or permitted by the Company) of the number of Plan Shares in respect of which the Award has Vested.

8.9. Net or cash settling

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

1. make a cash payment to the Award Holder equal to the Gain on the date of exercise of the Option; or

2. arrange for the issue or transfer to the Award Holder of Plan Shares with a Market Value equal to the Gain on the date of exercise of the Option (rounded down to the nearest whole Plan Share). The Award Holder shall not be required to make payment for these Plan Shares.

Subject to Rule 15, the Grantor may on the Vesting of a Conditional Share Award make a cash payment to the Award Holder equal to the Market Value of the Plan Shares in respect of which the Conditional Share Award has Vested, less the Award Price (if any).

Where the Grantor settles an Award in the manner described in this Rule 9, this shall be in full and final satisfaction of the Award Holder's rights under the Award.

8.10. Dividend equivalents

An Award (except an Award comprising Restricted Shares where the right to dividends has not been waived) may include the right to receive an amount in Plan Shares or cash on or following Vesting equal in value to the dividends which were payable on the number of Plan Shares in respect of which the Award has Vested during the period between the Award Date and the date of Vesting (or in the case of an Option the number of Plan Shares subject to the Option shall be increased as at the date of Vesting by the relevant value in Plan Shares).

The Grantor may determine at its absolute discretion whether or not the method used to calculate the value of dividends shall assume that such dividends have been reinvested into Plan Shares.

The Grantor may decide at any time not to apply this Rule 10 to all or any part of a special dividend or dividend in specie.

9. Holding Period

9.1. Definitions

In this Rule 9:

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

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

9.2. Application

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

9.3. Issue or transfer to Holding Period Holder

Instead of arranging for the issue or transfer of the Holding Period Shares to the Award Holder on Vesting of a Conditional Share Award or exercise of an Option under Rule 8, the Board may arrange for the Holding Period Shares to be issued or transferred to the Holding Period Holder, as designated by the Board, to be held for the benefit of the Award Holder. Any balance of the Plan Shares in respect of which an Award Vests or is exercised will be issued or transferred as described in Rule 8.

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

9.4. No transfer during Holding Period

The Award Holder or Holding Period Holder may not transfer, assign or otherwise dispose of any of the Holding Period Shares or any interest in them (and the Award Holder may not instruct the Holding Period Holder to do so) during the Holding Period except in the following circumstances:

1. the sale of sufficient entitlements nil-paid in relation to Holding Period Shares to take up the balance of the entitlements under a rights issue; and

2. the sale of sufficient Holding Period Shares to satisfy any liability to tax or employee social security contributions (or where Rule 15.2 applies, Employer's NIC) arising in relation to Holding Period Shares.

9.5. Shareholder rights during Holding Period

1. Unless the Board decides otherwise, the restrictions in this Rule 9 will apply to any cash or assets (other than ordinary dividends) received in respect of the Holding Period Shares and such cash or assets will be held by the Holding Period Holder until the end of the Holding Period.
2. During the Holding Period, the Holding Period Holder will be entitled to vote and have all other rights of a shareholder in respect of the Holding Period Shares.

9.6. Ceasing Relevant Employment during the Holding Period

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

9.7. Clawback

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

9.8. End of Holding Period

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

1. the date set as the end of the Holding Period under Rule 1.4;
2. subject to Rule 12.1, the relevant date on which an Award would have Vested under Rules 11.1 to 11.4;
3. if the Board so allows, the circumstances in which any event described in Rule 11.5 would apply; and
4. any other circumstances in the absolute discretion of the Board. Where this paragraph 4 applies, the Board may additionally determine that the Holding Period shall end only for such number of Holding Period Shares as it may specify.

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

10.1. Death

If an Award Holder dies, a proportion of each Award held by him which has not Vested will Vest immediately. The proportion of each Award which shall Vest shall be determined by the Board at its absolute discretion taking into account such factors as the Board may consider relevant including, but not limited to, the satisfaction of any Performance Target as at the date of death and any other conditions imposed under Rule 5.1.

Unless the Board in its absolute discretion decides otherwise, the number of Plan Shares which Vest will be reduced pro rata to reflect the number of whole months from the Award Date until the date of death as a proportion of the original Vesting Period.

In the case of an Option, if an Award Holder dies, his personal representatives (having established title to the satisfaction of the Company) shall be entitled to exercise the Vested proportion of his Option (whether Vested under this Rule or otherwise) at any time during the 12 month period following death, or, if later, following Vesting or, in either case, during such other longer period as the Board determines. The Option shall lapse at the end of such period.

10.2. Injury, disability, redundancy, retirement etc.

If an Award Holder ceases to be in Relevant Employment by reason of:

1. injury, ill-health or disability evidenced to the satisfaction of the Board;

2. redundancy within the meaning of the Employment Rights Act 1996 (or any applicable equivalent overseas legislation) evidenced to the satisfaction of the Board;
3. retirement by agreement with the company by which he is employed;
4. the Award Holder being employed by a company which ceases to be a Group Member;
5. the Award Holder being employed in an undertaking or part of an undertaking which is transferred to a person who is not a Group Member; or
6. any other circumstances if the Board decides in any particular case

any Award held by him which has not Vested will continue until the normal time of Vesting and the Performance Target and/or any other conditions imposed under Rule 5.1 shall be considered at the time of Vesting.

