

DOMINO'S PIZZA GROUP PLC

THE DOMINO'S PIZZA GROUP PLC 2022 SHARE PLAN

Adopted by the Remuneration Committee of the Board of the Company on 28 February 2022 and amended on [June] 2023

Approved by shareholders of the Company on 5 May 2022 with changes approved on [June] 2023

The Plan is a discretionary plan operated by the Company for selected employees. Its main purpose is to increase the interest of the employees in the Company's long-term business goals and performance through share ownership.

Shares purchased or received under the Plan, any cash received under the Plan and any gains obtained under the Plan are **not** part of salary for any purpose except to any extent required by statute.

The remuneration committee of the board of the Company shall have the right to decide, in its sole discretion, whether or not awards will be granted and to which employees those awards will be granted.

The detailed rules of the Plan are set out overleaf.

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1. DEFINITIONS AND INTERPRETATION

1.1 In the Plan, unless the context otherwise requires:

"Applicable Laws" means the Listing Rules published by the Financial Conduct Authority, the City Code on Takeovers and Mergers, UK MAR or any other relevant UK or overseas regulation or enactment;

"Award" means an Option, a Conditional Award or a Share Appreciation Right;

"Board" means the board of directors of the Company or a duly authorised committee of that board or a duly authorised person and for these purposes the Committee is deemed to be a duly authorised committee;

"Buy-out Award" means an Award granted to an individual who becomes employed by a Participating Company which is granted to that individual on joining a Participating Company to compensate them, in part or in full, for the loss of an award from their previous employment;

"Cessation" means a Participant ceasing to be an employee of a Group Member, except where:

- (a) the Participant remains an employee of any other Group Member; or
- (b) the Participant retains a statutory right to return to work.

"Clawback" means a reduction of, or an obligation to repay, elements of remuneration as referred to in Rule 14.4 (*Satisfaction of the Clawback*);

"Committee" means:

- (a) the remuneration committee of the Board; or
- (b) a duly authorised person and the Chief Executive Officer of the Company is deemed to be a duly authorised person:
 - (i) for the purposes of Rule 3 (*Grant of Awards*) except that references to "Committee" in Rules 3.9 (*Grant of Awards by Chief Executive Officer*); shall mean the remuneration committee of the Board; and
 - (ii) for the purposes of Rule 11 (*Leavers*) in respect of Awards granted by the Chief Executive Officer; or
 - (iii) where the Committee has delegated authority to the Chief Executive Officer to exercise a power or discretion under the Rules; and

provided that after the occurrence of a corporate event described in Rule 12 (*Takeovers and other corporate events*), it shall mean the remuneration committee of the Board as constituted immediately before that event;

"Company" means Domino's Pizza Group plc (registered in England and Wales with registered number 03853545);

"Conditional Award" means a conditional right to acquire Shares granted under the Plan which is designated as a conditional award by the Committee under Rule 3.2(b) (*Committee determinations*);

"Control" means control within the meaning of section 995 of the Income Tax Act 2007;

"Dealing Day" means a day on which the London Stock Exchange is open for business;

"Deferred Bonus Award" means an Award, the principal purpose of which is to defer receipt of a bonus that reflects performance before its grant;

"Directors' Remuneration Policy" means the Company's directors' remuneration policy within the meaning of section 421(2A) of the Companies Act 2006;

"Dividend Equivalent" means a benefit calculated by reference to dividends paid on Shares as described in Rule 3.4 (*Treatment of Dividends*);

"Early Vesting Date" means either:

- (a) the later of:
 - (i) the date of Cessation of a Participant in circumstances referred to in Rule 11.1 (*Good leavers before the Normal Vesting Date*); and
 - (ii) early determination of any Performance Condition by reason of that Cessation; or
- (b) the date of the relevant event in Rule 12.1 (*General offers*) or Rule 12.2 (*Schemes of arrangement and winding up*) or the date of Vesting referred to in Rule 12.3 (*Demergers and other events*);

"Employees' Share Scheme" has the meaning given by section 1166 of the Companies Act 2006;

"Executive Director" means an executive director of the Company;

"Exercise Period" means, subject to it not being extended in accordance with Rule 6.1(b):

- (a) in relation to an Option, the period commencing on the date on which it Vests and ending on the date determined under Rule 3.2(d) (*Committee determinations*); and
- (b) in relation to a Share Appreciation Right, the period commencing on the date on which it Vests and ending on the last day of the period of 6 months beginning with that date

being, in each case, the period during which the Award may normally be exercised, subject to it not lapsing earlier under the Plan;

"Grant Date" means the date on which an Award is granted;

"Group Member" means:

- (a) a Participating Company or a body corporate which is the Company's holding company (within the meaning of section 1159 of the Companies Act 2006) or a Subsidiary of the Company's holding company;
- (b) a body corporate which is a subsidiary undertaking (within the meaning of section 1162 of the Companies Act 2006) of a body corporate within paragraph (a) above and has been designated by the Board for this purpose; and
- (c) any other body corporate in relation to which a body corporate within paragraph (a) or (b) above is able (whether directly or indirectly) to exercise 20% or more of its equity voting rights and has been designated by the Board for this purpose;

"Holding Period" means the period starting on the date on which an Award Vests and ending on the earliest of the dates specified in Rule 8.3 (*Expiry of the Holding Period*) during which a Participant is required not to sell, transfer, assign or dispose of their Net Vested Shares in accordance with Rule 8 (*Holding Period*);

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

"London Stock Exchange" means London Stock Exchange plc or any successor to that company;

"Market Value" means, in relation to a Share on any date:

- (a) for the purposes of Rule 9.3 in circumstances where Rule 12 applies, the offer price per Share offered to the Company's shareholders in connection with the relevant corporate event (subject to such adjustments as the Committee may determine);
- (b) the closing middle-market quotation (taken from the Daily Official List of the London Stock Exchange) of a Share on the Dealing Day before the relevant date; or
- (c) if the Committee so determines, such middle-market quotation for any other Dealing Day (or the average of such middle-market quotations for any Dealing Days) occurring before the relevant date, as the Committee may determine,

provided that, where either paragraph (b) or (c) applies, such Dealing Days do not fall within any period when any restriction under Applicable Laws or any dealing code adopted by the Company apply to the Participant in respect of the Award or the Shares subject to the Award;

"Net Vested Shares" means the Vested Shares received or acquired by a Participant on Vesting of a Conditional Award or on exercise of an Option or Share Appreciation Right less: (a) a number of Shares with an aggregate Market Value on the date of Vesting (in the case of Conditional Awards) or exercise (in the case of Options and Share Appreciation Rights) equal to the Participant's Tax Liability arising on that event; or (b) if the Vested Shares are sold to satisfy that Tax Liability, the number of Vested Shares sold;

"Normal Vesting Date" means the date on which an Award would ordinarily Vest under Rule 5.1 (*Timing of Vesting: Normal Vesting Date*);

"Normal Vesting Period" means the period commencing on the Grant Date and ending on the date determined under Rule 3.2(g) (*Committee determinations*);

"Option" means a right to acquire Shares during an Exercise Period granted under the Plan which is designated as an option by the Committee under Rule 3.2(b) (*Committee determinations*);

"Option Price" means the amount, if any, determined under Rule 3.2(c) (*Committee determinations*) as payable per Share on the exercise of an Option, provided that the Committee may reduce or waive this Option Price on or prior to the exercise of the Option;

"Participant" means a person who holds an Award, including their personal representatives (or for the purposes of Rule 8 (*Holding Period*) a person who holds an Award to which Rule 8 (*Holding Period*) applies);

"Participating Company" means the Company or any Subsidiary of the Company;

"Performance Share Award" means an Award, the principal purpose of which is to provide an incentive for improved performance following its Grant Date and which is subject to one or more Performance Conditions;

