

**RULES**

**OF THE**

**SAGE GROUP PLC 2023**

**COLLEAGUE SHARE PURCHASE PLAN**

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## Sage Group plc Colleague Share Purchase Plan

### 1. Meaning of words used

#### 1.1 General

In these rules:

**“Application Period”** means the period the Board decides under rule 5.3 (Terms of Awards);

**“Award”** means a Discounted Share Award, a Free Share Award, a Matching Share Award or a Purchased Share Award;

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

**“Board”** means the board of directors of the Company or a committee duly authorised by it. For the purposes of rules 15 (Takeovers and restructurings) and 16 (Exchange of Awards), it 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 decides, any other stock exchange on which the Shares are traded) is open for the transaction of business;

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

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

**“Contribution”** means a deduction from a Participant’s salary (or other method of payment agreed by the Board) for the purposes of acquiring Discounted Shares or Purchased Shares;

**“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 internal or external restrictions on dealings or transactions in securities;

**“Discounted Share Award”** means a right to buy Discounted Shares granted under the Plan;

**“Discounted Shares”** means Shares bought on behalf of a Participant, at a discount of up to 20%, or as otherwise agreed by the Board, in accordance with a Discounted Share Award;

**“Dividend Equivalent”** means a right to receive an additional amount, as set out in rule 9.4 (Dividend Equivalents);

**“Employee”** means any employee (including an employed executive director, insofar as said executive directors are permitted under the Group’s directors’ remuneration policy) of any Member of the Group;

**“Free Share Award”** means a conditional right to acquire Shares granted under the Plan;

**“Group”** means the Company, any company which is (within the meaning of section 1159 of the Companies Act) the Company’s Subsidiary holding company or a subsidiary of the Company’s holding company or, if the Board 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;

**“Lapse”** means:

- (i) in relation to a Discounted Share Award or Purchased Share Award, the Participant no longer being entitled to purchase further Discounted Shares or Purchased Shares under the Award; and
- (ii) in relation to a Free Share Award or a Matching Share Award, the Participant losing the right to receive some or all of the Shares or cash comprised in the Award;

**“Leaves”** means ceasing to be an employee of all Members of the Group and **“Leaving”** and **“Left”** will be understood accordingly;

**“Malus and Clawback Policy”** means The Sage Group plc 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 day 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;
- (ii) if the Board 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 Board determines; or
- (iii) the market value of a Share as decided by the Board.

On any date where the Shares are not listed, the market value of a Share as determined by the Board.

**“Matching Ratio”** means the ratio the Board decides under rule 6.3 (Terms of Matching Share Awards);

**“Matching Share Award”** means a conditional right to acquire Shares granted under the Plan in connection with a Purchased Share Award;

**“Nominee”** means the nominee appointed by the Company to hold Plan Shares on behalf of Participants for the purposes of the Plan;

**“Participant”** means a person who has applied for a Discounted Share Award or Purchased Share Award or who is holding or 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 2023 Employee Share Ownership Plan, as amended from time to time;

**“Plan Shares”** means Shares acquired by a Participant:

- (i) as Discounted Shares or Purchased Shares;
- (ii) as a consequence of the Vesting of a Free Share Award or Matching Share Award; and
- (iii) by virtue of the reinvestment of dividends, including any dividend equivalents, paid on other Plan Shares;

**“Purchase Date”** means the date on which Discounted Shares or Purchased Shares are purchased on behalf of a Participant;

**“Purchased Share Award”** means a right to buy Purchased Shares granted under the Plan;

**“Purchased Shares”** means Shares bought on behalf of a Participant in accordance with a Purchased Share Award;

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

**“Tax”** 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 that Participant’s participation in the Plan; and

**“Vesting”** means, in relation to a Matching Share Award, the Participant becoming entitled to the Shares subject to the Award, and **“Vest”** and **“Vested”** will be understood accordingly.

## 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 they include any subordinate legislation made under it.

## 2. Invitations and grant of Awards

### 2.1 Eligibility

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

The Board will decide which Employees will be invited to apply for Discounted Share Awards or Purchased Share Awards.

### 2.2 Timing of grant or invitation

The Board may ~~only~~ issue invitations to apply for Discounted Share Awards or Purchased Share Awards ~~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 — any day on which the Board resolves that exceptional circumstances exist which justify the grant of Awards and/or issue of invitations (as appropriate); and~~

~~the day Dealing Restrictions, which prevented the granting of Awards and/or issuing of invitations (as appropriate) during the periods specified above, are lifted at any time unless prevented by Dealing Restrictions.~~

No Free Share Awards or Matching Share Awards may be granted, or invitations to apply for Discounted Share Awards or Purchased Share Awards issued, after the termination of the Plan.

