

RULES

OF THE

SAGE GROUP PLC 2019 RESTRICTED SHARE PLAN

Amended by the remuneration committee of the board of directors of The Sage Group plc on 15 November 2019

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Sage Group plc 2019 Restricted Share Plan Rules

1. Definitions and interpretation

1.1 In these rules:

“Acquiring Company” means a company which obtains Control of the Company;

“Award” means a Conditional Award or an Option;

“Award Date” means the date on which an Award is granted;

“Award Statement” means the information issued to a Participant following the grant of an Award to the Participant concerning the terms of the Award;

“Board” means the board of directors of the Company or, as relevant, a committee duly authorised by it and for the purposes of rule 17 (Corporate events) **“Board”** means those persons who were members of the Board immediately before the relevant event;

“Business Day” means a day on which the London Stock Exchange (or, if the Board determines, any other stock exchange on which the Shares are traded) is open for the transaction of business;

“Companies Act” means the UK Companies Act 2006;

“Company” means Sage Group plc with registered number 02231246;

“Committee” means the duly authorised remuneration committee of the Board or a duly authorised and constituted sub-committee thereof;

“Conditions” means any conditions imposed under rule 3 (Conditions);

“Conditional Award” means a conditional right to acquire the Shares underlying an Award;

“Control” means the power of a person to secure by means of the holding of shares or the possession of voting power or by virtue of any powers conferred by any articles of association (or other document), that the affairs of a body corporate are conducted in accordance with the wishes of that person;

“Dealing Restrictions” means any applicable restriction or restrictions on dealings or transactions in securities imposed by:

- (i) any rules, statutory requirements, orders, legal or regulatory code, provision or rule or other requirement or guidance; and/or
- (ii) any code adopted or established by the Company in addition or replacement to (i) above,

in each case in force, and as amended or replaced, from time to time;

“Dividend Equivalents” means in relation to an Award, an amount determined by reference to the dividend per Share for the record date(s) which fall between the Award Date and the Release Date, multiplied by the number of Shares in respect of which the Award has Vested. This amount may assume the reinvestment of dividends (on such basis as the Committee may determine) and may exclude or include special dividends and will be payable in accordance with rule 5 (Dividend Equivalents);

“Eligible Employee” means any employee (other than an executive director) of the Company or any of its Subsidiaries;

“Exercise Price” means the price (if any) payable on exercise of an Option;

“Exercise Period” means the period during which an Option may be exercised, starting when the Option Vests and ending on the 10th anniversary of the Award Date unless the Committee determines that a shorter period will apply under rule 2.4 (Terms of Awards);

“Group” means the Company, any Subsidiary, any company which is (within the meaning of section 1159 of the Companies Act) the Company’s holding company or a subsidiary of the Company’s holding company or, if the Committee so determines, any body corporate in relation to which the Company is able to exercise at least 20% of the equity voting rights “and **“Member of the Group”** will be construed accordingly;

“Holding Period” will be construed in accordance with rule 14 (Holding Period);

“Internal Reorganisation” means where:

- (i) a change of Control of the Company occurs; and
- (ii) substantially all the shareholders of the Company immediately before the change of Control will continue to have Control of the Company immediately after;

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

“Leaves” means ceasing to hold any office or employment with all Members of the Group;

“London Stock Exchange” means London Stock Exchange plc or its successor;

“Malus and Clawback Policy” means The Sage Group plc Group Malus and Clawback Policy (as amended from time to time) and **“Malus”** and **“Clawback”** will have the meanings given in the Malus and Clawback Policy;

“Market Value” on any date means on any date when Shares are listed on the Official List of the London Stock Exchange:

- (i) the mid-market closing price of a Share for the immediately preceding Business Day; or
- (ii) if the Committee so determines, the average of the mid-market closing prices of a Share on the London Stock Exchange for such number of immediately preceding Business Days as the Committee determines,

or, on any date where the Shares are not so listed, the market value of a Share as determined by the Committee;

“NICs Agreement” means an agreement under paragraph 3A of Schedule 1 to the Social Security Contributions and Benefits Act 1992 or an election under paragraph 3B of Schedule 1 to that Act in relation to any secondary class 1 National Insurance contributions arising on the Vesting, exercise or Release of an Award;

“Normal Release Date” mean the date on which an Award will normally be Released, which:

- (i) in relation to an Award to which no Holding Period applies, will be the Vesting Date; and
- (ii) in relation to an Award to which a Holding Period applies, will be the date determined in accordance with rule 14 (Holding Period);

“Option” means a right in the form of a nil or nominal cost option to acquire the Shares underlying the Award granted under, and exercisable in accordance with, the Plan;

“Participant” means a person holding or who has held an Award or, where applicable, that person’s personal representatives;

“Plan” means the plan constituted by these rules and its schedules known as the Sage Group plc 2019 Restricted Share Plan, as amended;

“Release” means:

- (i) in relation to a Conditional Award, the point at which a Participant becomes beneficially entitled to receive the Shares under his Award in accordance with the rules of the Plan; and
- (ii) in relation to an Option, the point at which it becomes capable of exercise in accordance with the rules of the Plan

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

“Release Date” means the date on which an Award is Released;

“Share” means a fully paid ordinary share in the capital of the Company;

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

“Taxation” means any tax and social security charges (and/or any similar charges), wherever arising, in respect of a Participant’s Award or otherwise arising in connection with their participation in the Plan;

“Tax Election” means an election for a particular tax and/or social security treatment in respect of an Award or the Shares acquired pursuant to it;

“Trustee” means the trustee or trustees for the time being of any employee benefit trust, the beneficiaries of which include Eligible Employees;

“UKLA” means the UK Listing Authority;

“Vesting” means the Award reaching its Vesting Date and **“Vesting”, “Vested”** and **“Unvested”** will be construed accordingly;

“Vesting Date” means the date on which an Award has Vests in accordance with rule 9.1 (Vesting – General rule); and

“Vesting Period” means, in relation to an Award, such period (or different periods of time for different parts of the Award) as the Committee shall specify when an Award is granted in accordance with rule 2.4 (Terms of Awards).

1.2 Interpretation

In this Plan, the singular includes the plural and the plural includes the singular. References to any enactment or statutory requirement will be understood as references to that enactment or requirement as amended, or re-enacted and include any subordinate legislation made under it.

1.3 Award tranches

Where an Award is made up of different tranches with different Vesting Periods, each tranche will be considered a separate Award for the purposes of interpreting and administering this Plan.

2. Grant of Awards

2.1 Eligibility

The Committee may grant an Award to any Eligible Employee at the Award Date.

The Committee has absolute discretion to decide whether the Plan will be operated and those Eligible Employees to whom Awards will be made on any occasion.

2.2 Timing of grant

Awards may only be granted within 42 days starting on any of the following:

- 2.2.1 the day on which the Company's shareholders approve the Plan;
- 2.2.2 the Business Day following the day on which the Company's results are announced or, where not announced, are published for any period;
- 2.2.3 any day on which changes to the legislation or regulations affecting share plans are announced or take effect;
- 2.2.4 the lifting of Dealing Restrictions which prevented the granting of Awards during the periods specified above.

Alternatively, subject to Dealing Restrictions, Awards may be granted within 42 days of the date where the Committee resolves that exceptional circumstances exist which justify the grant of Awards.

No Awards may be granted after the termination of the Plan.

2.3 Making an Award

- 2.3.1 Awards will be granted by deed.
- 2.3.2 Participants will be notified of the terms of their Awards as soon as practicable after the Award Date in an Award Statement in such format and manner as is determined by the Committee.
- 2.3.3 The Committee may require Participants to accept Awards or specific terms of such Awards and may provide for Awards to lapse if they are not accepted within such time as the Committee may determine. Alternatively, the Committee may allow a Participant to disclaim all or part of an Award within such period following the Award Date as the Committee may determine and by notice to such person as nominated by the Committee and if an Award is disclaimed, it will be deemed never to have been granted.

2.4 Terms of Awards

The Committee will approve the terms of an Award, which will include:

- 2.4.1 the Award Date;
- 2.4.2 the number of Shares subject to the Award or the basis for calculating such number of Shares;
- 2.4.3 the Vesting Period;
- 2.4.4 in the case of an Option, the Exercise Period and any nominal amount payable to exercise the Option;
- 2.4.5 if the Award is subject to any Conditions, details of those Conditions;
- 2.4.6 whether Dividend Equivalents may apply to the Award;
- 2.4.7 whether the Malus and Clawback Policy will apply to the Award;
- 2.4.8 details of any Holding Period and Normal Release Date that will apply to the Award;

2.4.9 the terms relating to any Tax Election; and

2.4.10 the terms relating to any NICs Election.

2.5 No payment

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

2.6 Administrative errors

If the Committee grants an Award:

2.6.1 in error, or which is inconsistent with rule 2.1 (Eligibility), it will be deemed never to have been granted and/or will immediately lapse; and/or

2.6.2 which is inconsistent with any of the provisions in this Plan, it will take effect only if and to the extent permissible under the Plan and will otherwise be deemed never to have been granted and/or will immediately lapse.

3. Conditions

3.1 Awards subject to Conditions

The Committee may make the Vesting of an Award conditional on the satisfaction of one or more Conditions.

3.2 Varying Conditions

The Committee may change or waive a Condition in accordance with its terms or if anything happens which causes the Committee to reasonably consider it appropriate to do so. A changed Condition which relates to performance must not be materially less or more difficult to satisfy than the original condition was intended to be at the Award Date.

3.3 Notification of changed Condition

The Committee will notify any relevant Participant as soon as practicable after any change or waiver in accordance with this rule 3 (Conditions).

4. Transfer and bankruptcy

4.1 No transfer

A Participant may not transfer, assign, charge or otherwise dispose of an Award or any rights in respect of it. If they do, whether voluntarily or involuntarily, then it will immediately lapse. This rule 4.1 (No transfer) does not apply to the transmission of an Award on the death of a Participant to their personal representatives.

4.2 Bankruptcy

A Participant's Award will lapse where the Participant becomes bankrupt or enters into a compromise with their creditors generally.

5. Dividend Equivalents

5.1 Application of Rule

This rule 5 (Dividend Equivalents) applies where the Committee has determined that an Award is to carry the right to Dividend Equivalents.

5.2 Satisfaction of Dividend Equivalents

Any Dividend Equivalent may be satisfied in cash or in such whole number of Shares as has a Market Value at the date the Award is Released as nearly as practicably equal to that amount. The cash will be paid, or Shares delivered, in satisfaction of any Dividend Equivalents as soon as reasonably practicable following delivery of the related Award and on the same terms as the related Award.

6. Plan limits

6.1 Dilution limit

~~6.1 The number of Shares which may be allocated under the Plan on any day must not exceed 10% of the ordinary share capital of the Company in issue immediately before that day when added to the total number of Shares which have been allocated in the previous 10 years under the Plan and under any other employee share plans operated by the Company.~~

~~The number of Shares which may be allocated under the Plan on any day must not exceed:~~

~~6.1.1 10% of the ordinary share capital of the Company in issue immediately before that day when added to the total number of Shares which have been allocated in the previous 10 years under the Plan and under any other employee share plans operated by the Company; and~~

~~6.1.2 5% of the ordinary share capital of the Company in issue immediately before that day when added to the total number of Shares which have been allocated in the previous 10 years under the Plan and under any other discretionary employee share plans operated by the Company.~~

6.2 Lapse of awards

To the extent that a right to acquire Shares lapses or will lapse under an agreement which the Committee considers is due to take effect, the underlying Shares are ignored when calculating the limits in this rule 6 (Plan limits).

6.3 Meaning of "Allocated"

Shares are treated as allocated if they have been newly issued by the Company or transferred from treasury to satisfy an option, award or other right granted during the ten years prior to the proposed Award Date (an "**award**"), or in the case of such an award in respect of which Shares are yet to be delivered, if the Committee intends that new Shares will be issued or that Shares from treasury will be transferred and for these purposes the number of Shares allocated includes:

6.3.1 Shares which have been issued or may be issued to any Trustee; and

6.3.2 Shares which have been or may be transferred from treasury to any Trustee

in either case for the Trustee to then transfer to satisfy an award (unless these Shares have already been counted under this rule).