"Performance Condition" means a condition (or conditions) related to performance which is specified by the Committee under Rule 3.2(f) (*Committee determinations*);

"Plan" means the Domino's Pizza Group plc 2022 Share Plan as amended from time to time;

"Plan Limits" the limits on the number of unissued Shares and, subject to Rule 4.5 (*Changes to investor guidelines*), treasury Shares, that may be "allocated" in respect of the Plan as set out in Rules 4.1, 4.2, 4.3 and 4.4;

"Relevant Event" means any one, or any combination, of;

- (a) the Committee forms the view that the Company materially misstated its financial results for whatever reason and that such misstatement resulted either directly or indirectly in that Award Vesting to a greater degree than would have been the case had that misstatement not been made; and/or
- (b) the Participant ceases to be a director or employee of a Group Member as a result of misconduct on the part of the Participant or the Committee is of the view (acting reasonably) that the Participant could have been summarily terminated by reason of their misconduct in each case in relation to an act or acts preceding the Vesting of the Award; and/or
- (c) the Committee forms the view that in assessing any condition imposed on the Award such assessment was based on an error, or on inaccurate or misleading information or assumptions, and that such error, information or assumptions resulted either directly or indirectly in that Award Vesting to a greater degree than would have been the case had that error not been made; and/or
- (d) the Company has suffered an instance of corporate failure which has resulted in the appointment of a liquidator or administrator or resulted in the Company reaching a compromise arrangement with its creditors; and/or
- (e) there is a material failure of risk management and/or regulatory non-compliance resulting in serious reputational damage to the Company or the relevant business unit for which the Participant works and which, in the determination of the Committee, is at least partly due to a material failure in the management of the Company or relevant business unit and to which the Participant made a material and direct contribution; and/or
- (f) the Company or the relevant business unit for which the Participant works suffers a material downturn in its financial or operational performance, which in the determination of the Committee, is at least partly due to a material failure in the management of the Company or relevant business unit and to which the Participant made a material and direct contribution; and/or
- (g) the Committee forms the view that there has been an unreasonable failure to protect the interests of employees and/or customers by management of the Company or relevant business unit and to which the Participant made a material and direct contribution;

"Restricted Share Award" means an Award, the principal purpose of which is to retain the services of an individual who is not an Executive Director;

"Rule" means a rule of the Plan;

"SAR Strike Price" means, in relation to a Share Appreciation Right, a monetary amount per Share determined by the Committee being the greater of £4.00 and an amount equal to four divided by three multiplied by the Market Value of a Share on the Grant Date;

"Share Appreciation Right" means an Award, the principal purpose of which is to provide an incentive to grow the Share price above the SAR Strike Price which is structured as an option to acquire Shares which is designated as a share appreciation right by the Committee under Rule 3.2(b) (*Committee determinations*);

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

"Subsidiary" means a body corporate which is a subsidiary (within the meaning of section 1159 of the Companies Act 2006);

"Tax Liability" means any amount of tax or social security contributions for which a Participant would or may be liable and for which any Group Member or former Group Member would or may be obliged to (or would or may suffer a disadvantage if it were not to) account to any relevant authority;

"UK MAR" means the retained EU law version of the Market Abuse Regulation 596/2014 which applies in the UK from 1 January 2021, and any related UK subsidiary regulations;

"Vest" means:

- (a) in relation to an Option or Share Appreciation Right, it becoming exercisable; and
- (b) in relation to a Conditional Award, a Participant becoming entitled to have Shares transferred or allotted to them,

in each case subject to the Rules and **Vesting** shall be construed accordingly; and

"Vested Shares" means those Shares in respect of which an Award Vests.

- 1.2 Any reference in the Plan to any enactment includes a reference to that enactment as from time to time modified, extended or re-enacted.
- 1.3 Expressions in italics and headings are for guidance only and do not form part of the Plan.
- 1.4 Unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular.
- 1.5 Unless the context otherwise requires, a reference to one gender, shall include a reference to the other genders.
- 1.6 Save as provided 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 email.

2. **ELIGIBILITY**

- 2.1 Subject to Rule 2.3 an individual is eligible to be granted a Performance Share Award, a Restricted Share Award, a Share Appreciation Right or a Buy-out Award only if they are an employee (including an Executive Director) of a Participating Company.
- 2.2 An individual is eligible to be granted a Deferred Bonus Award if he is a current or former employee of a Participating Company and the Committee has decided that part of his Bonus shall be granted as a Deferred Bonus Award.
- 2.3 An individual is not eligible to be granted a Restricted Share Award if they are an Executive Director unless permitted under the Directors' Remuneration Policy.

3. **GRANT OF AWARDS**

3.1 **Terms of grant**

Subject to Rule 3.7 (*Approvals and consents*), the Committee may resolve to grant an Award on:

- (a) the terms set out in the Plan; and

- (b) any additional terms that the Committee proposes,
- to any person who is eligible to be granted an Award under Rule 2 (*Eligibility*).

3.2 **Committee determinations**

The Committee shall (or may, as appropriate) determine:

- (a) the number of Shares over which the Award is granted;
- (b) whether the Award (other than a Share Appreciation Right) shall be an Option or a Conditional Award, provided that if no determination is made it shall be an Option;
- (c) if an Award:
 - (i) is an Option, the Option Price (if any), provided that if no determination is made it shall have a nil Option Price;
 - (ii) is a Share Appreciation Right, the SAR Strike Price;
- (d) if an Award is an Option, the date at the end of which the Exercise Period shall (subject to the term of the Plan) expire, provided that if no such determination is made that day shall be the day immediately preceding the 10th anniversary of the Grant Date;
- (e) whether the Award is a Performance Award, a Deferred Bonus Award, a Restricted Share Award, a Share Appreciation Right or a Buy-out Award;
- (f) the Performance Condition if any and/or any additional terms or conditions (if any) applicable to the Award;
- (g) the date or date s to be specified for the purposes of Rule 5.1 (*Timing of Vesting: Normal Vesting Date*) provided that:
 - (i) for a Performance Share Award:
 - (aa) such date shall not be earlier than the third anniversary of the Grant Date save that in the event of material delay in granting such Award the Committee may specify such earlier date as it considers appropriate to offset the delay at its discretion; and
 - (bb) if no determination is made on or before the Award's Grant Date, the date shall be taken to be the third anniversary of the Grant Date;
 - (ii) for a Deferred Bonus Award:
 - (aa) such date shall not be earlier than the third anniversary of the Grant Date save that in the event of material delay in granting such Award the Committee may specify such earlier date as it considers appropriate to offset the delay at its discretion; and
 - (bb) if no determination is made on or before the Award's Grant Date, the date shall be taken to be the third anniversary of the Grant Date;
 - (iii) for a Share Appreciation Right:
 - (aa) such date shall not be earlier than the third anniversary of the Grant Date, save that in the event of material delay in granting such Award the Committee may determine such earlier date as it considers appropriate to offset the delay at its discretion; and

- (bb) if no determination is made on or before the Grant Date, the following dates shall apply:
 - (1) in relation to one third of the Shares subject to the Award (rounded down to a whole number, where necessary), the third anniversary of the Grant Date;
 - (2) in relation to one third of the Shares subject to the Award (rounded down to a whole number, where necessary) the fourth anniversary of the Grant Date;
 - (3) in relation to the remaining Shares subject to the Award, the fifth anniversary of the Grant Date;
- (iv) for a Restricted Share Award such date shall be the date or dates that the Committee may specify and if no determination is made on or before the Grant Date, the date shall be taken to be the third anniversary of the Grant Date; and
- (v) for a Buy-out Award shall be such date or dates that the Committee may specify;
- (h) whether the Shares acquired or received on Vesting or exercise (as applicable) of an Award shall be subject to a Holding Period and, where relevant, the date the Holding Period will ordinarily expire (provided that, in the case of Shares acquired on the exercise of a Share Appreciation Right, the Holding Period shall ordinarily expire on the fifth anniversary of the Grant Date); and
- (i) whether, other than in relation to a Share Appreciation Right, the relevant Participant shall be entitled to a Dividend Equivalent or increase in the number of Shares comprised within their Award pursuant to Rule 3.4 (*Treatment of Dividends*).