### 2.3 Award type

The Board may grant:

2.3.1 Discounted Share Awards;

2.3.2 Free Share Awards;

2.3.3 Purchased Share Awards; and

2.3.4 If Purchased Share Awards are to be granted, Matching Share Awards.

## **2.4 Administrative errors**

If the Board grants an Award:

- 2.4.1 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
- 2.4.2 which is inconsistent with any 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.

## **2.5 Nominee**

Plan Shares will be held by the Nominee on behalf of the Participants. The Board may make the grant of Awards subject to the condition that Participants enter into a nominee agreement with the Nominee.

Plan Shares and any cash held by the Nominee on behalf of Participants will be subject to the terms and conditions of the nominee agreement.

## **3. Conditions**

### **3.1 Awards subject to Conditions**

The Board may make the purchase of a Discounted Share Award, or the Vesting of a Free Share Award or Matching Share Award, conditional on the satisfaction of one or more Conditions.

### **3.2 Varying Conditions**

The Board 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 will 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 Board will notify any relevant Participant as soon as practicable after any change or waiver.

## **4. Plan limit**

### **4.1 Dilution**

An Award may not be made which would cause the "Total Plan Shares" (being the total number of Shares that have been Allocated in the previous 10 years (or could still be Allocated) under the Plan and under any other employee share plans operated by the Company) to exceed 10% of the ordinary share capital of the Company in issue immediately before that Award is made.

For these purposes, "**Allocate**" (and related words) means the issue and allotment of new Shares, or the transfer of Shares from treasury. However, if relevant institutional investor guidelines cease to require treasury shares to be taken into account for these purposes, then these words will not include treasury Shares.

### **4.2 Calculation**

To the extent that a right to acquire Shares Lapses, the underlying Shares are ignored when calculating the limit in rule 4.1 (Dilution).

Where Shares are to be taken into account for the purposes of the limit in rule 4.1 (Dilution), and there has been a variation in the share capital of the Company as described in rules 17.2.1 – 17.2.4, the number of Shares taken into account for the purposes of the limit will be adjusted as the Board considers appropriate to take account of the variation.

## **5. Discounted Share Awards and Purchased Share Awards**

### **5.1 Meaning of “Award”**

For the purposes of this rule 5, references to “**Awards**” means Discounted Share Awards and/or Purchased Share Awards.

### **5.2 Invitations**

If the Board proposes to grant Awards, it will invite Employees to apply for the grant of an Award during the Application Period.

### **5.3 Terms of Awards**

Awards are subject to the rules of the Plan.

The Board will approve the terms of an Award, which will be set out in the invitation to Employees, including:

- 5.3.1 in respect of Discounted Share Awards, the Purchase Price, or how the Purchase Price is to be calculated;
- 5.3.2 the dates of the Application Period;
- 5.3.3 the number and frequency of Contributions to be made under the Award;
- 5.3.4 the date on which Contributions will start;
- 5.3.5 the maximum and minimum amount per Contribution;
- 5.3.6 any limit on Discounted Shares or Purchased Shares under rule 5.6 (Limit);
- 5.3.7 the Purchase Date(s) or the basis on which the Purchase Date(s) will be determined;
- 5.3.8 in respect of Discounted Share Awards, details of any applicable Conditions;
- 5.3.9 whether the Award is subject to the Malus and Clawback Policy; and
- 5.3.10 whether the Participant may be required to enter into any election for a particular tax and/or social security treatment in respect of an Award and/or any Shares and any consequences of failing to make it.

### **5.4 Applications**

Employees applying for the grant of an Award will:

- 5.4.1 specify the amount of each Contribution; and
- 5.4.2 authorise Contributions to be deducted from their salary (or agree to another method of payment agreed by the Board).

### **5.5 Grant of Awards**

After the Application Period, the Board may grant Awards.

Awards will be granted in a way that ensures the Awards are contractually enforceable.

### **5.6 Limit**

The Board may limit the number of Discounted Shares and Purchased Shares which may be bought under Awards granted on any occasion.