Alternatively, the Board may decide that an Award will Vest immediately in which case the proportion of the Award which shall Vest will be determined by the Board in its absolute discretion taking into account such factors as the Board may consider relevant including, but not limited to, the satisfaction of any Performance Target as at the time of cessation and any other conditions imposed under Rule 5.1.

Unless the Board in its absolute discretion decides otherwise (and irrespective of the time at which the Board has determined that the Award will Vest under this Rule 10.2), the number of Plan Shares which Vest will be reduced pro rata to reflect the number of whole months from the Award Date until the date of cessation of Relevant Employment as a proportion of the original Vesting Period.

In the case of an Option, the Award Holder shall be entitled to exercise the Vested proportion of his Option (whether Vested under this Rule or otherwise) at any time during the period ending 6 months following cessation of Relevant Employment or, if later, following Vesting or, in either case, during such other longer period as the Board determines. The Option shall lapse at the end of such period.

10.3. Award Holder relocated abroad

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

1. suffer less favourable tax treatment in respect of his Award; or
2. become subject to a restriction on his ability to exercise an Option, to have issued or transferred to him the Plan Shares subject to an Award or to hold or deal in such Plan Shares or the proceeds of sale of such Plan Shares,

an Award may, at the absolute discretion of the Board, Vest immediately either in full or to the extent determined by the Board in its absolute discretion and subject to such conditions as it may require taking into account such factors as the Board may consider relevant including, but not limited to, the period of time the relevant Award has been held and the extent to which any Performance Target and any other conditions imposed under Rule 5.1 have been met. Where the Award is an Option and has become Vested pursuant to this Rule 10.3, the Award Holder may exercise his Vested Option at any time during the period beginning 3 months before the proposed date of his transfer and ending 3 months after the date of his actual transfer. If not so exercised, the Option shall not lapse but shall cease to be treated as having Vested and shall continue in force in accordance with the Rules.

10.4. Meaning of ceasing to be in Relevant Employment

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

The Board may determine that an Award Holder will be treated as ceasing to be in Relevant Employment when he gives or receives notice of termination of his employment (whether or not lawful).

10.5. Interaction of Rules

In the case of an Option:

1. if the Option has become exercisable under Rule 10.2 and, during the period allowed for the exercise of the Option under Rule 10.2 the Award Holder dies, the period allowed for the exercise of the Option shall be the period allowed by Rule 10.1; and
2. if the Option has become exercisable under Rule 10 and, during the period allowed for the exercise of the Option under Rule 10, the Option becomes exercisable under Rule 11 also (or vice versa), the period allowed for the exercise of the Option shall end on the earlier of the end of the period allowed by Rule 10 and the end of the period allowed by Rule 11.

11. Takeover and other corporate events

11.1. Takeover

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

The proportion of an Award which shall Vest will be determined by the Board in its absolute discretion taking into account such factors as the Board may consider relevant including, but not limited to, the time the Award has been held by the Award Holder and having regard to any Performance Target and/or any other conditions imposed under Rule 5.1.

In the case of an Option, the Vested proportion of the Option (whether Vested under this Rule 11.1 or otherwise) may be exercised at any time during the period of 6 months (or, if the Board determines a longer period shall apply, that period) beginning with the time when the person making the offer has obtained Control. The Option shall lapse at the end of such period unless the Board determines that a longer period for exercise shall apply, in which case the Option shall continue in force until the end of such extended period or until it otherwise lapses in accordance with the Rules.

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

11.2. Compulsory acquisition of shares in the Company

Subject to Rule 12, if a person becomes entitled or bound to acquire shares in the Company under section 160 of the IOM Companies Act 2006, Awards shall Vest as set out below.

The proportion of an Award which shall Vest will be determined by the Board in its absolute discretion taking into account such factors as the Board may consider relevant including, but not limited to, the time the Award has been held by the Award Holder and having regard to any Performance Target and/or any other conditions imposed under Rule 5.1.

In the case of an Option, the Vested proportion of the Option (whether Vested under this Rule 11.2 or otherwise) may be exercised at any time during the period beginning with the date the person serves a notice under section 160 and ending 7 clear days before the date on which the person ceases to be entitled to serve such a notice. The Option shall lapse at the end of the 7 days.

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

11.3. Scheme of arrangement

Subject to Rule 12, if a person proposes to obtain Control of the Company in pursuance of a compromise or arrangement sanctioned by the court under section 157 of the IOM Companies Act 2006 Awards shall Vest on the date of the court sanction as set out below.

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

has been held by the Award Holder and having regard to any Performance Target and/or any other conditions imposed under Rule 5.1.

In the case of an Option, the Vested proportion of the Option (whether Vested under this Rule 11.3 or otherwise) may be exercised at any time during the period of 6 months from the compromise or arrangement being sanctioned by the court. The Option shall lapse at the end of such period.