Each of the determinations noted in paragraphs (a) to (i) in this Rule 3.2 shall be made by the Committee on or before the Award is granted Date save that, at the discretion of the Committee, a Performance Condition proposed for an Award may instead be determined (or finalised as relevant) by the Committee within six months of the Award's Grant Date. Where such aforementioned discretion in respect of determining a Performance Condition is used, the related Award shall not be capable of Vesting to any extent (if at all) under the Plan or its Performance Condition until all details of its Performance Condition are determined or finalised by the Committee.

3.3 Method of grant

An Award shall be granted by deed executed by the Company, or in such other manner as the Committee determines.

3.4 Treatment of dividends

The Committee may, other than in respect of a Share Appreciation Right, decide, at its discretion, on or before the grant of an Award or at any time prior to the Vesting of an Award, that a Participant shall be entitled to receive a benefit determined by reference to the value of the dividends that would have been paid on the Vested Shares in respect of dividend record dates occurring during the period between the Grant Date and the date of Vesting (or, where Shares under an Option are subject to a Holding Period, the earlier of the date of expiry of the Holding Period or the date of exercise of the Option).

The Committee shall decide the basis on which the value of such dividends shall be calculated (which may assume the reinvestment of dividends). The Committee may also decide at this time whether such Dividend Equivalent shall be provided to the Participant in the form of cash and/or

Shares. Such Dividend Equivalent shall be provided in accordance with Rule 6.3 (*Delivery of dividend equivalent*).

3.5 Method of satisfying Awards

Unless specified to the contrary by the Committee on the Grant Date and subject to Rule 9 (*Cash Alternative*), an Award may be satisfied:

- (a) by the issue of new Shares; and/or
- (b) by the transfer of treasury Shares; and/or
- (c) by the transfer of Shares (other than the transfer of treasury Shares).

The Committee may decide to change the way in which it is intended that an Award may be satisfied after it has been granted, having regard to the provisions of Rule 4 (*Limits*).

3.6 Timing of grant

Subject to Rule 3.7 (*Approvals and consents*), an Award may only be granted:

- (a) within the period of 6 weeks commencing on the date on which the Plan was adopted by the Company;
- (b) within the period of 6 weeks beginning with the Dealing Day after the date on which the Company announces its results for any period;
- (c) at any other time when the Committee considers that circumstances are sufficiently exceptional to justify its grant; or
- (d) if an Award may not be granted within either of the periods in Rules 3.6(a) or 3.6(b) due to a restriction under any Applicable Laws, within the period of 6 weeks beginning with the Dealing Day after such restriction lifts

but an Award may not be granted after 5 May 2032 (that is, the expiry of the 10 year period beginning with the date on which the Plan was approved by the shareholders of the Company).

3.7 Approvals and consents

The grant of any Award shall be subject to obtaining any approval or consent required under any Applicable Laws and any share dealing code of the Company.

3.8 Non-transferability and bankruptcy

An Award granted to any person:

- (a) shall not be transferred, assigned, charged or otherwise disposed of (except on their death to their personal representatives) and shall lapse immediately on any attempt to do so; and
- (b) shall lapse immediately if they are declared bankrupt (unless the Committee determines otherwise).

3.9 Grant of Awards by Chief Executive Officer

Where the Chief Executive Officer grants Awards under this Rule 3:

- (a) he may only grant Awards to individuals who are not designated as falling within the Committee's remit under its Terms of Reference dated 5 August 2020, and as amended from time to time;
- (b) any such Awards may only be granted within such limit(s) (which may be expressed as an aggregate number and/or value of Shares per financial year and/or per Participant) as approved by the Committee from time to time; and
- (c) any such Awards may not be Share Appreciation Rights.

4. **LIMITS**

4.1 **5 per cent. in 10 years limit**

An Award shall not be granted in any calendar year if, at the time of its proposed Grant Date, it would cause the number of Shares allocated (as defined in Rule 4.3 (*Meaning of "allocated"*)) in the period of 10 calendar years ending with that calendar year under the Plan and under any other executive share plan (i.e. only discretionary share plans and not including all-employee plans) adopted by the Company to exceed such number as represents 5 per cent. of the ordinary share capital of the Company in issue at that time.

4.2 **10 per cent. in 10 years limit**

An Award shall not be granted in any calendar year if, at the time of its proposed Grant Date, it would cause the number of Shares allocated (as defined in Rule 4.3 (*Meaning of "allocated"*)) in the period of 10 calendar years ending with that calendar year under the Plan and under any other employee share plan (i.e. all types of employee share plans: discretionary, all-employee or otherwise) adopted by the Company to exceed such number as represents 10 per cent. of the ordinary share capital of the Company in issue at that time.

4.3 **Meaning of "allocated" for the purposes of Plan Limits**

For the purpose of the Plan Limits (but not, for the avoidance of doubt, Rule 4.7):

- (a) Shares are allocated:
 - (i) when an option, award or other contractual right to acquire unissued Shares or treasury Shares is granted;
 - (ii) where Shares are issued or treasury Shares are transferred otherwise than pursuant to an option, award or other contractual right to acquire Shares, when those Shares are issued or treasury Shares transferred;
- (b) any Shares which have been issued or which may be issued (or any Shares transferred out of treasury or which may be transferred out of treasury) to any trustees to satisfy the exercise of any option, award or other contractual right granted under any employee share plan shall count as allocated unless they are already treated as allocated under this Rule;
- (c) for the avoidance of doubt, existing Shares other than treasury Shares that are transferred or over which options, awards or other contractual rights are granted shall not count as allocated; and
- (d) there shall be disregarded any Shares which have been issued or may be issued pursuant to an option, award or other contractual right to acquire Shares which was granted prior to Admission.

4.4 **Post-grant events affecting numbers of "allocated" Shares**

For the purposes of Rule 4.3 (*Meaning of "allocated" for the purposes of Plan Limits*):

- (a) where:
 - (i) any option, award or other contractual right to acquire unissued Shares or treasury Shares is released or lapses (whether in whole or in part); or
 - (ii) after the grant of an option, award or other contractual right the Committee determines that:
 - (aa) it shall be satisfied wholly or partly by the payment of cash; or
 - (bb) it shall be satisfied wholly or partly by the transfer of existing Shares (other than Shares transferred out of treasury)

the unissued Shares or treasury Shares which consequently cease to be subject to the option, award or other contractual right shall not count as allocated; and
- (b) the number of Shares allocated in respect of an option, award or other contractual right shall be such number as the Board shall reasonably determine from time to time.

4.5 **Changes to investor guidelines**

Treasury Shares shall cease to count as allocated Shares for the purposes of Rule 4.3 (*Meaning of "allocated" for the purposes of Plan Limits*) if institutional investor guidelines cease to require them to be so counted.

4.6 **Limit on Shares used to satisfy Share Appreciation Rights**

A Share Appreciation Right may not be granted if, at the time of its proposed Grant Date, it would cause the number of Shares that may be issued or transferred (including, but not limited to, Shares transferred from treasury) to satisfy all Share Appreciation Rights to exceed such number as represents 1.5% of the ordinary share capital of the Company in issue at that time.