The Committee may determine that Shares transferred from treasury will cease to count as allocated for the purposes of this rule 6 (Plan limits) if guidelines published by institutional investor representative bodies no longer require such Shares to be counted.

The number of Shares allocated does not include:

6.3.3 Shares issued or committed to be issued to satisfy awards granted prior to the admission of the Shares to trading on any stock exchange;

6.3.4 Shares in respect of which the right to acquire such Shares lapses or is Released;

6.3.5 existing Shares other than treasury Shares which are transferred or to which an award relates; or

6.3.6 Shares allocated in respect of awards which are then satisfied in cash.

6.4 Compliance with Plan limits

If the Committee purports to grant one or more Awards which are inconsistent with the limits in rule 6.1 (Dilution limit):

6.4.1 if only one Award is purported to be so granted, that Award will be limited and will take effect from the Award Date over the maximum number of Shares permitted by ~~those~~the limits; and

6.4.2 if more than one Award is purported to be so granted, each such Award will be reduced as determined by the Committee and will take effect from the Award Date over the maximum number of Shares permitted by ~~those~~the limits.

6.5 Adjusting the Plan limits

The Committee may make such adjustments to the method of assessing the limits set out in rule 6.1 (Dilution limit) as it considers appropriate in the event of any variation of the Company's share capital.

7. Individual limits

7.1 Ordinary limit

An Award may only be granted over Shares with an aggregate Market Value (at the Award Date) of up to 3 times that Eligible Employee's annual salary when added to the aggregate Market Value (taken at each relevant Award Date) of the Shares over which Awards have been made to that Eligible Employee in respect of the same financial year, excluding any Awards granted under rule 7.2 (Awards on recruitment), unless otherwise determined by the Committee.

7.2 Awards on recruitment

The Committee may exceed the limit set out in rule 7.1 (Ordinary limit) in circumstances where the grant of an Award is being made in connection with the recruitment of an Eligible Employee who was previously not employed by any Member of the Group and the Award is being granted within 12 months of the Eligible Employee commencing employment with any Member of the Group, such that the Award granted under this rule 7.2 (Awards on recruitment) may be over Shares with an aggregate Market Value (at the Award Date) of up to 3 times that Eligible Employee's annual salary, unless otherwise determined by the Committee.

8. Malus and Clawback

If there is any discrepancy between the Malus and Clawback Policy and the Plan, the Malus and Clawback Policy will prevail.

9. Vesting of Awards

9.1 Vesting – General rule

9.1.1 Subject to the other provisions of this rule 9 (Vesting of Awards), an Award will Vest on the latest of:

- (i) the end of the Vesting Period; and
- (ii) the date of determination of any Conditions by the Committee.

9.1.2 Where an Award would otherwise Vest over a fraction of a Share, the number of Shares that will Vest will be rounded down to the nearest whole Share.

9.1.3 An Award will Vest to the extent that the Committee decides that any Condition is satisfied, or in accordance with any other factors that the Committee decides are relevant.

9.2 Vesting – Dealing Restrictions

Where an Award would otherwise Vest at a time when Dealing Restrictions would prohibit:

- 9.2.1 the Release of an Award;
- 9.2.2 the exercise of an Option;
- 9.2.3 delivering or arranging delivery of Shares or cash; and/or
- 9.2.4 the Participant from selling Shares, if required to discharge Taxation,

such Release, exercise, delivery or arrangement of delivery of Shares or cash or sale of Shares will take effect conditionally on:

- (i) obtaining any approval or consent required by the UKLA (or other relevant authority) or the Dealing Restrictions ceasing to apply; and
- (ii) the Participant and the Company agreeing arrangements to discharge any Taxation which arises in respect of that Vesting.

9.3 Vesting – Investigation

If an investigation is ongoing which might lead to Malus and/or Clawback being triggered then, unless otherwise determined by the Committee the Participant's Award(s) will not Vest, if at all, until such investigation is concluded.

9.4 Vesting – Overriding adjustment

The Committee may reduce (including to zero) the extent to which an Award will Vest if it considers the extent of Vesting would otherwise not be appropriate, including (but not limited to) when considering:

- 9.4.1 the wider performance of the Group;
- 9.4.2 the conduct, capability or performance of the Participant;
- 9.4.3 the experience of stakeholders;
- 9.4.4 any windfall gains;
- 9.4.5 the total value that would otherwise be received by the Participant compared to the maximum value that the Award was intended to deliver; or
- 9.4.6 any other reason at the discretion of the Committee.

9.5 Lapsing

To the extent an Award or any part of it is no longer capable of Vesting it will lapse.

To the extent an Award lapses, it cannot Vest any other provision of the Plan and the Participant has no right to receive the Shares or cash underlying the Award.

10. Release

10.1 Timing of Release

Subject to rule 16 (Cessation of employment etc.) and rule 17 (Corporate events), a Vested Award will be Released:

- 10.1.1 on the Normal Release Date; or

- 10.1.2 if on the Normal Release Date (or on any other date on which an Award is due to be Released under rule 16 (Cessation of employment etc.) or rule 17 (Corporate Events)) a Dealing Restriction applies to the Award, such Release be conditional on:
- (i) obtaining any approval or consent required by the UKLA (or other relevant authority) or the Dealing Restrictions ceasing to apply; and
 - (ii) the Participant and the Company agreeing arrangements to discharge any Taxation which arises in respect of that Release.

11. Exercise of Options

11.1 Exercise Price

A Participant may be required to pay a nominal amount determined by the Committee to exercise an Option.

11.2 Timing of exercise

- 11.2.1 A Participant may exercise an Option by giving notice at any time during the Exercise Period in the manner determined by the Committee.
- 11.2.2 The exercise of an Option will be effective on a date determined by the Committee which will be as soon as practicable following the date of receipt of the notice (and the exercise price, if required).
- 11.2.3 Unless the Committee determines otherwise prior to the Release Date, an Option may be exercised in full and on one occasion. Where the Committee determines that it may be exercised in part, it may not be exercised in respect of fewer than 100 Shares (or the balance of the Shares subject to the Option if this is less).
- 11.2.4 The Committee may determine that if:
- (i) an Option is made up of different tranches; and
 - (ii) the Option is exercised,
- all tranches of that Option that are then capable of exercise will be exercised on that occasion.
- 11.2.5 If Dealing Restrictions would prohibit:
- (i) the exercise of an Option;
 - (ii) delivering or arranging delivery of Shares or cash; and/or
 - (iii) the Participant from selling Shares, if required to discharge Taxation,
- then rule 11.2.6 applies.
- 11.2.6 If this rule 11.2.6 applies:
- (i) such exercise, delivery or arrangement of delivery of Shares or cash or sale of Shares will take effect conditionally on:
 - (a) obtaining any approval or consent required by the UKLA (or other relevant authority) or the Dealing Restrictions ceasing to apply; and
 - (b) the Participant and the Company agreeing arrangements to discharge any Taxation which arises in respect of that exercise; and

- (ii) if the Exercise Period would otherwise end before the Dealing Restrictions cease to apply it will be extended to end 30 days after the Dealing Restrictions cease to apply and “Exercise Period” will be interpreted accordingly.

11.2.7 If an investigation is ongoing which might lead to Malus and/or Clawback being triggered then, unless otherwise determined by the Committee:

- (i) exercise (if any) will take effect after such investigation is concluded; and
- (ii) if the Exercise Period would otherwise have ended, it will be extended as determined by the Committee,

and any references to “Exercise Period” will be interpreted accordingly.

12. Delivery

12.1 Delivery – General

Where a Conditional Award has been Released or an Option has been exercised, the number of Shares in respect of which the Award has been Released or exercised together with any additional Shares or cash to which a Participant becomes entitled under rule 5 (Dividend Equivalents) will be, delivered or paid (as applicable) to the Participant or the Participant’s nominee as soon as practicable thereafter, subject to the remaining provisions of this rule 12 (Delivery) and rules 13 (Cash alternative), 14 (Holding Period) and 15 (Taxation and regulatory matters).

12.2 Delivery – Nominee

Shares may be delivered to a nominee on behalf of the Participant provided that the Participant is the beneficial owner of the Shares

12.3 Delivery – Investigation

If an investigation is ongoing which might lead to Malus and/or Clawback being triggered in respect of a Participant then, unless otherwise determined by the Committee, an Award will only be settled (if at all) after such investigation has been concluded.

12.4 Delivery – Dealing Restrictions

If delivering or arranging delivery of Shares or cash would be prohibited by Dealing Restrictions, delivery will not occur until after such Dealing Restrictions cease to apply.

12.5 Shareholder rights

Participants will only be entitled to rights attaching to Shares by reference to a record date on or after the date of the allotment or transfer.

13. Cash alternative

At any time prior to settlement of an Award under rule 12 (Delivery), the Committee may choose to settle the Award partly or fully in cash. The Participant will cease to have any rights to acquire the Shares in respect of which the Award has been settled in cash.

14. Holding Period

Any Award may be subject to a Holding Period.

14.1 Default Holding Period Rule

If a Holding Period applies, unless the Committee determines that rule 14.2 (Alternative Holding Period) applies, the Normal Release Date of the Award will be the end of the Holding Period.

14.2 Alternative Holding Period

The Committee may determine that the Normal Release Date of an Award which is a Conditional Award will be the Vesting Date and in the case of an Award which is an Option is the date of the exercise of the Option, but that the Shares may not be transferred, assigned or otherwise disposed of during the Holding Period, other than a transfer:

- 14.2.1 to the Participant's personal representatives on death;
 - 14.2.2 to a nominee in accordance with rule 14.3 (Nominee);
 - 14.2.3 in accordance with rule 15.2 (Withholding);
 - 14.2.4 under the Malus and Clawback Policy;
 - 14.2.5 in connection with an event described in rule 17 (Corporate events) or rule 18.1 (Adjustments to Awards); or
 - 14.2.6 otherwise with the agreement of the Committee,
- and any such attempted action will be invalid and ineffective.

14.3 Nominee

The Committee may determine that Shares will be delivered to and held by a nominee on behalf of the Participant until the expiry of the Holding Period on such terms as the Committee may determine.

At the end of the Holding Period the Participant may take the Shares out of the nominee arrangement.

14.4 Proof of ownership

If the Committee requires, a Participant must provide such proof of continued beneficial ownership of the Shares, as the Committee requests, during and at the end of the Holding Period.

15. Taxation and regulatory matters

15.1 Participant indemnity

By participating in the Plan, a Participant agrees to be responsible and will, if requested, indemnify the Group for that Participant's liability for Taxation.

15.2 Withholding

Any Member of the Group, any employing company, Trustee or any third-party provider nominated by the Committee may:

- 15.2.1 withhold such amounts from a Participant (including deducting such amounts from any cash payment owed to the Participant) and retain some or all of it; or
 - 15.2.2 make such other withholding arrangements as it considers necessary or desirable,
- to meet any liability for Taxation, any applicable dealing and/or currency exchange costs and any other associated costs (with any surplus being repaid to the Participant).

15.3 Net settling and sell-to-cover

Withholding arrangements may include:

- 15.3.1 a reduction in the number of Shares subject to an Award in accordance with rule 13 (Cash alternative) and retention of some or all of the proceeds (with any residual amounts paid to the Participant in cash); and/or
- 15.3.2 the sale on behalf of the Participant of some or all of the Shares to which the Participant is entitled under the Plan and retention of some or all of the proceeds (with any residual amounts paid to the Participant in cash).

15.4 Stamp duties

The Company will arrange payment of all relevant Share transfer taxes.

15.5 Consents

All grants, transfers of Shares or cash payments will be subject to the Company's Articles of Association and any necessary consents under any relevant enactments or regulations for the time being in force in the UK or elsewhere. The Participant will be responsible for complying with any requirements they need to fulfil in order to obtain or avoid the necessity for any such consent.