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

11.4. *Winding-up of the Company*

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

The proportion of an Award which shall Vest will be determined by the Board in its absolute discretion taking into account such factors as the Board may consider relevant including, but not limited to, the time the Award has been held by the Award Holder and having regard to any Performance Target and/or any other conditions imposed under Rule 5.1.

In the case of an Option, the Vested proportion of the Option (whether Vested under this Rule 11.4 or otherwise) may be exercised at any time during the period of 6 months from the date of the notice or, if earlier, on completion of the winding up. The Option shall lapse at the end of such period.

11.5. *Demergers and other events*

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

The proportion of an Award which shall Vest will be determined by the Board in its absolute discretion subject to such conditions as it may require taking into account such factors as the Board may consider relevant including, but not limited to, the time the Award has been held by the Award Holder and having regard to any Performance Target and/or any other conditions imposed under Rule 5.1.

In the case of an Option, the Vested proportion of the Option (whether Vested under this Rule 11.5 or otherwise) may be exercised at any time during a period as shall be determined by the Board. The Option shall lapse at the end of such period.

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

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

For the purpose of Rule 11 a person shall be deemed to have obtained Control of the Company if he and others Acting In Concert with him have together obtained Control of it.

11.7. *References to Board within this Rule 11*

For the purposes of this Rule 11, any reference to the Board shall be taken to be a reference to those individuals who were members of the Board immediately before the event by virtue of which this Rule 11 applies.

11.8. *Notification of Award Holders*

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

11.9. *Vesting of Awards in advance of a corporate event*

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

1. in respect of which Awards will Vest in circumstances where the conditions for relief under Part 12 of the Corporation Tax Act 2009 may not be satisfied; or
2. if the Board in its absolute discretion considers it appropriate,

the Board may, in its absolute discretion and by notice in writing to all Award Holders, declare that all Awards that are expected to Vest as a result of the relevant event shall Vest (and in the case of any such Award which is an Option, shall be exercisable) in accordance with Rule 11 during such period prior to the relevant event as determined by the Board.

11.10. *Interaction with Rule 7 (Clawback)*

Where an event occurs under Rules 11.1 to 11.5 which:

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

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

12. *Exchange of Awards*

12.1. *Where exchange applies*

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

1. an offer to exchange the Award for a New Award is made and accepted by the Award Holder; or
2. the Board, with the consent of the persons acquiring Control if relevant, decides that Awards will be automatically exchanged for New Awards. The circumstances in which the Board may make such a decision include (but are not limited to) where an event occurs under Rules 11.1, 11.2, or 11.3 and:
 - a. the shareholders of the acquiring company, immediately after it has obtained Control, are substantially the same as the shareholders of the Company immediately before the event; or
 - b. the obtaining of Control amounts in the opinion of the Board to a merger with the Company.

12.2. *Terms of exchange*

The following applies in respect of the New Award:

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

13. *Lapse of Awards*

Notwithstanding any other provision of the Rules, an Award shall lapse on the earliest of:

1. in the case of Options, the expiry of the Exercise Period;
2. the Board determining that any Performance Target and/or any other conditions imposed under Rule 5.1 has not been satisfied either in whole or in part in respect of the Award and can no longer be satisfied in whole or in part in which case the Award shall lapse to the extent that the Performance Target and/or any other conditions imposed under Rule 5.1 can no longer be satisfied;
3. subject to Rule 10, the Award Holder ceasing to be in Relevant Employment;
4. any date for lapse provided for under these Rules; and
5. the date on which the Award Holder becomes bankrupt or enters into a compromise with his creditors generally.

14. Adjustment of Awards on Reorganisation

14.1. Power to adjust Awards

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

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

14.2. Award Price

No adjustment shall be made to the Award Price which would result in the Plan Shares subject to an Option or Conditional Share Award being issued at a price per Plan Share lower than the nominal value of a Plan Share except where the Grantor puts in place arrangements to pay up the nominal value at the date of issue of the Plan Shares (or the difference between the adjusted Award Price and the nominal value as the case may be).

14.3. Notification of Award Holders

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

15. Tax and social security withholding

15.1. Deductions

Unless the Award Holder discharges any liability that may arise himself, the Grantor, the Company or any Group Member or former Group Member (as the case may be) may withhold such amount, or make such other arrangements as it may determine appropriate, for example to sell or withhold Plan Shares, to meet any liability to taxes or social security contributions in respect of Awards, including, where applicable, Employer's NIC transferred under 15.2. The Award Holder will be responsible for all taxes, social security contributions and other liabilities arising in respect of the Award Holder's Awards.

15.2. Transfer of Employer's NIC

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

15.3. Execution of document by Award Holder

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

15.4. Tax elections

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

16. Rights and listing of Plan Shares

16.1. Rights attaching to Plan Shares

Except as set out in Rule 1.12 (Restricted Shares), all Plan Shares issued or transferred under the Plan shall, as to voting, dividend, transfer and other rights, including those arising on a liquidation of the Company, rank equally in all respects and as one class with the shares of the same class in issue at the date of issue or transfer save as regards any rights attaching to such Plan Shares by reference to a record date prior to the date of such issue or transfer.