4.7 **Individual limits on granting Awards**

The maximum total Market Value of Shares (calculated as set out in this Rule 4.7) over which

- (a) Performance Share Awards may be granted to any individual in respect of any financial year of the Company shall be limited to the greater of (i) the maximum percentage of salary for Performance Share Awards to Executive Directors as provided for in the Directors' Remuneration Policy and (ii) 200% of their salary;
- (b) Restricted Share Awards may be granted to any individual in respect of any financial year of the Company shall be limited to the greater of (i) 50% of the maximum percentage of salary for Performance Share Awards to Executive Directors as provided for in the Directors' Remuneration Policy and (ii) 100% of their salary; and
- (c) Deferred Bonus Awards may be granted to any individual in respect of any financial year of the Company shall be limited to the maximum annual bonus that the individual could be paid in respect of the previous financial year; and
- (d) Share Appreciation Rights may be granted to any individual shall be limited so that their fair value shall not exceed 300% of the relevant individual's salary;

provided that, where a Participant is granted both Performance Share Awards and Restricted Share Awards in respect of the same financial year of the Company, the limit shall be that stated

in (a) above but, for the purposes of calculating whether or not the limit has been reached, the Market Value of Shares subject to any Restricted Share Award shall be doubled.

There is no maximum individual limit for Buy-out Awards.

For the purpose of this Rule:

- (a) an employee's **salary** shall be their base salary (excluding benefits in kind), expressed as an annual rate payable by the Participating Companies to them on the Grant Date (or any earlier date that the Committee determines). Where a payment of salary is made in a currency other than sterling, the payment shall be treated as equal to the equivalent amount of sterling determined by using any rate of exchange which the Committee reasonably selects;

; and
- (b) the **fair value** of a Share Appreciation Right shall be determined by the Committee in accordance with International Financial Reporting Standard 2 provided that the Market Value of the Shares used for determining the fair value shall not be less than £2.50.

4.8 **Effect of limits**

Any Award shall be limited and take effect to comply with the limits in this Rule 4.

4.9 **Restriction on use of unissued Shares and treasury Shares**

No Shares may be issued or treasury Shares transferred to satisfy the exercise of any Option or Share Appreciation Right or the Vesting of any Conditional Award to the extent that such issue or transfer would cause the number of Shares allocated (as defined in Rule 4.3 (*Meaning of "allocated"*)) and adjusted under Rule 4.4 (*Post-grant events affecting numbers of "allocated" Shares*)) to exceed the limit in Rule 4.1 (*5 per cent. in 10 years limit*) and Rule 4.2 (*10 per cent. in 10 years limit*) except where there is a variation of share capital of the Company which results in the number of Shares so allocated exceeding such limit solely by virtue of that variation.

5. **VESTING OF AWARDS**

5.1 **Timing of Vesting: Normal Vesting Date**

Subject to Rule 5.4 (*Restrictions on Vesting: regulatory and tax issues*) and the terms of the Plan, an Award shall Vest on the later of:

- (a) its Normal Vesting Date determined under Rule 3.2(g) (*Committee determinations*); and
- (b) if any condition has been imposed on the Vesting of the Award, the date on which the Committee determines whether or not it has been wholly or partly satisfied,

except where earlier Vesting occurs under Rule 11 (*Leavers*) or Rule 12 (*Takeovers and other corporate events*) and provided that, if the Vesting of the Award under this Rule 5 would otherwise occur on a day which is not a Dealing Day, the Award will Vest on the first Dealing Day immediately following such date unless otherwise determined by the Committee.

5.2 **Extent of Vesting**

Subject to Rule 5.3 (*Adjustments to extent of Vesting*), an Award shall only Vest to the extent:

- (a) that any Performance Condition is satisfied over the applicable period;
- (b) that any other condition or term imposed on its Vesting permits (including the return by a Participant of their declaration of acceptance of an Award);

- (c) in relation to Vesting before the Normal Vesting Date, in accordance with Rules 11.6 (*Leavers: reduction in number of Vested Shares*) and 12.5 (*Corporate events: reduction in number of Vested Shares*); and
- (d) any operation of the Malus and Clawback provisions permit.

Where, under Rule 11 (*Leavers*) or Rule 12 (*Takeovers and other corporate events*), an Award would (subject to satisfying any Performance Condition) Vest before the end of the full period over which performance would be measured under any Performance Condition then, unless provided to the contrary by the Performance Condition, the extent to which the Performance Condition has been satisfied shall be determined by the Committee on such reasonable basis as it decides.

5.3 Adjustments to extent of Vesting

Notwithstanding any other provision of the Plan, and irrespective of whether and to what extent any Performance Condition attached to an Award has been satisfied, the Committee may at any time prior to the settlement of an Award and at its discretion:

- (a) reduce (including to nil, if appropriate) or increase the extent to which an Award would otherwise Vest or remain Vested under Rule 5.2 (*Extent of Vesting*); and/or
- (b) impose any other condition on the Vesting of an Award,

where the Committee determines that exceptional circumstances exist which mean that the Vesting of such Award, or the extent to which such Award would otherwise Vest under Rule 5.2 (*Extent of Vesting*), would be inappropriate taking into account such factors as it considers relevant (including, but not limited to, the overall performance of the Company, any Group Member or the relevant Participant who holds the Award).

5.4 Restrictions on Vesting: regulatory and tax issues

An Award shall not Vest unless and until the following conditions are satisfied:

- (a) the Vesting of the Award, and the transfer or sale of Shares on (or shortly after) Vesting, would be lawful and comply with Applicable Laws and any share dealing code of the Company;
- (b) if a Tax Liability would arise by virtue of such Vesting and the Board decides that such Tax Liability shall not (or cannot) be satisfied by the sale of Shares pursuant to Rule 5.6 (*Payment of Tax Liability*), then the Participant must have entered into arrangements acceptable to the Board that the relevant Group Member will receive the amount of such Tax Liability;
- (c) to the extent required by the Committee on or prior to the grant of the Award, the Participant has entered into such arrangements as the Committee requires (and where permitted in the relevant jurisdiction) to satisfy a Group Member's liability to social security contributions in respect of the Vesting of the Award; and
- (d) where the Committee requires, the Participant has entered into, or agreed to enter into, a valid election under Part 7 of ITEPA (*Employment income: elections to disapply tax charge on restricted securities*) or any similar arrangement in any overseas jurisdiction.

For the purposes of this Rule 5.4, references to a Group Member include any former Group Member.

5.5 Tax Liability before Vesting

If a Participant will, or is likely to, incur any Tax Liability before the Vesting of an Award, then that Participant must enter into arrangements acceptable to any relevant Group Member to ensure that it receives the amount of such Tax Liability. If no such arrangement is made, the Participant shall be deemed to have authorised the Company to sell or procure the sale on their behalf of sufficient of the Vested Shares subject to their Award to ensure that the relevant Group Member receives the amount required to discharge the Tax Liability.

For the purposes of this Rule 5.5, references to a Group Member include any former Group Member.

5.6 Payment of Tax Liability

The Participant authorises the Company to sell or procure the sale of sufficient Vested Shares on or following the Vesting of their Award on their behalf to ensure that any relevant Group Member or former Group Member receives the amount required to discharge the Tax Liability which arises on Vesting except to the extent that the Board decides that all or part of the Tax Liability shall be funded in a different manner.