16. Cessation of employment etc.

16.1 Leaving – before Vesting

Subject to the remaining provisions of this rule 16 (Cessation of employment etc.), where a Participant Leaves before Vesting, the Award will lapse on the date the Participant Leaves.

16.2 Good Leaver Reason

“**Good Leaver Reason**” means:

- 16.2.1 ill-health, injury or disability (evidenced to the satisfaction of the Committee);
- 16.2.2 the Participant's employing company ceasing to be a Member of the Group;
- 16.2.3 the transfer of the Participant's employment to an entity outside the Group, in accordance with the Transfer of Undertakings (Protection of Employment) Regulations 2006;
- 16.2.4 the business or part of the business that employs the Participant being transferred outside of the Group; or
- 16.2.5 any other reason, at the discretion of the Committee.

16.3 Good leavers – before Vesting

If a Participant Leaves for a Good Leaver Reason before Vesting, the Award will:

- 16.3.1 continue to Vest and be Released in accordance with the terms of the Plan, unless the Committee determines that an earlier Vesting Date should apply;
- 16.3.2 Vest only to the extent prescribed by rule 16.4 (Good leavers – extent of Vesting); and
- 16.3.3 in the case of an Option, be Released and be exercisable in accordance with rule 16.5 (Good leavers – exercise of Options).

16.4 Good leavers – extent of Vesting

If this rule 16.4 (Good leavers – extent of Vesting) applies, an Award will only Vest:

16.4.1 to the extent that the Committee determines any Conditions have been satisfied, to the extent this is required by the Committee; and

16.4.2 pro rata to reflect the period from the Award Date until the date the Participant Leaves, as a proportion of the period from the Award Date until the end of the Vesting Period, unless the Committee decides otherwise,

and, to the extent the Participant's Award does not Vest, it will then lapse.

16.5 Good leavers – exercise of Options

If this rule 16.5 (Good leavers – exercise of Options) applies, Options will be exercisable for a period of 6 months (12 months in the case of the Participant's death) from the date they are Released (or such longer period as the Committee determines) and will then lapse.

16.6 Death

If a Participant dies whilst employed within the Group, the Award will:

16.6.1 to the extent it is Unvested will Vest only to the extent prescribed by rule 16.4 (Good leavers – extent of Vesting) and be Released on the date of death; and

16.6.2 to the extent that it has Vested and is not yet Released will be Released on the date of death.

16.7 Leavers – after Vesting

If a Participant Leaves after Vesting but before Release and/or delivery, the Award will:

16.7.1 continue in accordance with the Plan; and

16.7.2 in the case of an Option, be Released and exercisable for a period of 6 months (12 months in the case of the Participant's death) from the date the Participant Leaves (or such longer period as the Committee determines), and will then lapse.

16.8 Leavers – ongoing restrictions

Where a Participant Leaves:

16.8.1 any Holding Period will continue to apply unless the Committee determines otherwise, except that any Holding Period will cease to apply on death; and

16.8.2 where the Award was granted subject to the Malus and Clawback Policy, these provisions will continue to apply to the Award unless and to the extent they are waived or varied by the Committee.

16.9 Leavers – Summary dismissal

Notwithstanding any other rule, if a Participant is summarily dismissed or Leaves in circumstances where the Participant's employer would have been entitled to summarily dismiss the Participant (in the opinion of the Committee) then that Participant's Awards will immediately lapse.

17. Corporate events

17.1 General offers

Where a person (or a group of persons acting in concert) obtains Control of the Company as a result of making an offer to acquire Shares, Awards will Vest on the date the person obtains such Control

in accordance with rule 17.5 (Vesting, Release and exercise), unless and to the extent that the Committee determines that rule 17.8 (Exchange of Awards) should apply.

17.2 Bound or entitled

Where a person becomes bound or entitled to acquire Shares under sections 979 to 982 or 983 to 985 of the Companies Act (inclusive), Awards will Vest on the date the person becomes so bound or entitled in accordance with rule 17.5 (Vesting, Release and exercise), unless and to the extent that the Committee determines that rule 17.8 (Exchange of Awards) should apply.

17.3 Schemes of arrangement

Where a court sanctions a compromise or arrangement in connection with the acquisition of Shares, Awards will Vest on the date of such court sanction in accordance with rule 17.5 (Vesting, Release and exercise), unless and to the extent that the Committee determines that rule 17.8 (Exchange of Awards) should apply.

17.4 Winding up

If notice is given of a resolution for the voluntary winding up of the Company, Awards will Vest on the date the notice is given in accordance with rule 17.5 (Vesting, Release and exercise), unless and to the extent that the Committee determines that rule 17.8 (Exchange of Awards) should apply.

17.5 Vesting, Release and exercise

If this rule 17.5 (Vesting, Release and exercise), applies an Award will Vest and be Released, subject to rule 17.7 (Holding Period):

- 17.5.1 to the extent that the Committee determines any applicable Conditions have been satisfied, to the extent this is required by the Committee;
- 17.5.2 pro-rata to reflect the period from the Award Date until the date of the relevant event, as a proportion of the period from the Award Date to the end of the Vesting Period unless the Committee determines otherwise; and
- 17.5.3 the Committee will, however, have discretion to take into account any other factors it believes to be relevant in determining the extent to which an Award will Vest in the circumstances

and to the extent the Participant's Award does not Vest, it will then lapse.

Where an Option Vests pursuant to this rule 17 (Corporate events) or was already Vested, it will be Released subject to rule 17.7 (Holding Period) and be exercisable for a period of 1 month or such other period as the Committee determines from the date of the relevant event pursuant to this rule 17 (Corporate events), and will then lapse.

No period for exercise set out in this rule 17.5 (Vesting, Release and exercise), will extend any Exercise Period that would otherwise apply to an Award.

17.6 Malus and Clawback

If this rule 17 (Corporate events) applies to an Award, the Committee may determine that the Malus and Clawback Policy will no longer apply to the Award or will be varied in its application to the Award.

In relation to any cash or Shares acquired prior to the relevant event, the Malus and Clawback Policy will continue to apply, with such amendments as the Committee determines.

17.7 Holding Period

Any applicable Holding Period will continue to apply, with any amendments as determined by the Committee to reflect the relevant event pursuant to this rule 17 (Corporate events) from the date Awards Vest under this rule 17 (Corporate events), unless the Committee determines otherwise.

17.8 Exchange of Awards

Where any of rules 17.1 (General offers), 17.2 (Bound or entitled) or 17.3 (Schemes of arrangement) is expected to or does apply, or in connection with an Internal Reorganisation, the Committee may decide that Awards will be exchanged for new awards, subject to the consent of the Acquiring Company, on (or as soon as practicable after) the relevant event.

17.9 Requirements for a new award

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

- 17.9.1 must confer a right to acquire shares in the Acquiring Company or another body corporate determined by the Acquiring Company, where relevant;
- 17.9.2 must be substantially equivalent to the Award;
- 17.9.3 is treated as having been acquired at the same time as the Award and Vests, is to be Released, exercisable (in the case of options) and lapse in the same manner and at the same time;
- 17.9.4 unless the Committee decides otherwise, must be subject to any conditions (including Malus and Clawback), which are, so far as possible, equivalent to any conditions applicable to the Award; and
- 17.9.5 is governed by the Plan as if references to Shares were references to the shares over or in respect of which the new award is granted and references to the Company were references to the Acquiring Company or the body corporate determined under rule 17.9.1.

17.10 Existing Awards

Immediately following an exchange the relevant existing Awards will lapse.

Unless the Committee determines otherwise, in relation to any Vested Awards which have not yet been Released or cash or Shares acquired following any Release or exercise, prior to such exchange:

- 17.10.1 any applicable Holding Period will continue to apply; and
 - 17.10.2 any applicable Malus and Clawback Policy will continue to apply,
- with such amendments as the Committee determines.

18. Adjustments

18.1 Adjustments to Awards

If there is:

- 18.1.1 a variation in the equity share capital of the Company, including a capitalisation or rights issue, open offer, sub-division, consolidation or reduction of share capital;
- 18.1.2 a demerger (in whatever form);
- 18.1.3 a special dividend or distribution; or

18.1.4 such other circumstances as the Committee may determine,

the Committee may adjust the number or class of Shares or Condition subject to an Award in such manner as the Committee may consider appropriate.

18.2 Notice of Adjustments

The Committee will notify Participants of any adjustment made under rule 18.1 (Adjustments to Awards) as soon as practicable after such adjustment has been made.

18.3 Early Vesting

If the Committee determines that an adjustment of Awards is not practicable or appropriate, then the Committee may determine that

Awards will Vest:

18.3.1 immediately prior to, and conditional on, the relevant event;

18.3.2 to the extent that the Committee determines any applicable Conditions have been satisfied, as determined by the Committee; and

18.3.3 pro-rata to reflect the period from the Award Date until the date of Vesting, as a proportion of the period from the Award Date to end of the Vesting Period, unless the Committee determines otherwise,

and to the extent Awards do not Vest, they will then lapse.

Where an Option Vests pursuant to this rule 18.3 (Early Vesting) or was already Vested, it will be Released and be exercisable for a period of 1 month or such other period as the Committee determines from the date of the relevant event and will then lapse however, this may not extend any Exercise Period that would otherwise apply.

If this rule 18.3 (Early Vesting) applies, the Committee may determine that the Malus and Clawback Policy will no longer apply to the Award or will be varied in their application, as the case may be.

Any applicable Holding Period will continue to apply unless and to the extent the Committee determines otherwise.

19. Amendments

The Board may change the Plan in any way and at any time subject to the provisions of this rule 19 (Amendments).

19.1 Shareholder approval

The Company will obtain prior approval in general meeting of shareholders by ordinary resolution for any change to the Plan which is to the advantage of present or future Participants and which relates to any of the following:

19.1.1 the persons who may receive Shares or cash under the Plan;

19.1.2 the Shares or cash which may be delivered or paid under the Plan;

19.1.3 the maximum entitlement for any Participant;

19.1.4 the basis for determining a Participant's entitlement to, and the terms of, Shares or cash provided under the Plan and the rights of a Participant in the event of a variation made under rule 18.1 (Adjustments to Awards); and

19.1.5 this rule 19.1 (Shareholder approval),
in each case, subject to rule 19.2 (Minor changes).

19.2 Minor changes

The Board need not obtain shareholder approval for any minor changes to the Plan which are to:

- 19.2.1 benefit administration of the Plan;
- 19.2.2 comply with or take account of a change in legislation; and/or
- 19.2.3 obtain or maintain favourable tax, exchange control or regulatory treatment of any Member of the Group or any present or future Participant and such actions include acting under rule 19.5 (International variations).

19.3 Participant consent

If a proposed change which would be to the material disadvantage of one or more Participants in respect of subsisting rights under the Plan, then the Board must obtain the written consent of the affected Participant(s) or:

- 19.3.1 The Board will invite each so disadvantaged Participant to indicate whether or not they approve the change; and
- 19.3.2 such change will only take effect, if approved by such majority of the Participants who were invited in accordance with rule 19.3.1 and who make such an indication. For these purposes, majority may, at the discretion of the Board, mean the majority by number of Participants or by number of Shares under Awards held by Participants affected by the amendment.

19.4 Notice of change

The Board will give written notice of changes to Participants whose Awards are materially affected.

19.5 International variations

The Board may establish plans or schedules based on the Plan, but modified to take account of any local tax, exchange control or securities laws in overseas territories provided that any Awards made under such plans or schedules are subject to the limits set out in rule 6 (Plan limits) and rule 7 (Individual limits).

19.6 Employees' share scheme

No amendment will be made under this rule 19 (Amendments) if it would prevent the Plan from being an employees' share scheme in accordance with section 1166 of the Companies Act 2006.

20. Legal Entitlement

20.1 General

For the purposes of this rule 20 (Legal Entitlement), "Employee" means an employee existing or former) of a Member of the Group (existing or former).