16.2. Listing and admission to trading of Plan Shares

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

17. Relationship of the Plan to contract of employment

17.1. Contractual provisions

Notwithstanding any other provision of the Plan:

1. the Plan shall not form part of any contract of employment between any Group Member and an Eligible Employee;
2. unless expressly so provided in his contract of employment, an Eligible Employee has no right to be granted an Award and the receipt of an Award in one year (and the calculation of the Award Price in a particular way) is no indication that the Award Holder will be granted any subsequent Awards (or that the calculations of the Award Price will be made in the same or a similar way);
3. the Plan does not entitle any Award Holder to the exercise of any discretion in his favour;
4. the benefit to an Eligible Employee of participation in the Plan (including, in particular but not by way of limitation, any Awards held by him) shall not form any part of his remuneration or count as his remuneration for any purpose and shall not be pensionable; and
5. if an Eligible Employee ceases to be in Relevant Employment for any reason, he shall not be entitled to compensation for the loss or diminution in value of any right or benefit or prospective right or benefit under the Plan (including, in particular but not by way of limitation, any Awards held by him which lapse by reason of his ceasing to be in Relevant Employment) whether by way of damages for unfair dismissal, wrongful dismissal, breach of contract or otherwise.

17.2. Deemed agreement

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

18. Administration of the Plan

18.1. Responsibility for administration

The Board (and the Grantor, where appropriate) shall be responsible for, and shall have the conduct of, the administration of the Plan. The Board may from time to time make, amend or rescind regulations for the administration of the Plan provided that such regulations shall not be inconsistent with the Rules.

18.2. Board's decision final and binding

The decision of the Board shall be final and binding in all matters relating to the Plan, including but not limited to the resolution of any dispute concerning, or any inconsistency or ambiguity in the Rules or any document used in connection with the Plan.

18.3. Grantor to consult with the Board

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

18.4. Discretionary nature of Awards

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

18.5. Provision of information

An Award Holder and, where the Grantor is not the Company, the Grantor shall provide to the Company or any Group Member as soon as reasonably practicable such information as the Company reasonably requests for the purpose of complying with its obligations under section 421J of ITEPA 2003 or similar requirements of local tax legislation.

18.6. Cost of the Plan

The cost of introducing and administering the Plan shall be met by the Company. The Company shall be entitled, if it wishes, to charge an appropriate part of such cost and/or the costs of an Award to a Subsidiary or the Grantor.

18.7. Data protection

As part of the Plan, the Company will process personal data about Participants from time to time. The Company will process such personal data in accordance with applicable data protection legislation and in accordance with prevailing employee privacy policies (as amended from time to time). Relevant versions of employee privacy policies can be found on the Company's intranet.

18.8. Third party rights

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

19. Amendment of the Plan

19.1. Power to amend the Plan

Subject to Rules 19.2 and 19.3, the Board may from time to time amend the Rules (including, for the purposes of establishing a sub-plan for the benefit of employees located overseas).

19.2. Amendments to the Plan

Without the prior approval of the Company in general meeting, an amendment may not be made for the benefit of existing or future Award Holders to the Rules relating to:

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

except for:

7. an amendment which is of a minor nature and benefits the administration of the Plan; or
8. an amendment which is of a minor nature and is necessary or desirable in order to take account of a change of legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants in the Plan, the Company or some other Group Member.

19.3. Rights of existing Award Holders

An amendment may not materially adversely affect the rights of an existing Award Holder except:

1. where the amendment is made to take account of any matter or circumstance which the Board reasonably considers is a legal or regulatory requirement which the Board reasonably considers is relevant and requires an amendment to be made in order for any Group Member to comply with such requirement; or
2. where the Award Holder affected by the change has been notified of such amendment and the majority of Award Holders affected by the change who have responded to such notification have approved the amendment.

20. Notices

20.1. Notice by the Grantor

Save as provided for by law, any notice, document or other communication given by, or on behalf of, the Grantor or to any person in connection with the Plan shall be deemed to have been duly given if delivered to him at his place of work, if he is in Relevant Employment, if sent by e-mail to such e-mail address as may be specified by him from time to time or, in the case of an Award Holder who remains in Relevant Employment, to such e-mail address as is allocated to him by any Group Member, or sent through the post in a pre-paid envelope to the postal address last known to the Company to be his address and, if so sent, shall be deemed to have been duly given on the date of posting.

20.2. Deceased Award Holders

Save as provided for by law, any notice, document or other communication so sent to an Award Holder shall be deemed to have been duly given notwithstanding that such Award Holder is then deceased (and whether or not the Company has notice of his death) except where his personal representatives have established title to the satisfaction of the Company and supplied to the Company an e-mail or postal address to which notices, documents and other communications are to be sent.

20.3. Notice to the Grantor

Save as provided for by law any notice, document or other communication given to the Grantor (or any relevant person appointed by the Grantor) in connection with the Plan shall be delivered by hand or sent by email, fax or

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

21. *Governing law and jurisdiction*

21.1. *Plan governed by English law*

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

21.2. *English courts to have jurisdiction*

The English courts shall have jurisdiction to settle any dispute which may arise out of, or in connection with, the Plan.