6. CONSEQUENCES OF VESTING

6.1 Options and Share Appreciation Rights

- (a) An Option or Share Appreciation Right shall, subject to Rule 7.1 (*Restrictions on the exercise of an Option or Share Appreciation Right: regulatory and tax issues*), be exercisable in respect of Vested Shares during the Exercise Period unless it lapses earlier under Rule 11 (*Leavers*) or Rule 12 (*Takeovers and other corporate events*).
- (b) If an Option or Share Appreciation Right is not exercised during the last 30 days of the Exercise Period because of any regulatory restrictions referred to in Rule 7.1(a), the Committee may extend the Exercise Period for such limited period as the Committee determines appropriate to permit the Option or Share Appreciation Right to be exercised as soon as those restrictions cease to apply.
- (c) If, at the end of the Exercise Period (or any extended Exercise Period under Rule 6.1(b)), an Option or Share Appreciation Right remains unexercised and would otherwise lapse under Rule 7.8 (*Lapse of Options and Share Appreciation Rights*), the Committee may, other than in the case of an Option that has an Option Price greater than the nominal value of a Share, determine that the Option or Share Appreciation Right shall be treated as having been exercised on the last Dealing Day of the Exercise Period during which exercise would be permitted under Rule 7.1 (*Restrictions on the exercise of an Option or Share Appreciation Right: regulatory and tax issues*).

6.2 Conditional Awards

On or as soon as reasonably practicable after the Vesting of a Conditional Award, the Board shall, subject to Rule 5.6 (*Payment of Tax Liability*) and any arrangement made under Rules 5.4(b) and 5.4(c), procure the transfer of the Vested Shares to the Participant.

6.3 Delivery of Dividend Equivalent

If the Committee decided under Rule 3.4 (*Treatment of Dividends*) that a Participant would be entitled to the Dividend Equivalent in relation to Shares under their Award but did not decide at that time whether the Dividend Equivalent would be provided in the form of cash and/or Shares, then the Committee shall make such decision on or before the transfer of the Vested Shares to the Participant.

The Committee, acting fairly and reasonably, may decide to exclude the value of all or part of a special dividend or any other dividend from the amount of the Dividend Equivalent.

The provision of the Dividend Equivalent to the Participant shall be made as soon as practicable after the transfer of Vested Shares as relevant and:

- (a) in the case of a cash payment, shall be subject to such deductions (on account of tax or similar liabilities) as may be required by law or as the Board may reasonably consider to be necessary or desirable;
- (b) in the case of a provision of Shares, Rule 5.4 (*Restrictions on Vesting: regulatory and tax issues*) and Rule 5.6 (*Payment of Tax Liability*) shall apply as if such provision was the Vesting of an Award.

7. EXERCISE OF OPTIONS AND SHARE APPRECIATION RIGHTS

7.1 Restrictions on the exercise of an Option or Share Appreciation Right: regulatory and tax issues

A Vested Option or Share Appreciation Right may not be exercised unless:

- (a) the exercise of the Option or Share Appreciation Right and the consequent transfer of Shares would be lawful and comply with Applicable Laws and any share dealing code of the Company;
- (b) if, on the exercise of the Option or Share Appreciation Right, a Tax Liability would arise and the Board decides that it shall not (or cannot) be satisfied by selling Shares pursuant to Rule 7.6 (*Payment of Tax Liability*), then the Participant must have entered into arrangements acceptable to the Board that the relevant Group Member shall receive the amount of that Tax Liability;
- (c) to the extent determined by the Committee on or prior to grant, the Participant has entered into such arrangements as the Committee requires (and where permitted in the relevant jurisdiction) to satisfy a Group Member's liability to social security contributions in respect of the exercise of the Option or Share Appreciation Right; and
- (d) where the Committee requires, the Participant has entered into, or agreed to enter into, a valid election under Part 7 of ITEPA (*Employment income: elections to disapply tax charge on restricted securities*) or any similar arrangement in any overseas jurisdiction.

For the purposes of this Rule 7.1, references to a Group Member include any former Group Member.

7.2 Delivery of Shares on the exercise of Share Appreciation Rights

Subject to Rule 7.3 (*Restrictions on the exercise of Share Appreciation Rights*), Rule 7.6 (*Payment of Tax Liability*) and Rule 9 (*Cash Alternative*), the number of Shares to be delivered to the Participant on the exercise of a Share Appreciation Right is:

$$A \times (B - C) / B \text{ (rounded down to a whole number of Shares)}$$

where

A is the number of Shares subject to the Share Appreciation Right

B is the Market Value of a Share on the Dealing Day before the date on which the Share Appreciation Right is exercised

C is the SAR Strike Price

7.3 **Restrictions on the exercise of Share Appreciation Rights**

The number of Shares that may be acquired on the exercise of a Share Appreciation Right shall be limited to the lesser of:

- (a) the “Soft Limit”, being the number of Shares required to settle the Share Appreciation Right if the exercise value equals the cap value; and
- (b) the “Hard Limit”, being the number of Shares with an exercise value equal to 150% of what would be the total exercise value if the exercise value equals the cap value

where, for this purpose, the **exercise value** is the Market Value of a Share on the Dealing Day before the date on which the Share Appreciation Right is exercised and the **cap value** is 300% of the Market Value of a Share used to determine the SAR Strike Price of that Share Appreciation Right (or 300% of £2.50, if greater).

7.4 **Exercise in whole or part**

An Option or Share Appreciation Right must be exercised to the maximum extent possible at the time of exercise unless the Committee decides that a Participant may exercise it in respect of such fewer number of Shares as it decides.

7.5 **Method of exercise**

An Option or Share Appreciation Right shall be exercised in the form and manner prescribed by the Board. Unless the Board, acting fairly and reasonably determines otherwise, any notice of exercise shall, subject to Rule 7.1 (*Restrictions on the exercise of an Option or Share Appreciation Right: regulatory and tax issues*), take effect only when the Company receives it.

7.6 **Payment of Tax Liability**

The Participant authorises the Company to sell or procure the sale of sufficient Vested Shares on or following the exercise of their Option or Share Appreciation Right on their behalf to ensure that any relevant Group Member (or former Group Member) receives the amount required to discharge any Tax Liability which arises on such exercise except to the extent that the Board decides that all or part of the Tax Liability shall be funded in a different manner.

7.7 **Transfer or allotment timetable**

As soon as reasonably practicable after an Option or Share Appreciation Right has been exercised, the Company shall, subject to Rule 7.6 (*Payment of Tax Liability*) and any arrangement made under Rules 7.1(b) or 7.1(c), procure the transfer or procure the transfer to the Participant, or if appropriate allot to the Participant, the number of Shares in respect of which the Option or Share Appreciation Right has been exercised.

7.8 **Lapse of Options and Share Appreciation Rights**

An Option or Share Appreciation Right which has become exercisable shall lapse at the end of the Exercise Period if it has not been exercised unless it lapses earlier under Rule 11 (*Leavers*) or Rule 12 (*Takeovers and other corporate events*).

8. **HOLDING PERIOD**

This Rule 8 shall apply to Shares acquired or delivered on the Vesting or exercise of an Award granted to any individual that the Committee determines before the grant of their Award.

8.1 **Restrictions on the sale, transfer, disposal and assignment of Net Vested Shares**

Subject to Rule 8.2 (*Permitted transfers during the Holding Period*) below, a Participant to which this Rule 8 applies is required:

- (a) to hold their Net Vested Shares during the applicable Holding Period in accordance with such terms and conditions that the Committee may impose from time to time, which may include their Net Vested Shares being held by a nominee appointed by the Company;
- (b) not to sell, transfer, assign or dispose of any interest in their Net Vested Shares until the expiry of the applicable Holding Period;
- (c) if, during the applicable Holding Period, they acquire any additional Shares by virtue of holding Net Vested Shares during the Holding Period, those additional Shares shall also be held subject to the terms of this Rule 8 as they apply to the original Net Vested Shares unless the Committee, in its discretion, determines otherwise; and
- (d) to execute any other document required by the Committee at any time to give effect to the restrictions under this Rule 8.

For the avoidance of doubt:

- (i) Net Vested Shares shall not be subject to any risk of forfeiture during the Holding Period other than to satisfy Clawback; and
- (ii) any Shares delivered in respect of a Dividend Equivalent shall not be subject to the Holding Period.