- 20.1.1 This rule 20 (Legal Entitlement) applies during an Employee's employment and after the termination of an Employee's employment, whether or not the termination is lawful.
- 20.1.2 Nothing in the rules of the Plan or the operation of the Plan forms part of an Employee's contract of employment (existing or former) or alters it. The rights and obligations arising

from the employment or former employment relationship between the Employee and the relevant Member of the Group are separate from, and are not affected by, the Plan. Participation in the Plan does not create any right to, or expectation of, employment (continued or otherwise).

- 20.1.3 No Employee has a right to participate in the Plan. Participation in the Plan or the grant of an Award on a particular basis in any year does not create any right to or expectation of participation in the Plan or the grant of an Award on the same, or any other, basis (or at all) in the future.
- 20.1.4 The terms of the Plan do not entitle the Employee to the exercise of any discretion in the Employee's favour.
- 20.1.5 The Employee will have no claim or right of action in respect of any decision, omission or discretion which may operate to the disadvantage of the Employee even if it is unreasonable, irrational or might otherwise be regarded as being perverse or in breach of the duty of trust and confidence (and/or any other implied duty), for example between the Employee and the relevant Member of the Group.
- 20.1.6 No Employee has any right to compensation or damages for any loss (actual or potential) in relation to the Plan, including any loss in relation to:
 - (i) any loss or reduction of rights or expectations under the Plan in any circumstances (including lawful or unlawful termination of employment);
 - (ii) any exercise of a discretion or a decision taken in relation to an Award or to the Plan, or any failure or delay to exercise a discretion or take a decision; and
 - (iii) the operation, suspension, termination or amendment of the Plan.
- 20.1.7 Participation in the Plan is permitted only on the basis that the Participant accepts all the provisions of the rules, including this rule 20 (Legal Entitlement). By participating in the Plan, an Employee agrees to waive all rights which might otherwise arise under the Plan, other than the right to acquire Shares or cash (as appropriate) subject to and in accordance with the explicit rules of the Plan, in consideration for and as a condition of the grant of an Award.

20.2 Not pensionable

None of the benefits that may be received under the Plan are pensionable.

21. Administration

21.1 Administration of the Plan

The Plan will be administered by the Committee, which has authority to make such rules and regulations for the administration of the Plan it considers necessary or desirable. The Committee may delegate any and all of its rights and powers under the Plan.

21.2 Committee decisions

All decisions of the Committee in connection with the Plan and its interpretation, and the terms of any Awards (including in any dispute) will be final and conclusive.

The Committee will decide whether, and how to exercise any discretion in the Plan.

21.3 Notices

- 21.3.1 Any notice or communication to be given to any Eligible Employee or Participant may be delivered by electronic mail (including on an intranet, portal or by SMS text message), or personally delivered or sent by ordinary post to such address as the Company considers appropriate.
- 21.3.2 Any notice or communication to be given to the Company or its duly appointed agent may be delivered or sent to its registered office or such other place and by such means as the Company or its appointed agent may specify and notify to Eligible Employees and/or Participants.
- 21.3.3 Notices or communications sent electronically will be deemed to have been received at the time of transmission unless there is evidence to the contrary. Notices or communications personally delivered will be deemed to have been received upon delivery and those sent by post will be deemed to have been received 24 hours after posting nationally and 3 days after posting internationally.
- 21.3.4 All notices or communications to be given to Eligible Employees or Participants are given and sent at the risk of the addressee. No Member of the Group has any liability in respect of any notice or communication given or sent, nor need they be concerned to see that the addressee actually receives it.

21.4 Dealing Restrictions

Each relevant person will have regard to Dealing Restrictions when operating, interpreting, administering, participating in and/or taking any other action in relation to the Plan.

22. General

22.1 Termination of the Plan

The Plan will terminate on the tenth anniversary of the date on which the Plan was approved by the shareholders of the Company (or on such earlier date as the Board determines). No further Awards may be granted after the Plan is terminated. Termination will not affect subsisting rights under the Plan.

22.2 Source of Shares

Awards may be settled using newly issued Shares, Shares transferred from treasury and/or Shares purchased in the market.

22.3 Listing

If, and for as long as the Shares are traded on the Official List of the London Stock Exchange (or, if the Committee determines, any other stock exchange on which the Shares are traded), the Company will apply for the listing and admission to trading on such exchange of any Shares issued in connection with the Plan as soon as practicable.

22.4 Ranking of Award Shares

Shares issued or transferred from treasury under the Plan will rank equally in all respects with the Shares then in issue, except that they will not rank for any voting, dividend or other rights attaching to Shares by reference to a record date preceding the date of issue or transfer from treasury.

22.5 Data protection

Awards will be subject to any data protection policies applicable to the Group and any relevant Member of the Group and any applicable privacy notices.

22.6 Third Party rights

Except as otherwise expressly stated to contrary, nothing in the Plan confers any benefit, right or expectation on any persons other than an Eligible Employee, Participant or Member of the Group. No such third party has any rights under the UK Contracts (Rights of Third Parties) Act 1999 (or any similar local legislation in a relevant overseas jurisdiction), to enforce any rule of this Plan.

This rule 22.6 (Third Party rights) does not affect any other right or remedy of a third party.

22.7 Severability

If any provision of the Plan is held to be invalid, illegal or unenforceable for any reason by any court with jurisdiction then, for the purposes of that jurisdiction only:

22.7.1 such provision will be deleted; and

22.7.2 the remaining provisions will continue in full force and effect,
unless the Board determines otherwise.

22.8 Governing law and jurisdiction

The laws of England and Wales govern the Plan and all Awards. The courts of England and Wales have exclusive jurisdiction in respect of any disputes arising in connection with the Plan or any Award.

Appendix 1

Phantom Awards

The provisions of this Appendix 1 modify the rules of the Plan in respect of any Awards granted under it as Phantom Awards.

1. Grant of Phantom Awards

The Committee may choose to grant an Award as a Phantom Award.

A Phantom Award will not confer any right on the relevant Participant to receive Shares or any interest in Shares.

The notional Shares subject to a Phantom Award will not count towards the limits in rule 7 (Individual limits).

2. Definitions

“**Award**” means a Phantom Award;

“**Phantom Award**” means a conditional right to receive a cash sum in the future that is linked to the value of a given number of notional Shares granted under this Appendix 1;

“**Release**” means a Participant becoming entitled to have a cash sum paid to the Participant.

3. Application and interpretation of the Plan

Where an Award is granted as a Phantom Award, the provisions of this Plan will be interpreted and applied to reflect the fact that Phantom Awards are granted in respect of notional Shares only and are settled in cash rather than Shares.

4. Delivery

In the case of a Phantom Award, the cash sum payable will be equal to the aggregate Market Value of the notional Shares which have Vested.

Appendix 2

Awards granted to US Participants

1. The provisions of this Appendix 2 modify the rules of the Plan in respect of any Awards granted under it to Eligible Employees who are resident in the United States.

2. The following shall be inserted as new rule 2.3.4:

"A participant may be required, as a condition of the Release of their Award, to represent and agree that, in relation to Shares they acquire under the Plan:

- (a) they understand that such Shares are deemed to be restricted securities within the meaning of Rule 144 under the United States Securities Act of 1933 (the "**Securities Act**"), which may not be resold in the United States or to a U.S. person except pursuant to an effective registration statement under the Securities Act or an exemption from the registration requirements of the Securities Act;
- (b) they are acquiring such Shares for investment and not with a view to distribution; and
- (c) they will not resell such Shares at any time, except to non-U.S. persons in transactions effected in accordance with Rule 904 of Regulation S under the Securities Act (or any successor section thereto) and only after the expiration of any Holding Period the Committee may require.

The Company may endorse on certificates representing Shares issued or transferred upon the vesting of an Award such legend referring to the foregoing representations or restrictions or any other applicable restrictions on resale as the Company, in its discretion, shall deem appropriate.

3. "**Subsidiary**" means a company in which the Company owns, directly or indirectly, a majority of the voting rights.

Appendix 3

Awards granted to US taxpayers (409A exempt)

The provisions of Appendix 3 modify the rules of the Plan in respect of any Awards granted under it to Eligible Employees who are US taxpayers (whether or not they are also resident in the United States). Awards subject to Appendix 3 are intended to qualify for the 409A short-term deferral exception which is available under section 409A of the US Internal Revenue Code of 1986.

Where there is any conflict between the rules of the Plan and this Appendix 3, the terms of this Appendix 3 will prevail.

1. Definitions and Interpretation

An Award granted under this Appendix 3 may only be made in the form of a Conditional Award and the rules of the Plan, as amended by this Appendix 3, will be construed accordingly.

2. Grant of Awards

The following rule 2.7 (Deemed Conditional Award) will be added to rule 2 (Grant of Awards):

"2.7 If a Participant becomes subject to any US tax or social security contributions liability in connection with an Award after the Award Date, any unvested Option that they hold at that time will be treated as if it had been granted as a Conditional Award without any further action on the part of the Participant or the Company. Such Conditional Award will be governed by the terms of this Appendix 3."

3. Dividend Equivalents

The last sentence of rule 5.2 (Satisfaction of Dividend Equivalents) will be deleted and replaced with the following:

"The cash will be paid, or Shares delivered, in satisfaction of any Dividend Equivalents as soon as reasonably practicable after, but in any event no later than 15 March following the end of the calendar year of the Release of the Conditional Award."

4. Vesting, Release and exercise

The following wording will be added to rule 12.1 (Delivery - General), after the word "thereafter":

"and, in the case of a Conditional Award, no later than 15 March following the end of the calendar year in which the Conditional Award is Released."

5. Taxation and regulatory matters

The following rule 15.6 (US Tax and Holding Period) will be added to rule 15 (Taxation and regulatory matters):

"15.6 For the purposes of any US tax and social security contributions liability, an Award to which a Holding Period applies shall be treated as if the Vested portion of the Award was Released on the Vesting Date. The Company will procure the sale of such number of Shares as is required to satisfy any US tax and/or social security contributions liability that may arise to a Participant in respect of their Award on the Vesting Date. The remaining Shares under that Award will be Released on the Normal Release Date."

6. Cash alternative

The following will be added to the end of rule 13 (Cash alternative):

"The cash sum will be paid to the Participant as soon as practicable after, but in any event no later than 15 March following the end of the calendar year in which the Conditional Award is Released".

7. Cessation of employment etc.

7.1 The following wording shall be added to the end of rule 16.3.1:

"provided that an Award that is not subject to a Condition must Vest and be Released on the date the Participant Leaves.

7.2 The following words shall be added to the end of rule 16.3 (Good leavers – before Vesting):

"Any Shares or cash to which a Participant becomes entitled following the Release of an Award under this rule 16.3 (Good leavers – before Vesting) will be delivered or paid (as applicable) to the Participant no later than 15 March following the end of the calendar year of Leaving."

7.3 The following wording will be added to the end of rule 16.7 (Leavers – after Vesting):

"Any Shares or cash to which a Participant becomes entitled in connection with this rule 16.7 (Leavers – after Vesting) will be delivered or paid (as applicable) to the Participant no later than 15 March following the end of the calendar year of Leaving."

8. Corporate Events

The following wording will be added to the end of rule 17.5 (Vesting, Release and exercise):

"Any Shares or cash to which a Participant becomes entitled under this rule 17.5 (Vesting, Release and exercise) will be delivered or paid (as applicable) to the Participant no later than 15 March following the end of the calendar year in which the relevant event pursuant to this rule 17 (Corporate events) occurs."

9. Amendments

The following rule 19.7 (section 409A) will be added to rule 19 (Amendments):

"19.7 Notwithstanding the provisions of this rule 19 (Amendments), any such amendment will only be effective to the extent that it does not contravene the provisions of section 409A of the US Internal Revenue Code of 1986."

10. Appendix 1 – Phantom Awards

The following wording will be added at the end of clause 4:

"The cash sum will be paid to the Participant no later than 15 March following the end of the calendar year in which the Phantom Award is Released."