21.3. *Jurisdiction agreement for benefit of the Company*

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

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

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

22. *Interpretation*

22.1. *Definitions*

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

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

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

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

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

Award Holder means an individual who holds an Award or, where the context permits, his legal personal representatives. Where relevant, Award Holder(s) shall include reference to former Award Holder(s);

Award Price means the amount (if any), expressed either as an amount per Plan Share or a total amount, payable in respect of the exercise of an Option or Vesting of a Conditional Share Award or for the acquisition of Restricted Shares under a Restricted Share Agreement, determined in accordance with Rule 4;

Board means, subject to Rule 11.7, the board of directors of the Company or a duly authorised committee of it or a person duly authorised by the board of directors of the Company or such committee;

Company means Entain plc incorporated in the Isle of Man under company number 4685V;

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

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

Corporate Failure means a compulsory winding up order in respect of the Company being issued by the court;

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

Dealing Restrictions means any restrictions imposed by legislation, regulation or any other code or guidance on share dealing with which the Company seeks to comply;

Directors' Remuneration Policy means the directors' remuneration policy of the Company approved by the Company in general meeting from time to time;

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

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

Employer's NIC means employer's secondary class 1 National Insurance contributions liability or any local equivalent;

Exercise Period means the period set by the Board on the Award Date during which an Option may be exercised, ending no later than the 10th anniversary of the Award Date;

Financial Conduct Authority means the "competent authority" as that expression is defined in Part VI of the Financial Services and Markets Act 2000;

Gain means the difference between (i) the Market Value of a Plan Share on the date of exercise of an Option and (ii) the Award Price, multiplied by the number of Plan Shares in respect of which the Option is being exercised;

Grantor means:

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

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

HMRC means Her Majesty's Revenue & Customs;

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

IOM Companies Act 2006 means the Isle of Man Companies Act 2006, an act of Tynwald;

ITA 2007 means the Income Tax Act 2007;

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

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

Market Value on any day means:

1. if at the relevant time Plan Shares are listed on the Official List (or on any other recognised stock exchange within the meaning of section 1005 of ITA 2007 or the Alternative Investment Market of the London Stock Exchange),
 - (a) the closing middle market quotation (as derived from the Daily Official List of the London Stock Exchange or the equivalent list or record for the recognised stock exchange on which the Plan Shares are listed) or, if the Board so decides, the closing price on the preceding Dealing Day; or
 - (b) if the Board so determines, the average closing middle market quotation (as so derived) or average closing price over a period determined by the Board not exceeding the period of 5 Dealing Days ending with the preceding Dealing Day; or
2. where Plan Shares are not so listed, the market value of a Plan Share calculated as described in the Taxation of Chargeable Gains Act 1992;

Official List means the list maintained by the Financial Conduct Authority in accordance with section 74(1) of the Financial Services and Markets Act 2000 for the purposes of Part VI of the Act;

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

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

Plan means the Entain plc 2017 Long Term Incentive Plan as amended from time to time;

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

Regulatory Information Service means a service that is approved by the Financial Conduct Authority on meeting the Primary Information Provider criteria and is on the list of Regulatory Information Services maintained by the Financial Conduct Authority (or any overseas equivalent);

Relevant Employment means employment with any Group Member;

Reorganisation means any variation in the share capital of the Company, including but without limitation a capitalisation issue, rights issue, demerger or other distribution, a special dividend or distribution, rights offer or bonus issue and a sub-division, consolidation or reduction in the capital of the Company;

Restricted Shares means Shares where the Award Holder is the beneficial owner of the Plan Shares from the Award Date subject to the Restricted Share Agreement;

Restricted Share Agreement means the agreement referred to in Rule 1.12;

Rules mean the rules of the Plan;

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

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

Vest means:

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

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

22.2. Interpretation

In the Plan, unless otherwise specified:

1. save as provided for by law a reference to writing includes any mode of reproducing words in a legible form and reduced to paper or electronic format or communication including, for the avoidance of doubt, correspondence via e-mail; and
2. the Interpretation Act 1978 applies to the Plan in the same way as it applies to an enactment.

Schedule A: Terms of Awards for US Taxpayers

This Schedule A to the Entain plc 2017 Long Term Incentive Plan (the “**Plan**”) shall apply to all Award Holders who are US Taxpayers (as defined below) (“**US Participant**”). In the event that an Award Holder becomes a US Taxpayer subsequent to the Award Date of an Award under the Plan, then such Award shall immediately be amended in a manner consistent with this Schedule A. References in this Schedule A to Awards granted to US Taxpayers shall include Awards held by an Award Holder who becomes a US Taxpayer subsequent to the Award Date.

The terms of the Plan will apply to US Taxpayers, except to the extent provided herein. In the event of any conflict between an applicable provision of the Plan and an applicable provision of this Schedule A with respect to an Award granted to a US Taxpayer, the provision of this Schedule A shall apply.