8.2 **Permitted transfers during the Holding Period**

Subject to the prior approval of the Committee, the Participant may, during the Holding Period, transfer or assign some or all of their Net Vested Shares to their spouse or civil partner or to the Participant's personal pension plan (the "**transferee**"), provided that the transferee has agreed to comply with this Rule 8, any other terms and conditions imposed by the Committee and the decisions of the Committee and the transferee agrees not to sell, transfer, assign or dispose of those Net Vested Shares until the expiry of the Holding Period.

The Committee may allow a Participant to sell, transfer, assign or dispose of some or all of their Net Vested Shares before the end of the Holding Period, subject to any terms and conditions that the Committee specifies.

8.3 **Expiry of the Holding Period**

The Holding Period shall expire on the earliest of:

- (a) the expiry date the Committee determine under Rule 3.2(h) (*Committee determinations*);
- (b) the date of an event under Rule 12.1 (*General offers*) or Rule 12.2 (*Schemes of arrangement and winding up*) (excluding an internal reorganisation under Rule 12.4 (*Internal reorganisations*));
- (c) the death of the Participant; and
- (d) any other date determined by the Committee.

Net Vested Shares shall cease to be subject to any restrictions under this Rule 8 once the Holding Period has expired.

8.4 Interaction with the Company's share ownership requirements

Nothing in this Rule 8 shall remove and/or reduce any additional requirements that may apply to the Participant under the Company's share ownership requirements.

9. CASH ALTERNATIVE

9.1 Committee determination

Where an Option or Share Appreciation Right has been exercised or where a Conditional Award Vests and Vested Shares have not yet been transferred to the Participant, the Committee may determine that, in substitution for their right to acquire any number of Vested Shares as the Committee decides (but in full and final satisfaction of their right to acquire those Shares), they shall be paid as additional employment income a sum equal to the cash equivalent (defined in Rule 9.3 (*Cash equivalent*)) of that number of Shares in accordance with this Rule 9.

9.2 Limitation on the use of this Rule

Rule 9.1 shall only ordinarily be used in exceptional circumstances or in connection with net settlement arrangements and shall not apply in relation to an Award made to a Participant in any jurisdiction where the presence of Rule 9.1 would cause:

- (a) the grant of the Award to be unlawful or for it to fall outside any applicable securities law exclusion or exemption; or
- (b) adverse tax or social security contribution consequences for the Participant or any Group Member as determined by the Board,

provided that this Rule 9.2 shall only apply if its application would prevent the occurrence of a consequence referred to in (a) or (b) above.

9.3 Cash equivalent

For the purpose of this Rule 9, the cash equivalent of a Share is:

- (a) in the case of a Conditional Award, the Market Value of a Share on the day when the Award Vests; or
- (b) in the case of an Option or Share Appreciation Right, the Market Value of a Share on the day when the Option or Share Appreciation Right is exercised, less any Option Price applicable to the Option in respect of those Shares or any SAR Strike Price applicable to the Share Appreciation Right in respect of those Shares.

9.4 Payment of cash equivalent

As soon as reasonably practicable after the Committee has determined under Rule 9.1 that a Participant shall be paid a sum in substitution for the right to acquire any number of Vested Shares, the Company shall pay to them or procure the payment to them of that sum in cash.

9.5 Deductions

There shall be deducted from any payment under this Rule 9 any amounts (on account of tax or similar liabilities) required by law or as the Board may reasonably consider to be necessary or desirable.

10. LAPSE OF AWARDS

An Award shall lapse:

- (a) in accordance with the Rules; or
- (b) to the extent it does not Vest and is no longer capable of Vesting under the Rules.

11. LEAVERS

11.1 Good leavers before the Normal Vesting Date for Awards other than Share Appreciation Rights

If a Cessation occurs before the Normal Vesting Date of an Award (other than a Share Appreciation Right) due to:

- (a) the Participant's death;
- (b) the Participant's ill-health, injury or disability (evidenced to the satisfaction of the Committee);
- (c) the Participant's redundancy (within the meaning of the Employment Rights Act 1996 or applicable local law equivalent);
- (d) the Participant's office or employment being either with a company which ceases to be a Group Member or relating to a business or part of a business which is transferred to a person who is not a Group Member; or
- (e) in any other circumstances where the Committee determines that this Rule 11.1 shall apply in relation to the Award,

then, subject to Rule 5.1 (*Timing of Vesting: Normal Vesting Date*) and Rule 5.4 (*Restrictions on Vesting: regulatory and tax issues*), that Award shall Vest on the Normal Vesting Date unless the Committee determines it shall Vest on the Early Vesting Date.

In either case, Vesting may be subject to any additional conditions that the Committee specifies and Rule 11.6 (*Leavers: reduction in number of Vested Shares*) shall apply. Where the Award is an Option, Rule 11.5 (*Exercise of Options and Share Appreciation Rights*) shall also apply.

11.2 Good leavers before the Normal Vesting Date for Share Appreciation Rights

If Cessation occurs before the Normal Vesting Date of an Award in the form of a Share Appreciation Right in any circumstances where the Committee determines that this Rule 11.2 shall apply in relation to the Award then, subject to Rule 5.1 (*Timing of Vesting: Normal Vesting Date*) and Rule 5.4 (*Restrictions on Vesting: regulatory and tax issues*), that Award shall Vest on the Normal Vesting Date unless the Committee determines it shall Vest on the Early Vesting Date.

Vesting may be subject to any additional conditions that the Committee specifies and Rule 11.5 (*Exercise of Options and Share Appreciation Rights*) and Rule 11.6 (*Leavers: reduction in number of Vested Shares*) shall apply.

11.3 Good leavers on or after the Normal Vesting Date

Where a Cessation occurs on or after the Normal Vesting Date for a reason specified in Rule 11.1 (*Good leavers before the Normal Vesting Date*) or where Rule 11.2 (*Good leavers before the Normal Vesting Date for Share Appreciation Rights*) applies, any unexercised Options or Share Appreciation Rights held by the Participant shall, subject to Rule 6.1 (*Options*), Rule 7 (*Exercise of Options*) and Rule 12 (*Takeovers and other corporate events*), continue to be exercisable for:

- (a) a 12 month period in the case of Options; or

- (b) a 3 month period in the case of Share Appreciation Rights

commencing on the date of Cessation (or, if shorter, until the expiry of the Exercise Period) and, to the extent it is not exercised, it shall lapse at the end of that period.

11.4 Cessation of employment in other circumstances

If a Cessation occurs in any circumstances other than those specified in Rule 11.1 (*Good leavers before the Normal Vesting Date*) or Rule 11.3 (*Good leavers on or after the Normal Vesting Date*) or where Rule 11.2 (*Good leavers before the Normal Vesting Date for Share Appreciation Rights*) applies, any Award (including any Vested but unexercised Option or Share Appreciation Right) held by a Participant shall lapse immediately, regardless of whether that Cessation was lawful or unlawful.

11.5 Exercise of Options and Share Appreciation Rights

Where this Rule 11.5 applies, subject to Rule 6.1 (*Options and Share Appreciation Rights*), Rule 7 (*Exercise of Options and Share Appreciation Rights*) and Rule 12 (*Takeovers and other corporate events*), a Vested Option shall be exercisable for a 12 month period and a Share Appreciation Right shall be exercisable for a 3 month period, in each case commencing on the date on which the Award Vests (or, if shorter, until the expiry of the Exercise Period) or such other period that the Committee specifies and, to the extent that the Option or Share Appreciation Right is not exercised, it shall lapse at the end of that period.