11. General compliance with section 409A

11.1 At the end of the definition of "Release", the following words will be added:

"For the purposes of Awards subject to Appendix 3, "Release" will be construed to represent the lapse of the substantial risk of forfeiture relating to the Award.

- 11.2** Notwithstanding any other rule of the Plan, where any Shares and/or cash is payable to a Participant in connection with the Release of an Award subject to this Appendix 3, such Shares and/or cash will be delivered or paid (as applicable) to the Participant no later than 15 March following the end of the calendar year in which Release occurs.

Appendix 4

Awards granted to Californian residents

The provisions of Appendix 4 modify the rules of the Plan in respect of any Awards granted under it to Eligible Employees who are resident in California.

1. Definitions

“California Participant” means a US Taxpayer who is a resident of the State of California.

“California Securities Laws” means, collectively, Section 25102(o) of the California Corporate Securities Law of 1968, as amended, and the regulations issued thereunder by the California Commissioner of Corporations, including Section 260.140.42 relating to compensatory plans.

“Rule 701” means Rule 701 of the Securities Act.

“Securities Act” means the US Securities Act of 1933, amended.

2. California State Securities Laws

The Board hereby establishes the following terms for purposes of satisfying the requirements of California Securities Laws. Any Award granted under the Plan to a Participant who is a California Participant on the Award Date shall be subject to the following additional limitations, terms, and conditions, which for purposes of compliance with California Securities Laws only shall be deemed to be a separate plan maintained solely for California Participants:

- (a) except to the extent otherwise provided below, each Award shall be granted in accordance with Rule 701;
- (b) the total number of Shares that may be issued under the Plan is 10% of the total number of ordinary shares outstanding;
- (c) Shares must be issued, if at all, prior to the 10-year anniversary of the date the Plan was adopted;
- (d) the rights of a California Participant to acquire Shares under the Plan shall be non-transferable except to the extent of a transfer by will, laws of descent and distribution, to a revocable trust, or as otherwise permitted by Rule 701; and
- (e) the Board shall proportionately adjust the number of Shares issuable under an Award in the event of a stock split, reverse stock split, stock dividend, recapitalization, combination, reclassification or other distribution of the Company's equity securities without the receipt of consideration by the Company of or on the Shares.

Notwithstanding the foregoing, Awards may be granted under the Plan to any California Participant in accordance with any other registration exemption permitted under the California Corporate Securities Law of 1968, as amended, or by qualification under such law, subject to such conditions as required by such law.

Appendix 5

Awards granted to French residents

1. APPLICATION AND PURPOSE

- 1.1** This French Appendix sets out the terms and conditions applicable to Qualified Awards granted to Eligible French Employees.
- 1.2** This French Appendix makes certain variations to the terms of the Sage Group plc 2019 Restricted Share Plan, as amended from time to time (the “Plan”), in order to satisfy French securities laws, exchange control, corporate law and tax requirements, so that Qualified Awards may qualify for the specific tax and social security treatment in France under Sections L. 225-197-1 to L. 225-197-6 of the French Commercial Code.
- 1.3** The rules of the Plan shall apply, subject to the modifications contained in this French Appendix, whenever the Committee decides to grant Qualified Awards to Eligible French Employees. Nothing in this French Appendix prevents other forms of Award (including Conditional Awards) being granted to Eligible French Employees on a non-tax advantaged basis under the rules of the Plan, unamended by this French Appendix. This French Appendix only applies to, and amends the Plan for, Qualified Awards.
- 1.4** The Plan was approved by the shareholders of the Company on 27 February 2019. This French Appendix to the Plan was approved by the Board (or, as relevant, a committee duly authorised by it) on 12 November 2020, subject to shareholder approval, and by the shareholders of the Company on 4 February 2021.

2. DEFINITIONS

- 2.1** Unless provided otherwise or unless the context requires otherwise, capitalised terms used but not defined in this French Appendix shall have the meaning assigned to them in the Plan.
- 2.2** The terms of Qualified Awards under this French Appendix shall be the same as those for Conditional Awards under the Plan, except to the extent that this French Appendix provides otherwise. References to Conditional Awards in the Plan shall apply to, and include, Qualified Awards, but modified by the special terms of this French Appendix. References to the Plan in the Plan and in this French Appendix will include the French Appendix and, where the French Appendix amends the Plan, the Plan will be interpreted accordingly.
- 2.3** The following definitions shall apply to Qualified Awards granted in accordance with this French Appendix:

“Closed Period” means:

- (i) the 30 calendar days prior to the announcement of the half-year or annual financial reports of the Company; or
- (ii) where there is material information (as defined under article 7 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (Market Abuse Regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC) that has not been made public and which could, if disclosed to the public, significantly impact on the value of Shares and where the French Participant is either:
 - (a) a member of the board of directors or supervisory board, or exercising the functions of general manager or deputy general manager, of the Company; or

(b) an employee,

who has knowledge of this information, anytime until the information is disclosed to the public.

If French law or regulations are amended after adoption or amendment of this French Appendix to modify the definition and/or applicability of the Closed Period to Qualified Awards, such amendment shall become applicable to any Qualified Awards granted under this French Appendix, to the extent permitted or required by French law;

“Disability” has the meaning given in the second or third category of Article L.341-4 of the French Code de la sécurité sociale, as amended;

“Eligible French Employee” means an Eligible Employee who is an employee or an officer of a French Group Member and who is taxable in France for French tax purposes and/or subject to the French social security regime;

“French Group Member” means a company which is a Subsidiary with its registered office in France and is a company in which the Company holds, directly or indirectly, at least 10 per cent of the share capital or voting rights;

“French Participant” means an Eligible French Employee who has been granted a Qualified Award;

“Holding Period” means such period (applicable under Section L. 225-197-1 of the French Commercial Code), if any, following the Vesting Date of a Qualified Award, as determined by the Committee. Where a Holding Period applies, it will be interpreted in accordance with rules 14.2 to 14.4 inclusive of the Plan, and the provisions of this French Appendix. A Holding Period applicable to a Qualified Award shall generally not expire until at least two years after the Award Date, subject to the provisions of this French Appendix;

“Normal Release Date” means the Vesting Date for a Qualified Award; and

“Qualified Award” means a Conditional Award granted under this French Appendix that is intended to qualify for the special tax and social security treatment applicable to free shares granted under Sections L. 225-197-1 to L. 225-197-6 of the French Commercial Code, as amended, at the Award Date, and that:

- (i) is granted for no consideration;
- (ii) satisfies the requirements of a Conditional Award under the Plan; and
- (iii) complies with the requirements of this French Appendix at the Award Date.

3. INTERPRETATION

- 3.1 It is intended that Qualified Awards granted under this French Appendix shall qualify for the special tax and social security treatment applicable to free shares granted under Sections L. 225-197-1 to L. 225-197-6 of the French Commercial Code, as amended, and in accordance with the relevant provisions set forth by French tax and social security laws, but the Company does not undertake to maintain this status.
- 3.2 The Plan, the terms of the French Appendix and the terms upon which a Qualified Award has been granted shall be interpreted and, where necessary, deemed to be modified, accordingly and in

accordance with the relevant provisions set forth by French tax and social security laws, as well as the relevant administrative provisions.

- 3.3** In the event of any conflict between the provisions of this French Appendix and the Plan and/or any other documents related to the Plan, the provisions of this French Appendix will prevail for grants of Qualified Awards made to Eligible French Employees.
- 3.4** If for any reason a Conditional Award does not, but was originally intended to, satisfy the requirements of the French tax authorities for specific tax and social security treatment, the Company, Committee or Board (or, as relevant, a committee duly authorised by it) can take such actions, including changing the Vesting Date or Release Date and/or applying or amending a Holding Period, as it considers reasonably necessary to achieve such treatment, and the Plan, the terms of this French Appendix and the terms of the Conditional Award shall be interpreted and, where necessary, modified accordingly.
- 3.5** No Member of the Group (including a French Group Member) shall be liable for any adverse consequences, legal, tax or otherwise, if and to the extent that the French tax and social security treatment is unavailable.

4. ELIGIBILITY

Qualified Awards may only be granted to Eligible French Employees.

5. VESTING PERIOD

- 5.1** A French Participant becomes beneficially entitled to receive all or a portion of the Shares subject to the French Participant's Qualified Award at Vesting, subject to the remaining provisions of this Plan and the French Appendix.
- 5.2** The Vesting Period for a Qualified Award will be of a period or periods specified by the Committee at the time the Qualified Award is granted, but in each case must be at least:
 - 5.2.1 a one year period as calculated from the Award Date, where a Holding Period applies; or
 - 5.2.2 a two year period as calculated from the Award Date, where no Holding Period applies,or in each case at least such other period as is required to comply with the minimum mandatory vesting period applicable to Qualified Awards under Section L. 225-197-1 of the French Commercial Code, as amended, or the relevant sections of the French Tax Code or the French Social Security Code, as amended, to benefit from the specific tax and social security treatment applicable to Qualified Awards.
- 5.3** Notwithstanding any other provision of the Plan except for section 12.1, section 12.2 and section 13 (Corporate events and adjustments) of this French Appendix, Qualified Awards cannot become Released prior to the expiration of a one-year period as calculated from the Award Date, or such other period as is required to comply with the minimum mandatory vesting period applicable to Qualified Awards under Section L. 225-197-1 of the French Commercial Code, as amended, or the relevant sections of the French Tax Code or the French Social Security Code, as amended, to benefit from

the specific tax and social security treatment applicable to Qualified Awards. This section 5.3 applies even if the French Participant is no longer an employee.

6. HOLDING PERIODS

6.1 Subject only to section 12.1, section 12.2 and section 13 (Corporate events and adjustments) of this French Appendix, the:

6.1.1 expiry of a Holding Period (if any) applicable to a Qualified Award; and

6.1.2 sale or transfer of Shares delivered pursuant to a Qualified Award,

may not occur prior to the expiration of a two-year period as calculated from the Award Date, or such other period as is required to comply with the minimum two-year mandatory retention period applicable to Qualified Awards under Section L. 225-197-1 of the French Commercial Code, as amended, or the relevant sections of the French Tax Code or the French Social Security Code, as amended, to benefit from the specific tax and social security regime. This section 6.1 applies even if the French Participant is no longer an employee.

6.2 Subject to section 12.1, section 12.2 and section 13 (Corporate events and adjustments) of this French Appendix, where:

6.2.1 a Qualified Award is granted with a Vesting Period of less than 2 years under section 5.2.2; and/or

6.2.2 all or a portion of a Qualified Award Vests less than 2 years after the Award Date,

a Holding Period will apply to, as relevant, all or a portion of the Qualified Award for at least until the expiration of a two-year period as calculated from the Award Date, or such other period as is required to comply with the two-year minimum mandatory retention period applicable to Qualified Awards under Section L. 225-197-1 of the French Commercial Code, as amended, or the relevant sections of the French Tax Code or the French Social Security Code, as amended, to benefit from the specific tax and social security regime. For the avoidance of doubt, this section 6.2 may apply even if the Holding Period was not specified in the applicable Award Statement.

7. DIVIDEND EQUIVALENTS

A Qualified Award cannot and must not carry the right to Dividend Equivalents. Any dividend and voting rights will apply only upon and from the delivery of the Shares following Release.

8. CLOSED PERIODS

8.1 The Shares delivered to a French Participant pursuant to a Qualified Award may not be sold or transferred by or on behalf of a French Participant during a Closed Period, so long as the French requirements regarding Closed Periods are applicable to the Shares underlying the Qualified Award.

8.2 Nothing in this section 8 (Closed Periods) allows a French Participant to deal at a time prohibited by Dealing Restrictions.

9. ADDITIONAL PLAN LIMITS

9.1 At the Award Date of any Qualified Award, the total number of Shares granted subject to Qualified Awards and subject to awards under any other employee share plan of the Company where such awards are granted subject to and in accordance with the provisions of Articles L.225-197-1 et seq. of the French Commercial Code and are (or are similar in substance to) a conditional right to acquire

Shares (other than an option) for no or limited cost (up to 5 percent of the Market Value of the Shares), must not exceed 10 percent of the issued ordinary share capital of the Company.