A.1 Definitions

In this Schedule A, the following definitions shall apply:

Code means the US Internal Revenue Code of 1986, as amended from time to time. References to the Code or to a particular section of the Code shall include references to any related regulations and rules promulgated thereunder;

Conditional Share Award Short-Term Deferral Period means the period commencing on the date that a Conditional Share Award first is no longer subject to a “substantial risk of forfeiture” within the meaning of Section 409A and ending upon the fifteenth day of the third month following the end of the Taxable Year in which such Conditional Share Award first is no longer subject to a substantial risk of forfeiture;

Option Short-Term Deferral Period means the period commencing on the date that an Option first is no longer subject to a substantial risk of forfeiture within the meaning of Section 409A and ending on December 31st of the calendar year in which such Option first is no longer subject to a substantial risk of forfeiture;

Section 409A means Section 409A of the Code and any related rules and regulations promulgated thereunder;

Taxable Year means the calendar year, or, if later, the end of the taxable year of the Company, in which a Conditional Share Award first is no longer subject to a substantial risk of forfeiture;

US means the United States of America;

US Tax means income taxation by the US; and

US Taxpayer means an Award Holder who is subject to US Tax at the Award Date, is expected to become subject to US Tax following the Award Date or does become subject to US Tax following the Award Date but prior to the date upon which any part of an Award Vests. US Taxpayers shall include US citizens working abroad, US resident aliens and other individuals rendering services in the US.

A.2 Options

Notwithstanding anything in the Plan, including Rule 8.3 and Rule 11, Options granted to US Participants must be exercised no later than the end of the Option Short-Term Deferral Period (or the end of the applicable Exercise Period, if earlier). For purposes of Rule 13, an Option granted to a US Participant will also lapse at the end of the Option Short-Term Deferral Period.

Notwithstanding Rule 8.5, where a US Participant has given or received notice of termination and the Award would have otherwise Vested and the notice is withdrawn, the Option Short-Term Deferral Period shall be determined using the original Vesting date and not the date when the notice is withdrawn.

For purposes of Rule 8.7, the Company will be deemed to have received a valid notice of exercise for a Vested Option granted to a US Participant that remains unexercised on the last day of the Option Short-Term Deferral Period, or if earlier, the last day of the applicable Exercise Period.

For the avoidance of doubt, the payment made by the Grantor pursuant to Rule 8.9 to a US Participant in respect of an Option that has been exercised shall be made no later than the end of the Option Short-Term Deferral Period.

A.3 Conditional Share Awards

Conditional Share Awards may be granted to US Participants subject to the conditions set forth herein which shall govern and control such Conditional Share Awards notwithstanding any provisions of the Plan to the contrary.

Notwithstanding Rules 8.8 and 8.9, with respect to Conditional Share Awards granted to US Participants, the Grantor shall establish in the Award Certificate, at the time of the Award Date, when the Conditional Share Award that has Vested will be settled (either in Plan Shares and/or cash). In the event that the Grantor provides that any Conditional Share Award shall be not settled within the Conditional Share Award Short-Term Deferral Period and the Conditional Share Award constitutes “nonqualified deferred compensation” within the meaning of Section 409A, the Grantor must provide that such Award may only be settled in compliance with Section 409A (including, that settlement must occur only on the occurrence of a permissible payment event, as provided in US Treasury Regulations Section 1.409A-3(a)).

A.4 Restricted Shares

For purposes of Rule 15.4 of the Plan, the Board may, at its discretion, determine that the Plan Shares comprising Restricted Shares may not be issued or transferred to a US Participant (or for his benefit) unless such US Participant has beforehand filed an election under Section 83(b) of the Code with the US Internal Revenue Service (“IRS”) in respect of such Restricted Shares (an “**83(b) Election**”). If such US Participant makes an 83(b) Election, then such US Participant shall provide the Company a copy of such election promptly following its filing, which is required under current law to be filed with the IRS no later than 30 days after the Award Date.

For the avoidance of doubt, with respect to an Award comprising Restricted Shares, the US Participant shall be the beneficial owner of any Restricted Shares granted to him, subject to the terms of the Restricted Share Agreement.

Notwithstanding Rules 1.12.3 and 1.12.4 of the Plan, with respect to Restricted Shares granted to US Participants:

- (i) On the Award Date of the Restricted Shares the Grantor will procure that the relevant number of Plan Shares underlying the Restricted Shares Award are transferred (including out of treasury or otherwise) to the US Participant as the beneficial owner. During the applicable period of restriction, the Plan Shares underlying the Restricted Shares shall bear a legend as determined to be necessary by the Grantor to evidence the applicable restrictions hereunder. Except as otherwise provided in Rule 9, when the Restricted Shares awarded by the Restricted Share Agreement become Vested, the US Participant shall be entitled to receive unrestricted Plan Shares and if the US Participant’s share certificates contain legends restricting the transfer of such shares, the US Participant shall be entitled to receive new share certificates free of such legends (except any legends requiring compliance with securities laws).

(ii) Except to the extent set out in the Restricted Share Agreement, the US Participant shall have all the rights in respect of Plan Shares underlying the Restricted Shares Award from the date of transfer until any date on which the Restricted Shares Award comprising the Restricted Shares lapses (whether in whole or in part). Except as provided in Rule 9, for the avoidance of doubt, the US Participant shall be entitled to vote the Plan Shares underlying the Restricted Shares and receive dividends with respect to such Plan Shares during the applicable Vesting period.