11.6 Leavers: reduction in number of Vested Shares

Where this Rule 11.6 applies, the Committee shall determine the number of Vested Shares of the relevant Award by applying:

- (a) any Performance Condition and/or any other term or condition imposed on the Vesting of the Award; and
- (b) a pro rata reduction to the number of Shares determined under Rule 11.6(a) based on the period starting on the Grant Date and ending on the date of Cessation relative to the Normal Vesting Period (unless the Committee, acting fairly and reasonably, decides that a lesser (or no) reduction is appropriate, in which case it may increase the number of Vested Shares to such higher number as it decides provided that number does not exceed the number of Shares determined under Rule 11.6(a)).

If an Award Vests under any of Rules 12.1 (*General offers*) to 12.3 (*Demergers and other events*) following a Cessation of the relevant Participant, then this Rule 11.6 shall take precedence over Rule 12.5 (*Corporate events: reduction in number of Vested Shares*).

To the extent that an Award is reduced in accordance with this Rule 11.6, it will lapse and become incapable of Vesting in respect of the relevant number of Shares by which it is reduced.

11.7 Deferred Bonus Award granted to a former employee or former Executive Director

For the avoidance of doubt, Rules 11.1 to 11.6 shall not apply to a Participant that was granted a Deferred Bonus Award after they ceased to be an employee of a Participating Company.

12. TAKEOVERS AND OTHER CORPORATE EVENTS

12.1 General offers

If any person (or group of persons acting in concert):

- (a) obtains Control of the Company as a result of making a general offer to acquire Shares; or

- (b) having obtained Control of the Company makes such an offer and such offer becomes unconditional in all respects,

then, subject to Rule 12.4 (*Internal reorganisations*):

- (i) subject to Rule 5.3 (*Restrictions on Vesting: regulatory and tax issues*), all Awards shall Vest on the date of that event if they have not then Vested and Rule 12.5 (*Corporate events: reduction in number of Vested Shares*) shall apply; and
- (ii) any Option may, subject to Rule 7.1 (*Restrictions on the exercise of an Option or Share Appreciation Right: regulatory and tax issues*), be exercised within one month of the date of that event (or, if shorter, until the expiry of the Exercise Period), but to the extent that an Option or Share Appreciation Right has not been exercised at the end of that period it shall lapse (regardless of any other provision of the Plan).

12.2 Schemes of arrangement and winding up

If:

- (a) a compromise or arrangement is sanctioned by the Court under section 899 of the Companies Act 2006 in connection with or for the purposes of a change in Control of the Company; or
- (b) the Company passes a resolution for a voluntary winding up of the Company; or
- (c) an order is made for the compulsory winding up of the Company,

all Awards shall, subject to Rule 5.4 (*Restrictions on Vesting: regulatory and tax issues*) and Rule 12.4 (*Internal reorganisations*), Vest on the date of that event if they have not then Vested and Rule 12.5 (*Corporate events: reduction in number of Vested Shares*) shall apply.

If an event described in this Rule 12.2 occurs, an Option may, subject to Rule 7.1 (*Restrictions on the exercise of an Option or Share Appreciation Right: regulatory and tax issues*) and Rule 12.4 (*Internal reorganisations*), be exercised within one month of that event (or, if shorter, until the expiry of the Exercise Period), but to the extent that the Option or Share Appreciation Right is not exercised within that period, it shall lapse (regardless of any other provision of the Plan).

12.3 Demergers and other events

If a demerger, special dividend or other material corporate event (the "**Event**") is proposed which, in the opinion of the Committee, would affect the market price of Shares to a material extent or operation of the Plan, then the Committee may, at its discretion, decide that the following provisions shall apply:

- (a) subject to earlier lapse under Rule 11 (*Leavers*), the Award may Vest on the date of the Event if it has not already Vested;
- (b) in the case of an Option or Share Appreciation Right, it may, subject to Rule 7.8 (*Lapse of Options*) and Rule 11 (*Leavers*), be exercised on such terms as the Committee may determine and during such period preceding the Event or on the Event as the Committee may determine and, it shall (regardless of any other provision of the Plan) lapse at the end of that period to the extent unexercised;
- (c) if an Award Vests or an Option or Share Appreciation Right is exercised conditional upon the Event and such Event does not occur, then the conditional Vesting or exercise shall not be effective and the Award shall continue to subsist; and

- (d) if an Award Vests under this Rule 12.3, the date of that Vesting shall be the Early Vesting Date and the provisions of Rule 12.5 (*Corporate events: reduction in number of Vested Shares*) shall apply.

12.4 Internal reorganisations

If:

- (a) a company (for the purposes of this Rule 12.4, the "**Acquiring Company**") is expected to obtain Control of the Company as a result of an offer referred to in Rule 12.1 (*General offers*) or a compromise or arrangement referred to in Rule 12.2(a); and
- (b) at least 75% of the shares in the Acquiring Company are expected to be held by substantially the same persons who were shareholders in the Company immediately before the obtaining of that Control,

then the Committee, with the consent of the Acquiring Company, may decide that an Award shall not Vest under Rule 12.1 (*General offers*) or Rule 12.2 (*Schemes of arrangement and winding up*) but shall be automatically surrendered in consideration for the grant of a new award which the Committee determines is equivalent to the Award it replaces except that it will be over shares in the Acquiring Company or some other company.

The Rules will apply to any new award granted under this Rule 12.4 as if references to Shares were references to shares over which the new award is granted and references to the Company were references to the company whose shares are subject to the new award.

12.5 Corporate events: reduction in number of Vested Shares

If an Award Vests under any of Rules 12.1 (*General offers*) to 12.3 (*Demergers and other events*), the Committee shall determine the number of Vested Shares of that Award by applying:

- (a) any Performance Condition and/or any other term or condition imposed on the Vesting of the Award; and
- (b) subject to Rule 11.6 (*Leavers: reduction in number of Vested Shares*), a pro rata reduction to the number of Shares determined under Rule 12.5(a) based on the period starting on the Grant Date and ending on the Early Vesting Date relative to the Normal Vesting Period;

unless the Committee, acting fairly and reasonably, decides that the reduction under Rule 12.5(b) is inappropriate in which case it may increase the number of Vested Shares to such higher number as it decides provided that number does not exceed the number of Shares determined under Rule 12.5(a).

13. ADJUSTMENT OF AWARDS

13.1 General rule

In the event of:

- (a) a variation of the share capital of the Company; or
- (b) a demerger, special dividend or other similar event which affects the market price of Shares to a material extent,

the Committee may make such adjustments as it considers appropriate under Rule 13.2 (*Method of adjustment*).

13.2 **Method of adjustment**

An adjustment made under this Rule shall be made to one or more of:

- (a) the number of Shares comprised in an Award;
- (b) where any Award has Vested or Option or Share Appreciation Right has been exercised but no Shares have been transferred after such Vesting or exercise, the number of Shares which may be so transferred and (if relevant) the price at which they may be acquired;
- (c) the Share price of £4.00 referred to in the definition of SAR Strike Price; and
- (d) the Share price of £2.50 referred to in Rule 4.7(*Individual limits on granting Awards*) and in Rule 7.3 (*Restrictions on the exercise of Share Appreciation Rights*).

14. **CLAWBACK**

14.1 **Applicability of Clawback**

This Rule 14 shall apply to Awards regardless of any other provisions of the Plan.

14.2 **Events that lead to Clawback**

The Committee may decide at any time prior to the third anniversary of the date on which an Award Vests that the individual to whom the Award was granted (the "**Relevant Individual**") shall be subject to Clawback in relation to such Award if one or more Relevant Events occurs and/or is discovered prior to such anniversary date.

14.3 **Amount to be subject to Clawback**

The Committee shall determine the amount to be subject to Clawback on such basis it determines appropriate, such amount being all or part of the value which the Committee considers has been granted, vested or received by the Participant in relation to the relevant Award.