9.2 However, this relevant percentage may be increased to 30 percent if Qualified Awards are granted to all Eligible French Employees. Where this percentage is increased to 30 percent, Qualified Awards may only be granted over such number of Shares as does not exceed a ratio of one to five between the smallest and largest awards of Qualified Awards.

9.3 For the purposes of the limits in this section 9 (Additional Plan Limits):

9.3.1 to the extent the Shares subject to a Qualified Award have been Released and a Holding Period does not apply or has expired, the Shares do not need to be counted; and

9.3.2 to the extent a Qualified Award has lapsed, the lapsed Shares do not need to be counted.

10. ADDITIONAL INDIVIDUAL LIMIT

Qualified Awards cannot be granted to Eligible French Employees owning 10 percent or more of the Company's share capital (including any outstanding Awards under the Plan or outstanding awards under any other employee share plan operated by the Group where such Awards or awards (as applicable) are, or are similar in substance to, a conditional right to acquire shares, other than non-exercised options), or who may hold, as the result of the Qualified Award, 10 percent or more of the Company's share capital.

11. DELIVERY OF SHARES ONLY

A Qualified Award may only be settled in Shares and not cash.

12. DEATH OR DISABILITY

12.1 Notwithstanding any other provision of the Plan, immediately upon the death of a French Participant:

12.1.1 the French Participant's Qualified Awards will become Released in full, without any application of pro rating under rule 16.4 (Good leavers - extent of Vesting) or for any other reason unless it is to apply a Condition related to performance (in which case, rule 16.4.1 of the Plan applies); and

12.1.2 any applicable Holding Period will expire and the French Participant's heirs are free to transfer or dispose of the Shares.

12.2 If a French Participant Leaves due to Disability:

12.2.1 any Unvested Qualified Award will:

- (i) continue to Vest and be Released in accordance with the terms of the Plan, unless the Committee determines that an earlier Vesting Date should apply; and
- (ii) Vest only to the extent prescribed by rule 16.4 (Good leavers – extent of Vesting) of the Plan;

12.2.2 any Holding Period will cease to apply upon Leaving; and

12.2.3 where the Qualified Award was granted subject to the Malus and Clawback Policy, these provisions will continue to apply to the Qualified Award unless and to the extent they are waived or varied by the Committee.

13. CORPORATE EVENTS AND ADJUSTMENTS

In the event rule 17 (Corporate events) or rule 18 (Adjustments) of the Plan applies, Qualified Awards will be dealt with in accordance with the provisions of the Plan. This may cause the Qualified Awards to cease to qualify for the French specific tax and social security regime. In this case, the provisions of rule 17 (Corporate events) or rule 18 (Adjustments) of the Plan nevertheless continue to apply, notwithstanding any potential detrimental tax or social security consequences for the French Participant.

14. TAXATION AND PAYMENT

- 14.1** Notwithstanding any other provision of the Plan, French Participants shall be ultimately liable and responsible for all Taxation that they are legally required to pay in connection with Qualified Awards.
- 14.2** To the extent a Qualified Award qualifies for French specific tax and social security treatment under Sections L. 225-197-1 to L. 225-197-6 of the French Commercial Code, the French Participant is responsible for reporting the receipt of any French Taxation under the Plan, and making payment, to the French tax authorities.
- 14.3** To the extent a Qualified Award or a Conditional Award does not so qualify, or is subject to Taxation outside of France, the Taxation, withholding and payment provisions of the Plan continue to apply to the Qualified Award or Conditional Award, unamended by this French Appendix.

15. DISQUALIFICATION OF QUALIFIED AWARDS

- 15.1** If the Committee intends that a Qualified Award will no longer qualify for the specific tax and social security treatment in France applicable to Conditional Awards granted under Sections L. 225-197-1 to L. 225-197-6 of the French Commercial Code, as amended, the Committee may, provided it is authorized to do so under the Plan, determine to lift, shorten or terminate any restrictions then applicable to the Vesting or Release of the Qualified Award or to the sale of the Shares underlying the Qualified Award which may have been imposed under this French Appendix or in the applicable Award Statement.
- 15.2** In the event that a Qualified Award no longer qualifies under the French tax and social security regime, the French Participant shall be ultimately liable and responsible for all taxes and/or social security contributions that the French Participant is legally required to pay in connection with the Qualified Award and the tax withholding and payment provisions of the Plan will apply unamended by this French Appendix.

16. AMENDMENT

Subject to the terms of the Plan, the Shareholders authorised the Board (or, as relevant, a committee duly authorised by it) to reserve the right to amend or terminate this French Appendix at any time.

Appendix 6

Awards granted to US Taxpayers (409A compliant)

The provisions of this Appendix modify the rules of the Plan in respect of any Conditional Awards granted under it to Eligible Employees who are US Taxpayers (whether or not they are also resident in the United States). In the event that a Participant becomes a US Taxpayer after the Award Date, then the Participant's Conditional Awards will immediately be modified in a manner consistent with the provisions of this Appendix. Conditional Awards subject to this Appendix are intended to comply with Section 409A. Where there is any conflict between the rules of the Plan and this Appendix, the terms of this Appendix will prevail.

1. Definitions and Interpretation

1.1 The following definitions will be added to rule 1 (Definitions and interpretation):

"Change in Control Event" means an event described in rule 17.1 (General offers), rule 17.2 (Bound or entitled), rule 17.3 (Scheme of arrangement) or rule 17.4 (Winding up) that also qualifies as a change in the ownership or effective control of the Company, or a change in the ownership of a substantial portion of the assets of the Company, in accordance with Section 1.409A-3(i)(5) of the Treasury Regulations.

"Code" means the US Internal Revenue Code of 1986, as amended.

"Section 409A" means Section 409A of the Code and the Treasury Regulations promulgated and other official guidance issued under it, collectively.

"Treasury Regulations" mean the regulations promulgated under the Code.

"US Taxpayer" means an Eligible Employee or Participant who is subject to US federal income taxation on the Award Date, or who is expected to become subject to US federal income taxation following the Award Date, or who does become subject to US federal income taxation following the Award Date but prior to the date upon which any part of the Award Vests.

1.2 The definition of Normal Release Date in rule 1 (Definitions and interpretation) will be revised to provide as follows:

"Normal Release Date" of an Award means the Normal Release Date set forth in the applicable Award Statement for the Award."

2. Conditions

Rule 3.1 (Awards subject to Conditions) will be revised to add the following language at the end thereof:

"so long as such Condition(s) are consistent with Section 409A"

3. Dividend Equivalents

The last sentence of rule 5.2 (Satisfaction of Dividend Equivalents) will be deleted and replaced with the following:

"The cash will be paid, or Shares delivered, in satisfaction of any Dividend Equivalents pursuant to rule 12 (Delivery), or if applicable, pursuant to rule 17 (Corporate events)."

4. Vesting of Award

4.1 The following will be added at the end of rule 9.2 (Vesting – Dealing Restrictions)”

“The Vesting of an Award may only be delayed beyond the Normal Release Date as a result of Dealing Restrictions to the extent permissible under Section 1.409A-2(b)(7)(ii) of the Treasury Regulations where the delivery of Shares or cash in respect of the Award would violate applicable law, in which event, the Award will Vest at the earliest date at which it is reasonably anticipated that such law no longer prevents such delivery of Shares or cash.”

4.2 Rule 9.3 (Vesting – Investigation) is revised to provide as follows:

“If an investigation is ongoing which might lead to Malus and/or Clawback being triggered then the Award(s) will Vest and be Released, but any Shares delivered will be subject to rule 12.3 (Delivery – Investigation).”

5. Release

5.1 The following will be added at the end of rule 10.1 (Timing of Release):

“The Release of an Award may only be delayed beyond the Normal Release Date as a result of Dealing Restrictions to the extent permissible under Section 1.409A-2(b)(7)(ii) of the Treasury Regulations where the delivery of Shares or cash in respect of the Award would violate applicable law, in which event, the Award will be Released at the earliest date at which it is reasonably anticipated that such law no longer prevents such delivery of Shares or cash.”

5.2 A new rule 10.2 will be added to rule 10 (Release) which will provide as follows:

“10.2 Early Release for tax liability

In the event that a Participant becomes subject to tax on an Award (or a portion of an Award) prior to the Normal Release Date, then to the extent permissible under Section 1.409A-3(j)(4)(vi) or Section 1.409A-3(j)(4)(xi) of the Treasury Regulations, the Committee may to the extent so permitted accelerate the Release of a portion of the Award and the delivery of the Shares or cash in respect of which the Award has been Released and any additional Shares or cash to which a Participant becomes entitled under rule 5 (Dividend Equivalents).”

6. Delivery

6.1 Rule 12.1 (Delivery – General) will be revised as follows:

“Except as otherwise provided by rule 17 (Corporate events), where a Conditional Award has been Released, the number of Shares in respect of which the Conditional Award has been Released together with any additional Shares or cash to which a Participant becomes entitled under rule 5 (Dividend Equivalents) will be, delivered or paid (as applicable) to the Participant or the Participant’s nominee as soon as practicable after the Normal Release Date (but in any event no later than 31 December of the calendar year of the Normal Release Date, or if later, the 15 day of the third month following the Normal Release Date), subject to the remaining provisions of this rule 12 (Delivery) and rules 13 (Cash alternative), 14 (Holding Period) and 15 (Taxation and regulatory matters).”

6.2 Rule 12.2 (Delivery – Nominee) will be revised to add the following language at the beginning thereof:

“To the extent it would not result in a violation of Section 409A,”

6.3 Rule 12.3 (Delivery – Investigation) will be revised to provide as follows:

“If an investigation is ongoing which might lead to Malus and/or Clawback being triggered in respect of a Participant then the Shares in respect of the Award will be delivered pursuant to this rule 12 (Delivery), but the Shares delivered may not be transferred, assigned or otherwise disposed of until such investigation is concluded, other than a transfer:

12.3.1 to a nominee in accordance with rule 14.3 (Nominee);

12.3.2 in accordance with rule 10.2 (Early Release for tax liability) or 15.2 (Withholding);

12.3.3 under the Malus and Clawback Policy; or

12.3.4 otherwise with the agreement of the Committee,

and any such attempted action will be invalid and ineffective.”

6.4 Rule 12.4 (Delivery – Dealing Restrictions) will be revised to provide as follows:

“If delivering or arranging delivery of Shares or cash would be prohibited by Dealing Restrictions, the delivery may only be delayed beyond the Normal Release Date as a result of Dealing Restrictions to the extent permissible under Section 1.409A-2(b)(7)(ii) of the Treasury Regulations where the delivery of Shares or cash in respect of the Award would violate applicable law, in which event, the Shares or cash will be delivered at the earliest date at which it is reasonably anticipated that such law no longer prevents such delivery of Shares or cash.”

7. Cash alternative

Rule 13 (Cash alternative) will be revised to provide as follows:

“At any time prior to settlement of an Award under rule 12 (Delivery) or 17 (Corporate events), the Committee may choose to settle the Award partly or fully in cash. The Participant will cease to have any rights to acquire the Shares in respect of which the Award has been settled in cash. Except as otherwise provided by rule 17 (Corporate events), the cash sum will be paid to the Participant as soon as practicable after the Normal Release Date (but in any event no later than 31 December of the calendar year of the Normal Release Date, or if later, the 15 day of the third month following the Normal Release Date).”

8. Holding Period

8.1 Rule 14.1 (Default Holding Period Rule) will be revised to provide as follows:

“If a Holding Period applies then rule 14.2 (Alternative Holding Period) will apply.”