A.5 Dividend Equivalents

For purposes of Rule 8.10, any dividend equivalents that may be awarded on an Option granted to a US Participant shall be subject to the same Vesting requirements of the applicable shares under the Option on which the dividend equivalents are accrued. Such dividend equivalents shall be accumulated subject to such Vesting, without interest or other earnings (unless the Award expressly provides otherwise), and if the accumulated dividend equivalents (and interest and earnings if awarded) Vest, they shall be paid to the US Participant by the end of the Option Short-Term Deferral Period applicable to the shares of the Option on which the dividend equivalents (and interest and earnings if awarded) are accrued. Payment of the dividend equivalents (and interest and earnings if awarded) will be made in Plan Shares, and the number of Plan Shares to be paid shall be determined by dividing the amount of the accumulated dividend equivalents on the date on which they Vest by the Market Value of a Plan Share on such date, rounded down to avoid fractional shares (unless the Award expressly provides otherwise).

For purposes of Rule 8.10, any dividend equivalents that may be awarded on a Conditional Share Award granted to a US Participant shall be subject to the same Vesting requirements of the applicable shares under the Conditional Share Award on which the dividend equivalents are accrued. Such dividend equivalents shall be accumulated subject to such Vesting, without interest or other earnings (unless the Award expressly provides otherwise), and if the accumulated dividend equivalents (and interest and earnings if awarded) Vest, they shall be paid to the US Participant at the time of settlement of the Conditional Share Award. Payment of the dividend equivalents (and interest and earnings if awarded) will be made in Plan Shares, and the number of Plan Shares to be paid shall be determined by dividing the amount of the accumulated dividend equivalents on the date on which they Vest by the Market Value of a Plan Share on such date, rounded down to avoid fractional shares (unless the Award expressly provides otherwise). In the event that a dividend equivalent with respect to a Conditional Share Award granted to a US Participant constitutes “nonqualified deferred compensation” within the meaning of Section 409A, the payment of such dividend equivalent shall be made in compliance with the terms and conditions of Section 409A.

A.6 No payment for the Award

Notwithstanding Rule 1.10 of the Plan, unless otherwise required by applicable law in respect of paying nil value for the Award at the time of issuance or the Board determines otherwise, a US Participant shall not be required to make payment for the grant of the Award. Where a US Participant refuses his Award pursuant to the terms of Rule 1.9, no payment in connection with the refusal is required from the US Participant or the Grantor.

A.7 Award Price

With the exception of the first sentence, Rule 4 of the Plan will not apply with respect to Awards comprising Restricted Shares granted to US Participants.

A.8 Malus

With respect to Restricted Shares Awards granted to US Participants, Rule 6 shall apply, except that the Board may at (or at any time before) Vesting of an Award to which the Grantor has specified under Rule 1.4 that Rule 6 applies, cause the Awards to be forfeited (including, for the avoidance of doubt, up to all the Restricted Shares) on the occurrence of the circumstances described in Rule 6, as opposed to reduced.

A.9 Substitution, Variation or Waiver of Performance Target

In the event that a Conditional Share Award granted to a US Participant constitutes “nonqualified deferred compensation” within the meaning of Section 409A, the Performance Target applicable to such Award may not be substituted or varied pursuant to Rule 5.3 if and to the extent that the substitution or variation of the Performance Target would violate the terms and conditions of Section 409A. Notwithstanding the foregoing, the Grantor may waive the Performance Target of an outstanding Award granted to a US Taxpayer pursuant to Rule 5.3.

A.10 Dealing Restrictions and Holding Period

With the exception of the first sentence therein, Rule 8.4 shall not apply to Restricted Shares Awards granted to US Participants. For the avoidance of doubt, any deferral in the settlement of a Conditional Share Award or exercise of an Option pursuant to Rule 8.4 as a result of Dealing Restrictions will be administered in a manner consistent with Section 409A, including US Treasury Regulations Section 1.409A-2(b) (7) (ii) allowing for a delay in payment where a payment is reasonably believed to violate securities laws or other applicable laws.

Notwithstanding anything in the Plan to the contrary, in no event will the application of Rule 9, with respect to an Award granted to a US Participant, result in an impermissible subsequent deferral of such Award under Section 409A.

A.11 Good Leavers

Notwithstanding anything in the Plan to the contrary, the Grantor will establish in the Award Certificate on the Award Date if a Conditional Share Award granted to a US Participant will be settled on the occurrence of the cessation of the US Participant’s Relevant Employment. In the event that the Conditional Share Award constitutes “nonqualified deferred compensation” within the meaning of Section 409A, then the Award may only be settled on the cessation of the US Participant’s Relevant Employment if such cessation constitutes a “separation from service” within the meaning of US Treasury Regulations Section 1.409A-1(h).

A.12 US Taxpayer Relocated Abroad

In the event that a Conditional Share Award granted to the a US Participant constitutes “nonqualified deferred compensation” within the meaning of Section 409A, then Rule 10.3 will not apply to such Award.