If the Company receives applications for Shares that exceed the limit, or it becomes clear once Contributions have been made that the limit will be exceeded, the number of Shares received by

each Participant will be proportionately reduced. Each Participant will be notified of the change, each application will be deemed to be modified or withdrawn accordingly and any excess Contributions already made will be returned to the Participant.

#### **5.7 Holding Contributions**

Contributions will be held in a non-interest bearing account until they are used to purchase Discounted Shares and/or Purchased Shares on the Participant's behalf or are returned to the Participant.

#### **5.8 Purchase Price**

In respect of Discounted Share Awards, the Purchase Price must not be manifestly less than 20% of the Market Value per Share, unless the Board determines otherwise.

#### **5.9 Purchase**

On each Purchase Date, the Board will arrange for the aggregate amount of Contributions made by the Participants to be applied in purchasing Discounted Shares or Purchased Shares on behalf of Participants.

The number of Discounted Shares or Purchased Shares that will be purchased on behalf of each Participant will be determined by reference to that Participant's Contributions and the Market Value of a Share on the Purchase Date.

The Board may carry forward and add to the next Contribution any excess not used to purchase Shares on any Purchase Date. Alternatively, the Board may pay the excess to the Participant as soon as practicable or fractions of Shares may be purchased on behalf of Participants.

#### **5.10 Varying Contributions**

The Board may, at any time, change the maximum and minimum amount of each Contribution not yet made under an Award and notify affected Participants accordingly. Any Contribution still to be made greater than the new maximum or less than the new minimum will be deemed to be modified accordingly.

The Board may permit Participants to vary the amount of the remaining Contributions to be made under an Award by giving notice to the Company. Any variation (within the maximum and minimum specified by the Board) will take effect as soon as practicable following receipt of the notice or on such earlier date as the Board decides.

#### **5.11 Stopping Contributions**

A Participant may, at any time, stop making further Contributions under an Award by giving notice to the Company. The notice will take effect as soon as practicable following receipt or on another date determined by the Company.

The Board may, at any time, decide that Contributions under an Award will stop and will give notice to affected Participants. The notice will take effect as soon as practicable after being sent or on another date specified in the notice.

Contributions already made prior to the notice taking effect may be used to purchase Discounted Shares or Purchased Shares, as applicable, or may be returned to the Participant.

The Board may permit the Participant to restart Contributions. Missed Contributions may not be made up, unless the Board decides otherwise.



## **5.12 Withdrawing from the Award**

A Participant may, at any time, withdraw from an Award by giving notice to the Company. The notice will take effect as soon as practicable following receipt or on another date determined by the Company.

On the notice taking effect:

- 5.12.1 no further Contributions will be made;
- 5.12.2 as soon as practicable, any Contributions still held in cash will be paid to the Participant;  
and
- 5.12.3 the Award will Lapse.

## **5.13 Contributions in error**

If the amount of any Contribution made is in error, any Member of the Group and/or the Nominee may take such action as the Board may direct to correct the error.

# **6. Matching Share Awards**

## **6.1 Meaning of “Award”**

For the purposes of this rule 6, references to “**Awards**” mean Matching Share Awards.

## **6.2 Invitations**

If the Board issues an invitation to Employees to apply for the grant of a Purchased Share Award, it may also decide to grant Awards linked to those Purchased Share Awards. The invitation will state if Awards will be granted.

Awards may only be granted to an executive director insofar as is permissible under the Group’s directors’ remuneration policy.

## **6.3 Terms of Matching Share Awards**

Awards are subject to the rules of the Plan.

The Board will approve the terms of an Award, which will be set out in the Purchased Share Award invitation to Employees, including:

- 6.3.1 the Matching Ratio;
- 6.3.2 the Vesting Date;
- 6.3.3 whether Dividend Equivalents will apply;
- 6.3.4 details of any applicable Conditions;
- 6.3.5 whether the Award is subject to the Malus and Clawback Policy; and
- 6.3.6 whether the Participant may be required to enter into any election for a particular tax and/or social security treatment in respect of an Award and/or any Shares and any consequences of failing to make the election.

## **6.4 Grant of Matching Share Awards**

The Board will grant Awards on the Purchase Date for which the relevant Purchased Share Awards relate, or as otherwise determined by the Board.