8.2 Rule 14.2 (Alternative Holding Period) will be revised to provide as follows:

“If a Holding Period applies to a Conditional Award then the Shares will be delivered in accordance with the terms of the Plan, but such shares may not be transferred, assigned or otherwise disposed of during the Holding Period, other than a transfer:

14.2.1 to the Participant's personal representatives on death;

14.2.2 to a nominee in accordance with rule 14.3 (Nominee);

14.2.3 in accordance with rule 10.2 (Early Release for tax liability) or 15.2 (Withholding);

14.2.4 under the Malus and Clawback Policy;

14.2.5 in connection with an event described in rule 17 (Corporate events) or rule 18.1 (Adjustments to Awards); or

14.2.6 otherwise with the agreement of the Committee,
and any such attempted action will be invalid and ineffective.”

- 8.3** Rule 14.3 (Nominee) will be revised to add the following language at the end thereof:
“so long as such arrangement does not result in a violation of Section 409A”

9. Cessation of employment etc.

- 9.1** Rule 16.3 (Good leavers – before Vesting) is revised to provide as follows:

“If a Participant Leaves for a Good Leaver Reason before Vesting, the Award will:

16.3.1 continue to Vest and be Released in accordance with the terms of the Plan; and

16.3.2 Vest only to the extent prescribed by rule 16.4 (Good leavers – extent of Vesting);

and the Award will be settled pursuant to rule 12 (Delivery), or if applicable, rule 17 (Corporate events).”

- 9.2** Rule 16.6 (Death) will be revised to add the following at the end thereof:

The number of Shares in respect of which the Award has been Released together with any additional Shares or cash to which a Participant becomes entitled under rule 5 (Dividend Equivalents) will be, delivered or paid (as applicable) to the Participant or the Participant’s nominee as soon as practicable after the date of death (but in any event no later than 31 December of the calendar year following the calendar year of the date of death).

10. Corporate events

- 10.1** Rules 17.1 (General offers), 17.2 (Bound or entitled), 17.3 (Schemes of arrangement) and 17.4 (Winding up) will be revised to replace the language “unless and to the extent that the Committee determines that rule 17.8 (Exchange of Awards) should apply” with the following:

“unless the relevant event does not qualify as a Change in Control Event and to the extent that the Committee determines that rule 17.8 (Exchange of Awards) should apply”

- 10.2** Rule 17.5 (Vesting, Release and exercise) will be revised to provide as follows:

“If this rule 17.5 (Vesting, Release and exercise), applies an Award will Vest:

17.5.1 to the extent that the Committee determines any applicable Conditions have been satisfied, to the extent this is required by the Committee;

17.5.2 pro-rata to reflect the period from the Award Date until the date of the relevant event, as a proportion of the period from the Award Date to the end of the Vesting Period unless the Committee determines otherwise; and

17.5.3 the Committee will, however, have discretion to take into account any other factors it believes to be relevant in determining the extent to which an Award will Vest in the circumstances,

and to the extent the Participant’s Award does not Vest, it will then lapse.

If the relevant event qualifies as a Change in Control Event, then the Award will be Released and the number of Shares in respect of which the Award has been Released together with any additional Shares or cash to which a Participant becomes entitled under rule 5 (Dividend Equivalents) will be, delivered or paid (as applicable) to the Participant or the Participant's nominee as soon as practicable after the relevant event (but in any event no later than 31 December of the calendar year of the relevant event, or if later, the 15 day of the third month following the relevant event), subject to rule 17.7 (Holding Period).

If the relevant event does not qualify as a Change in Control Event, then the Award will be Released and the number of Shares in respect of which the Award has been Released together with any additional Shares or cash to which a Participant becomes entitled under rule 5 (Dividend Equivalents) will be, delivered or paid (as applicable) to the Participant or the Participant's nominee as soon as practicable after the Normal Release Date (but in any event no later than 31 December of the calendar year of the Normal Release Date, or if later, the 15 day of the third month following the Normal Release Date) or such earlier date permitted by Section 409A."

10.3 Rule 17.8 (Exchange of Awards) will be revised to provide as follows:

"Where any of rules 17.1 (General offers), 17.2 (Bound or entitled) or 17.3 (Schemes of arrangement) is expected to or does apply and the relevant event does not qualify as a Change in Control Event, or in connection with an Internal Reorganisation, the Committee may decide that Awards will be exchanged for new awards, subject to the consent of the Acquiring Company, on (or as soon as practicable after) the relevant event.

10.4 Rule 17.9 (Requirements for a new award) will be revised to add the following at the end thereof

"In addition, the exchange and the new award must not violate Section 409A."

11. Adjustments

A new paragraph will be added to rule 18.3 (Early Vesting) immediately following the second paragraph which will be revised to provide as follows:

"18.3 Early Vesting

Where a Conditional Award Vests pursuant to this rule 18.3 (Early Vesting) or was already Vested, then except as otherwise provided by rule 17 (Corporate events), the Conditional Award will be Released and the number of Shares in respect of which the Conditional Award has been Released together with any additional Shares or cash to which a Participant becomes entitled under rule 5 (Dividend Equivalents) will be, delivered or paid (as applicable) to the Participant or the Participant's nominee as soon as practicable after the Normal Release Date (but in any event no later than 31 December of the calendar year of the Normal Release Date, or if later, the 15 day of the third month following the Normal Release Date), subject to the provisions of rules 12 (Delivery), 13 (Cash alternative), 14 (Holding Period) and 15 (Taxation and regulatory matters)."

12. Amendments

12.1 The following language will be added at the end of rule 19.3 (Participant consent);

"If, at any time, the Company determines that the terms of an Award may violate Section 409A, the Company shall have the authority, but shall not be required, to enter into an amendment of such Award without the consent of the Participant that is designed to avoid the imposition of any additional tax, interest or penalties on the Participant under Section 409A."

12.2 The following rule 19.7 will be added to rule 19 (Amendments):

"19.7 Section 409A

Any amendment made under this rule 19 (Amendments) will only be effective to the extent that it complies with Section 409A."

13. General

- 13.1** Conditional Awards granted to US Taxpayers and any additional Shares or cash to which a Participant becomes entitled under rule 5 (Dividend Equivalents) are intended to comply with the requirements of Section 409A, and the Plan (including this Appendix) will be interpreted and administered consistent with this intention with respect to such Conditional Awards.
- 13.2** Notwithstanding any other provision of the Plan (including this Appendix) or any Conditional Award, no Member of the Group guarantees or warrants to any person that a Conditional Award granted to a US Taxpayer and any additional Shares or cash to which a US Taxpayer becomes entitled under rule 5 (Dividend Equivalents) comply with Section 409A. Each US Taxpayer is solely responsible and liable for the satisfaction of all taxes, penalties and interest that may be imposed on the US Taxpayer in connection with the Plan and/or this Appendix or any Conditional Award and any additional Shares or cash to which a US Taxpayer becomes entitled under rule 5 (Dividend Equivalents), including any taxes, penalties or interest under Section 409A. No Member of the Group shall have any obligation to indemnify or otherwise hold a US Taxpayer harmless from any or all of such taxes, penalties or interest.
- 13.3** A Conditional Award granted to a US Taxpayer and any additional Shares or cash to which a Participant becomes entitled under rule 5 (Dividend Equivalents) may only be settled by an employee benefit trust operated by a Member of the Group to the extent such settlement would not result in a violation of Section 409A.

Appendix 7

Awards granted to Israeli Employees

1. Application and Purpose

- 1.1** This Israeli Appendix sets out the terms and conditions applicable to Trustee 102 Awards granted to Approved Israeli Participants.
- 1.2** This Israeli Appendix makes certain variations to the terms of the Sage Group plc 2019 Restricted Share Plan, as amended from time to time (the “**Plan**”), in order to satisfy Israeli tax requirements, so that Awards may qualify for the specific tax and social security treatment in Israel under Section 102 of the Israeli Income Tax Ordinance [New Version] 1961.
- 1.3** The rules of the Plan shall apply, subject to the modifications contained in this Israeli Appendix, whenever the Committee decides to grant Trustee 102 Awards to Approved Israeli Participants. Nothing in this Israeli Appendix prevents other forms of Award being granted to Approved Israeli Participants on a non-tax advantaged basis under the rules of the Plan, unamended by this Israeli Appendix.
- 1.4** The Plan and this Israeli Appendix are complimentary to each other and shall be deemed as one. In the event of any conflict, whether explicit or implied, between the provisions of this Israeli Appendix and the Plan, the provisions set out in the Israeli Appendix shall prevail to the extent necessary to comply with the requirements set by the Israeli law in general, and in particular, with the provisions of the Israeli Income Tax Ordinance [New Version] 1961, as may be amended or replaced from time to time.
- 1.5** The Plan was approved by the shareholders of the Company on 27 February 2019. This Israeli Appendix to the Plan was approved by the Board (or, as relevant, a committee duly authorised by it) on 11 May 2021.

2. Definitions

- 2.1** Unless provided otherwise or unless the context requires otherwise, capitalised terms used but not defined in this Israeli Appendix shall have the meaning assigned to them in the Plan.
- 2.2** References to the Plan in the Plan and in this Israeli Appendix will include the Israeli Appendix and, where the Israeli Appendix amends the Plan, the Plan will be interpreted accordingly.
- 2.3** The following definitions shall apply to Trustee 102 Awards granted in accordance with this Israeli Appendix:
 - 2.3.1** “**102 Award**” means any Award intended to qualify (as determined by the Committee and/or the Israeli Award Agreement) and which qualifies as an award under Section 102, issued to an Approved Israeli Participant.
 - 2.3.2** “**Applicable Law**” shall mean any applicable law, rule, regulation, statute, pronouncement, policy, interpretation, judgment, order or decree of any federal, provincial, state or local governmental, regulatory or adjudicative authority or agency, of any jurisdiction, and the rules and regulations of any stock exchange, over-the-counter market or trading system on which the Shares are then traded or listed.

- 2.3.3 **“Approved Israeli Participant”** means a Participant who is an Israeli tax resident and is an employee, director or an officer of an Employer, excluding any Controlling Share Holder of the Company.
- 2.3.4 **“Award”** means any Award granted under the Plan settled in Shares and which will not be capable of being settled in cash including pursuant to rule 13 (Cash alternative) of the Plan.
- 2.3.5 **“Capital Gain Award”** means a Trustee 102 Award elected and designated by the Company to qualify under the capital gain tax treatment in accordance with the provisions of Section 102(b)(2) and 102(b)(3) of the Ordinance.
- 2.3.6 **“Controlling Share Holder”** shall have the meaning ascribed to it in Section 32(9) of the Ordinance.
- 2.3.7 **“Employer”** means, an Israeli resident Affiliate of the Company which is an “employing company” within the meaning and subject to the conditions of Section 102(a) of the Ordinance.
- 2.3.8 **“ITA”** means the Israeli Tax Authority.
- 2.3.9 **“Israeli Award Agreement”** means the Award Statement between the Company and an Approved Israeli Participant that sets out the terms and conditions of a 102 Award.
- 2.3.10 **“Non-Trustee 102 Award”** means a 102 Award granted pursuant to Section 102(c) of the Ordinance and not held in trust by a 102 Trustee.
- 2.3.11 **“Ordinance”** means the Israeli Income Tax Ordinance [New Version] – 1961, as now in effect or as hereafter amended.
- 2.3.12 **“Rules”** means the Income Tax Rules (Tax Benefits in Stock Issuance to Employees) 5763-2003.
- 2.3.13 **“Section 102”** means Section 102 of the Ordinance and any regulations, rules, orders or procedures promulgated thereunder as now in effect or as hereafter amended.
- 2.3.14 **“Tax”** means any applicable tax and other compulsory payments, such as any social security and health tax contributions under any Applicable Law.
- 2.3.15 **“Trust Agreement”** means the agreement to be signed between the Company, an Employer and the 102 Trustee for the purposes of Section 102.
- 2.3.16 **“102 Trustee”** means any person or entity appointed by the Company to serve as a trustee and approved by the ITA, all in accordance with the provisions of Section 102(a) of the Ordinance, as may be replaced from time to time.
- 2.3.17 **“Trustee 102 Award”** means a 102 Award granted to an Approved Israeli Participant pursuant to Section 102(b) of the Ordinance and held in trust by a 102 Trustee for the benefit of an Approved Israeli Participant.