A.13 Changing the Terms of Awards for US Taxpayers

The Board need not obtain the approval of the Company in general meeting for any changes to Awards that were granted to US Taxpayers which are necessary or desirable in order for the Awards to qualify for an exemption from or to comply with Section 409A, Section 457A of the Code and/or any other applicable US tax law which could materially impact an Award hereunder (“**US Tax Law**”).

A.13 Use of Trusts

In the event that a Conditional Share Award granted to a US Participant constitutes “nonqualified deferred compensation” within the meaning of Section 409A, Plan Shares with respect to such Awards granted to US Participants may not be deposited to a trust or similar arrangement if such action would cause the Awards to violate Section 409A.

A.14 Clawback

In the event that any Conditional Share Award granted to a US Participant constitutes “nonqualified deferred compensation within the meaning of Section 409A, no action shall be taken under Rules 7, 8, 9.7 and 11.10, should such action be deemed to accelerate, or subsequently defer, the payment or settlement of any such Award under US Tax Law.

A.15 Takeover and Other Corporate Events

Notwithstanding anything in the Plan to the contrary, the Grantor will establish in the Award Certificate on the Award Date if a Conditional Share Award granted to a US Participant will be settled on the occurrence of the events described in Rules 11.1, 11.2, 11.3, 11.4, 11.5, 11.6 and 11.9 (each, a “**Corporate Event**”). In the event that the Conditional Share Award constitutes “nonqualified deferred compensation” within the meaning of Section 409A, then the Award may only be settled in connection with the occurrence of such Corporate Event, if such Corporate Event constitutes a “change in control event” within the meaning of US Treasury Regulations Section 1.409A-3(i)(5).

A.16 Interpretation and Administration Intent

Notwithstanding anything in the Plan or this Schedule A, this Schedule A and the Awards granted hereunder are intended to comply with or be exempt from Section 409, and shall at all times be interpreted in accordance with such intent. It is intended that the Awards will not result in the imposition of any tax liability pursuant to Section 409A. The Plan and Schedule A shall be construed and interpreted consistent with that intent. Without limiting the generality of the foregoing and notwithstanding any provision of the Plan and Schedule A to the contrary, if the US Participant is a “specified employee” as defined in Section 409A on the US Participant’s “separation from service” (within the meaning of Section 409A) with the Company, the US Participant shall not be entitled to any payments under the Plan or Schedule A that would be treated as deferred compensation subject to Section 409A until the earlier of (i) the date which is six months after his separation from service with the Company for any reason other than death and (ii) the date of the US Participant’s death. Any amounts otherwise payable to the US Participant following a termination of employment or service that are not so paid shall be paid as soon as practicable after the date that is six months after the US Participant’s separation from service with the Company (or, if earlier, the date of his death). The provisions of this section shall apply only if, and to the extent, required to comply with Section 409A. No provision of the Plan or Schedule A shall be interpreted or construed to transfer any liability for failure to comply with the requirements of Section 409A from the US Participant or any other individual to the Company or any of its Subsidiaries, employees or agents. The US Participant shall be solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or for the account of the US Participant in connection with payments and benefits provided in accordance with the terms of the Plan or Schedule A (including any taxes and penalties under Section 409A), and in no event whatsoever shall the Company or any of its Subsidiaries be liable for any additional tax, interest, or penalties that may be imposed on the US Participant as a result of Section 409A or any damages for failing to comply with Section 409A. For purposes of Section 409A, each payment that may be made under the Plan and Schedule A shall be designated as a separate and distinct payment for purposes of Treasury Regulations Sections 1.409A-1(b)(4)(i)(F), 1.409A-1(b)(9)(iii) and 1.409A-1(b)(9)(v)(B).

In no event does the Company or any Group Member make any representation, commitment or guarantee that any tax treatment will be applicable with respect to any Awards granted, or any Plan Shares issued or payment made, under the Plan or that such tax treatment will apply to a US Taxpayer.

A.17 Miscellaneous

The Plan Shares are not being registered under the Securities Act of 1933, as amended (the “**Securities Act**”), based, in part, on either (i) reliance upon an exemption from registration under Securities and Exchange Commission Rule 701 promulgated under the Securities Act or (ii) the fact that the US Participant is an “accredited investor” (as defined under the Securities Act and the rules and regulations promulgated thereunder), and, in each of clauses (i) and (ii) above, a comparable exemption from qualification under applicable state securities laws, as each may be amended from time to time.

Notwithstanding any other provisions of the Plan, the Company will not be required to issue or cause to be issued any Plan Shares if at such time such issuance would violate the US federal securities laws or any other laws of the US or any state of the US, if applicable. In addition, the holder of any Plan Shares agrees not to sell or transfer such Plan Shares in violation of the US federal securities laws or any other laws of the US or any state of the US, if applicable. The Company shall have the right in its sole discretion to modify the terms of the Plan of this Schedule A at any time and from time to time as it deems necessary or appropriate to ensure or facilitate such compliance and to include appropriate legends on any Awards or Plan Shares issued or caused to be issued in connection with the Plan and this Schedule A.