14.4 **Satisfaction of the Clawback**

In order to satisfy the Clawback, the Committee may:

- (a) reduce (including reducing to zero) any of the following elements of the remuneration of the Relevant Individual:
 - (i) the amount of any future bonus which would, but for the operation of the Clawback, be payable to them under any bonus plan operated by any Group Member; and/or
 - (ii) the number of Shares subject to any subsisting award (either unvested or vested but unexercised, as relevant) held by them under any deferred bonus plan operated by any Group Member; and/or
 - (iii) the number of Shares subject to any subsisting Award and/or other award (either unvested or vested but unexercised, as relevant) held by them under the Plan or any other employees' share plan or share award arrangement notwithstanding the extent to which any performance condition and/or any other condition imposed on the relevant award has been satisfied; and/or
- (b) require the Relevant Individual to pay to such Group Member as the Committee may direct, and on such terms as the Committee may direct (including, but without limitation to, on terms that the relevant amount is to be deducted or withheld from the Relevant

Individual's salary or from any other payment to be made to them by any Group Member), such amount as is required for the Clawback to be satisfied in full.

Any reduction made pursuant to Rule 14.4(a) shall be made at such time or times as the Committee determines appropriate.

14.5 Reduction in Awards to give effect to clawback provisions in other plans

The Committee may decide at any time to reduce the number of Shares subject to an Award (including reducing to zero) to give effect to clawback, recovery and/or withholding provisions of any form and/or name contained in any incentive plan or bonus plan operated by any Group Member. The reduction shall be in accordance with the terms of the relevant provisions or, in the absence of any such term, on such basis as the Committee, acting fairly and reasonably, decides is appropriate.

15. ALTERATIONS

15.1 General rule on alterations

Except as described in Rule 15.2 (*Shareholder approval*) and Rule 15.4 (*Alterations to disadvantage of Participants*) the Committee may at any time alter the Plan or any terms of any Award.

15.2 Shareholder approval

Except as described in Rule 15.3 (*Exceptions to shareholder approval*), no alteration to the advantage of an individual to whom an Award has been or may be granted shall be made under Rule 15.1 (*General rule on alterations*) to the provisions concerning:

- (a) eligibility;
- (b) the individual limits on participation;
- (c) the overall limit on the issue of Shares or the transfer of treasury Shares;
- (d) the basis for determining a Participant's entitlement to, and the terms of, Shares or cash provided under the Plan;
- (e) the adjustments that may be made in the event of any variation of capital; and
- (f) the terms of this Rule 15.2,

without the prior approval by ordinary resolution of the members of the Company in general meeting.

15.3 Exceptions to shareholder approval

Rule 15.2 (*Shareholder approval*) shall not apply to:

- (a) any minor alteration to benefit the administration of the Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for Participants or any Participating Company; or
- (b) any alteration relating to the Performance Condition made under Rule 15.5 (*Alterations to a Performance Condition*).

15.4 Alterations to disadvantage of Participants

No alteration to the material disadvantage of Participants shall be made under Rule 15.1 (*General rule on alterations*) unless:

- (a) the Board has invited every relevant Participant to indicate whether or not they approve the alteration; and
- (b) the alteration is approved by a majority of those Participants who have given such an indication.

15.5 Alterations to a Performance Condition

The Committee may amend any Performance Condition without prior shareholder approval if:

- (a) an event has occurred which causes the Committee reasonably to consider that it would be appropriate to amend the Performance Condition;
- (b) the altered Performance Condition will not be materially less challenging to satisfy than the unaltered Performance Condition would have been but for the event in question; and
- (c) the Committee shall act fairly and reasonably in making the alteration.

16. MISCELLANEOUS

16.1 Employment

The rights and obligations of any individual under the terms of their office or employment with any Group Member shall not be affected by their participation in the Plan or any right which they may have to participate in it. An individual who participates in the Plan waives any and all rights to compensation or damages in consequence of the termination of their office or employment for any reason whatsoever insofar as those rights arise or may arise from them ceasing to have rights under an Award as a result of such termination. Participation in the Plan shall not confer a right to continued employment upon any individual who participates in it. The grant of any Award does not imply that any further Award will be granted nor that a Participant has any right to receive any further Award.

16.2 Disputes

In the event of any dispute or disagreement as to the interpretation of the Plan, or as to any question or right arising from or relating to the Plan, the decision of the Committee shall be final and binding upon all persons.

16.3 Exercise of powers and discretion

The exercise of any power or discretion by the Committee shall not be open to question by any person and a Participant or former Participant shall have no rights in relation to the exercise of or omission to exercise any such power or discretion.

16.4 Share rights

All Shares allotted under the Plan shall rank equally in all respects with Shares then in issue except for any rights attaching to them by reference to a record date before the date of the allotment.

Where Vested Shares are transferred, Participants shall be entitled to all rights attaching to those Shares by reference to a record date on or after the date of such transfer.

16.5 Listing of Shares

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

16.6 Notices

Any notice or other communication under or in connection with the Plan may be given:

- (a) by personal delivery or by sending the same by post, in the case of a company to its registered office, and in the case of an individual to their last known address, or, where a director or employee of a Group Member, either to their last known address or to the address of the place of business at which the employee performs the whole or substantially the whole of the duties of their office or employment;
- (b) in an electronic communication to their usual business address or such other address for the time being notified for that purpose to the person giving the notice; or
- (c) by such other method as the Board determines.

Any such notice shall be deemed to have been received (i) if delivered by hand, at the time the notice is left at the proper address; (ii) if sent by first class post, at 9.00 am on the second business day after posting; (iii) if sent by email, at the time of transmission, or, if this time falls outside business hours in the place of receipt, when business hours resume (and for these purposes, business hours means 9.00am to 5.00pm on a business day in the place of receipt); and (iv) if sent by any other method determined by the Board, on the fifth business day after it has been sent.

16.7 Third parties

No third party has any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Plan.

16.8 Benefits not pensionable

Benefits provided under the Plan shall not be pensionable.

16.9 Data Protection

Personal data relating to Participants and any individuals who may be eligible to participate in the Plan may be collected, processed and transferred for any purpose relating to the operation of the Plan in compliance with any Applicable Laws and any data privacy notice and/or policies of any Group Member in force from time to time.

16.10 International Plans

The Committee or the Board, as relevant, may at any time by resolution and without seeking further shareholder approval establish further plans or sub-plans (outside the Plan) for overseas territories, governed by rules similar to these Rules but modified to take account of local tax, exchange control or securities laws, provided that any Shares made available under such further plans are treated as counting against the limits on individual and overall participation in the Plan.

16.11 Governing law

The Plan and all Awards shall be governed by and construed in accordance with the laws of England and Wales and the Courts of England and Wales have exclusive jurisdiction to hear

any dispute (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation.

APPENDIX

CASH CONDITIONAL AWARDS

The Rules of the Plan shall apply to a right (a "**Cash Conditional Award**") to receive a cash sum granted under this Appendix as if it was a Conditional Award, except as modified by the terms set out in this Appendix. Where there is any conflict between the Rules and this Appendix, the terms of this Appendix shall prevail.

1. The Committee may (ordinarily only in exceptional circumstances) grant or procure the grant of a Cash Conditional Award.
2. Each Cash Conditional Award shall relate to a given number of notional Shares.
3. On the Vesting of the Cash Conditional Award the holder of that Cash Conditional Award shall be entitled to a cash sum which shall be equal to the "**Cash Value**" of the notional Vested Shares, where the Cash Value of a notional Share is the Market Value of a Share on the date of Vesting of the Cash Conditional Award. For the purposes of this Appendix I, the Market Value of a Share on any day shall be determined in accordance with Rule 9.3 (*Cash equivalent*).
4. Rule 9.5 (*Deductions*) shall apply to any sum payable under paragraph 3 above.
5. For the avoidance of doubt, a Cash Conditional Award shall not confer any right on its holder to receive Shares or any interest in Shares.