3. Issuance of Awards

- 3.1** The Committee may designate 102 Awards granted to Approved Israeli Participants pursuant to Section 102 as Trustee 102 Awards or Non-Trustee 102 Awards.
- 3.2** The grant of Trustee 102 Awards shall be subject to this Israeli Appendix and shall not become effective prior to the lapse of 30 days from the date the Plan has been submitted for approval by the ITA and shall be conditioned upon the approval of the Plan and this Israeli Appendix by the ITA.

- 3.3** Trustee 102 Awards will be classified as Capital Gain Awards.
- 3.4** No Trustee 102 Award may be granted under this Israeli Appendix to any Approved Israeli Participant, unless and until the Company has filed with the ITA its election regarding Capital Gain Awards to be granted under the Plan and this Israeli Appendix (the “**Election**”). Such Election shall become effective beginning the first date of grant of a Trustee 102 Award under this Israeli Appendix and shall remain in effect at least until the end of the year following the year during which the Company first granted Trustee 102 Awards. The Election shall obligate the Company to grant *only* the type of Trustee 102 Award it has elected, and shall apply to all Approved Israeli Participants who are granted Trustee 102 Awards during the period indicated herein, all in accordance with the provisions of Section 102(g) of the Ordinance. For the avoidance of doubt, the Election shall not prevent the Company from granting Non-Trustee 102 Awards simultaneously.
- 3.5** All Trustee 102 Awards must be held in trust by, or subject to the approval of the ITA, under the control or supervision of a 102 Trustee, as described in Section 5 below.
- 3.6** The designation of Non-Trustee 102 Awards and Trustee 102 Awards shall be subject to the terms and conditions set forth in Section 102.

4. 102 Award Grant Date

Each 102 Award will be deemed granted on the date determined by the Committee, subject to the provisions of the Plan, provided that and subject to (i) the Approved Israeli Participant has signed all documents required by the Company or Applicable Law, and (ii) with respect to any Trustee 102 Award, the Company has provided all applicable documents to the 102 Trustee in accordance with the guidelines published by the ITA such that if the guidelines are not met the 102 Award will be considered as granted on the date determined by the Committee as a Non-102 Trustee Award.

5. 102 Trustee

- 5.1** Trustee 102 Awards which shall be granted under this Israeli Appendix and/or any Shares allocated or issued upon the grant, vesting or exercise of a Trustee 102 Award and/or other Shares received following any realization of rights under the Plan, shall be allocated or issued to the 102 Trustee or controlled by the 102 Trustee, for the benefit of the Approved Israeli Participants, in accordance with the provisions of Section 102. In the event the requirements for Trustee 102 Awards are not met, the Trustee 102 Awards may be regarded as Non-Trustee 102 Awards or as Awards which are not subject to Section 102, all in accordance with the provisions of Section 102.
- 5.2** With respect to any Trustee 102 Award, subject to the provisions of Section 102, an Approved Israeli Participant shall not sell or release from trust any Shares received upon the grant, vesting or exercise of a Trustee 102 Award and/or any Shares received following any realization of rights, including, without limitation, stock dividends, under the Plan at least until the lapse of the period of time required under Section 102 or any shorter period of time determined by the ITA (the “**102 Holding Period**”). Notwithstanding the foregoing, if any such sale or release occurs during the 102 Holding Period, the sanctions under Section 102 shall apply to and shall be borne by such Approved Israeli Participant.
- 5.3** Notwithstanding anything to the contrary, the 102 Trustee shall not release or sell any Shares allocated or issued upon the grant, vesting or exercise of a Trustee 102 Award unless the Company,

the Employer and the 102 Trustee are satisfied that the full amounts of any Tax due have been paid or will be paid.

- 5.4** Upon receipt of any Trustee 102 Award, the Approved Israeli Participant will consent to the grant of such Award under Section 102 and undertake to comply with the terms of Section 102 and the trust arrangement between the Company and the 102 Trustee.

6. Written Participant Undertaking

- 6.1** With respect to any Trustee 102 Award, as required by Section 102 and the Rules, and in addition to any document executed by the Participant, by virtue of the receipt of such Award, the Approved Israeli Participant is deemed to have provided, undertaken and confirmed the following written undertaking (and such undertaking is deemed incorporated into any documents entered into by the Approved Israeli Participant in connection with the grant of such Award), and which undertaking shall be deemed to apply and relate to all Trustee 102 Awards granted to the Approved Israeli Participant:

- 6.1.1 The Approved Israeli Participant shall comply with all terms and conditions set forth in Section 102 with regard to the Capital Gain Awards and the applicable rules and regulations promulgated thereunder, as amended from time to time;
- 6.1.2 The Approved Israeli Participant is familiar with, and understands the provisions of, Section 102 in general, and the tax arrangement under the Capital Gain Awards in particular, and its tax consequences; the Approved Israeli Participant agrees that the Trustee 102 Awards and any Shares that may be issued upon vesting or (if applicable) exercise of the Trustee 102 Awards (or otherwise in relation to such Awards), will be held by a 102 Trustee appointed pursuant to Section 102 for at least the duration of the 102 Holding Period under the Capital Gain Awards. The Approved Israeli Participant understands that any release of such Trustee 102 Awards or Shares from trust, or any sale of the Shares prior to the termination of the 102 Holding Period, will result in taxation at the marginal tax rate, in addition to deductions of any appropriate income tax, social security, health tax contributions or other compulsory payments; and
- 6.1.3 The Approved Israeli Participant agrees to the Trust Agreement entered into by and between the Company, the Employer and the 102 Trustee appointed pursuant to Section 102.

7. The Awards

The terms and conditions upon which Awards shall be granted, issued and exercised or vested under this Israeli Appendix, shall be specified in an Israeli Award Agreement to be executed pursuant to the Plan and to this Israeli Appendix. Each Israeli Award Agreement shall provide, inter alia, the number of Shares to which the Award relates, the type of Award granted thereunder (i.e., a Capital Gain Awards), and any applicable vesting provisions and exercise price that may be payable. For the avoidance of doubt, it is clarified that there is no obligation for uniformity of treatment of Approved Israeli Participants and that the terms and conditions of Awards granted to Approved Israeli Participants need not be the same with respect to each Approved Israeli Participant (whether or not such Approved Israeli Participants are similarly situated). The grant, vesting and exercise of Awards granted to Israeli Participants shall be subject to the terms and conditions and, with respect to exercise, the method, as may be determined by the Committee (including the provisions of the Plan) and, when applicable, by the 102 Trustee, in accordance with the requirements of Section 102.

8. Assignability, Designation and Sale of Awards

- 8.1** Notwithstanding any provision of the Plan, no Award subject to this Israeli Appendix or any right with respect thereto, whether fully paid or not, shall be assignable, transferable or given as collateral, and no right with respect to any such Award shall be given to any third party whatsoever, and during the lifetime of the Approved Israeli Participant, each and all of such Approved Israeli Participant's rights with respect to an Award shall belong only to the Approved Israeli Participant. Any such action made, directly or indirectly, for an immediate or future validation, shall be void.
- 8.2** As long as Awards and/or Shares issued or purchased hereunder are held by the 102 Trustee on behalf of the Approved Israeli Participant, all rights of the Approved Israeli Participant over the Award and Shares cannot be transferred, assigned, pledged or mortgaged, other than by will or laws of descent and distribution.

9. Integration of Section 102 and Tax Assessing Officer's Approval

- 9.1** With regard to Trustee 102 Awards, the provisions of the Plan, the Israeli Appendix and/or the Israeli Award Agreement shall be subject to the provisions of Section 102 and any approval issued by the ITA and the said provisions shall be deemed an integral part of the Plan, the Israeli Appendix and the Israeli Award Agreement.
- 9.2** Any provision of Section 102 and/or said approval issued by the ITA, which must be complied with in order to receive and/or to maintain any tax treatment with respect to an Award pursuant to Section 102, which is not expressly specified in the Plan, the Israeli Appendix or the Israeli Award Agreement, shall be considered binding upon the Company, any Israeli Affiliate and the Approved Israeli Participants. Furthermore, if any provision of the Plan or Israeli Appendix disqualifies Awards that are intended to qualify as 102 Awards from the beneficial tax treatment pursuant to Section 102, such provision shall not apply to the 102 Awards.

10. Tax consequences; Disclaimer

- 10.1** Any tax consequences arising from the grant, purchase, exercise, vesting or sale of any Award issued hereunder, from the payment for or sale of Shares covered thereby or from any other event or act (of the Company, and/or its Affiliates, and the 102 Trustee or the Approved Israeli Participant), hereunder, shall be borne solely by the Approved Israeli Participant. The Company and/or its Affiliates, and/or the 102 Trustee shall withhold Tax according to the requirements of Applicable Laws, rules, and regulations, including withholding taxes at source. Furthermore, the Approved Israeli Participant agrees to indemnify the Company and/or its Affiliates and/or the 102 Trustee and hold them harmless against and from any and all liability for any such Tax or interest or penalty thereon, including without limitation, liabilities relating to the necessity to withhold, or to have withheld, any such Tax from any payment made to the Approved Israeli Participant.
- 10.2** The Company and/or, when applicable, the 102 Trustee shall not be required to release any Award or Shares to an Approved Israeli Participant until all required Tax payments have been fully made.
- 10.3** Awards that do not comply with the requirements of Section 102 shall be subject to tax under Section 3(i) or 2 of the Ordinance.
- 10.4** With respect to Non-Trustee 102 Awards, if the Approved Israeli Participant ceases to be employed by the Company or any Affiliate, or otherwise if so requested by the Company and/or its Affiliates, the Approved Israeli Participant shall extend to the Company and/or its Affiliates a security or guarantee

for the payment of Tax due at the time of the sale of Shares, in accordance with the provisions of Section 102.

10.5 Tax treatment: The Company and its Affiliates (including the employer) do not undertake or assume any liability or responsibility to the effect that any Award shall qualify with any particular tax regime or rules applying to particular tax treatment, or benefit from any particular tax treatment or tax advantage of any type and the Company and its Affiliates (including the employer) shall bear no liability in connection with the manner in which any Award is eventually treated for tax purposes, regardless of whether the Award was granted or was intended to qualify under any particular tax regime or treatment. This provision shall supersede any designation of awards or tax qualification indicated in any corporate resolution or award agreement, which shall at all times be subject to the requirements of applicable law. The Company and its Affiliates (including the employer) do not undertake and shall not be required to take any action in order to qualify any award with the requirements of any particular tax treatment and no indication in any document to the effect that any Award is intended to qualify for any tax treatment shall imply such an undertaking. No assurance is made by the Company and any of its Affiliates (including the employer) that any particular tax treatment on the date of grant will continue to exist or that the Award will qualify at the time of vesting, exercise or disposition thereof with any particular tax treatment. The Company and its Affiliates (including the employer) shall not have any liability or obligation of any nature in the event that an Award does not qualify for any particular tax treatment, regardless of whether the Company or its Affiliates (including the employer) could have taken any action to cause such qualification to be met and such qualification remains at all times and under all circumstances at the risk of the Israeli Participant. The Company and its Affiliates (including the employer) do not undertake or assume any liability to contest a determination or interpretation (whether written or unwritten) of any tax authority, including in respect of the qualification under any particular tax regime or rules applying to particular tax treatment. Awards that do not qualify under any particular tax treatment could result in adverse tax consequences to the Approved Israeli Participant.

11. One time benefit

The Awards granted hereunder are extraordinary, one-time Awards granted to the Approved Israeli Participants, and are not and shall not be deemed a salary component for any purpose whatsoever, including but not limited to, in connection with calculating severance compensation under Applicable Law, nor shall receipt of an Award entitle an Approved Israeli Participant to any future Awards.

12. Governing law

Solely for the purpose of determining the Israeli tax treatment of Awards granted pursuant to this Israeli Appendix, this Israeli Appendix shall be governed by, construed and enforced in accordance with the laws of the State of Israel, without reference to conflicts of law principles.