## **6.5 Matching Ratio**

The maximum Matching Ratio will be two Shares for every Purchased Share purchased, or in relation to Awards granted to an executive director, such ratio as the Group's directors' remuneration policy permits

The Board may alter the Matching Ratio at any time, so long as the maximum Matching Ratio is not exceeded. The Board must give notice of any change to all affected Participants as soon as practicable (and, in any event, before Purchased Shares are purchased under the varied terms).

## **6.6 Lapse of Matching Share Awards**

An Award will Lapse on the date:

- 6.6.1 the Participant withdraws from the related Purchased Share Award in accordance with rule 5.12 (Withdrawing from the Award); or
- 6.6.2 the Participant directs the Nominee, prior to the Vesting Date, to sell or transfer any Purchased Shares purchased under the related Purchased Share Award.

## **6.7 Number of Shares that will Vest**

The number of Shares subject to an Award that will Vest is equal to the aggregate number of Purchased Shares purchased under the related Purchased Share Award that continue to be held by the Nominee on behalf of the Participant on the Vesting Date, multiplied by the Matching Ratio of the Matching Share Award. If the Matching Ratio has changed between Purchase Dates, the calculation will be applied to account for the different Matching Ratios.

## **7. Free Share Awards**

### **7.1 Meaning of "Award"**

For the purposes of this rule 7, references to "**Awards**" mean Free Share Awards.

### **7.2 Grant of Free Share Awards**

If the Board grants Awards, they will be granted by deed or in any other way which ensures the Awards are contractually enforceable.

Participants will be notified of the terms of their Awards as soon as practicable.

The Board may require Participants to accept Awards or specific terms and may provide for Awards to Lapse if they are not accepted within the time specified.

The Board may allow Participants to disclaim all or part of an Award within a specified period. If an Award is disclaimed, it will be deemed never to have been granted.

Awards will not be granted to executive directors unless the Group's directors' remuneration policy permits such grant.

### **7.3 Terms of Free Share Awards**

Awards are subject to the rules of the Plan.

The Board will approve the terms of an Award, including:

- 7.3.1 the Award Date;
- 7.3.2 the number of Shares subject to the Award or the basis for calculating the number of Shares;
- 7.3.3 the Vesting Date;

- 7.3.4 whether Dividend Equivalents will apply;
- 7.3.5 details of any applicable Conditions;
- 7.3.6 whether the Award is subject to the Malus and Clawback Policy; and
- 7.3.7 whether the Participant may be required to enter into any election for a particular tax and/or social security treatment in respect of an Award and/or any Shares and any consequences of failing to make the election.

## **8. Vesting of Free Share Awards and Matching Share Awards**

### **8.1 Meaning of “Award”**

For the purposes of this rule 8, references to “**Awards**” mean Free Share Awards and Matching Share Awards.

### **8.2 Timing of Vesting**

Awards will Vest on the latest of:

- 8.2.1 the Vesting Date; and
- 8.2.2 the date of determination of any Conditions by the Board.

### **8.3 Extent of Vesting**

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

To the extent an Award or any part of it is no longer capable of Vesting it will Lapse. To the extent the Award Lapses, it cannot Vest under any other provision of the Plan.

### **8.4 Fractions**

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

### **8.5 Overriding discretion**

The Board 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:

- 8.5.1 the wider performance of the Group;
- 8.5.2 the conduct, capability or performance of the Participant;
- 8.5.3 the experience of stakeholders;
- 8.5.4 any windfall gains;
- 8.5.5 the total value that would otherwise be received by the Participant compared to the maximum value that the Award was intended to deliver; or
- 8.5.6 any other reason at the discretion of the Board.

## **9. Settlement of Awards**

### **9.1 Meaning of “Award”**

For the purposes of this rule 9, references to “Awards” means Discounted Share Awards, Free Share Awards, Purchased Share Awards and Matching Share Awards.

## **9.2 Cash alternative**

The Board may choose (whether at the time of grant or any other time before purchase or settlement, as applicable) to settle any Award partly or fully in cash. The Participant will have no right to acquire the Shares in respect of which an Award has been settled in cash.

## **9.3 Delivery of Shares or cash**

Following the Purchase Date or an Award Vesting, the Board will arrange for the delivery of Shares or cash as soon as practicable. Shares will be delivered to the Nominee on behalf of the Participant, unless the Board decides otherwise.

## **9.4 Dividend Equivalents**

Where a Free Share Award or Matching Share Award includes Dividend Equivalents, the Participant will receive an amount equal to the dividends, the record date for which falls between the Award Date and Vesting, multiplied by the number of Shares subject to the Free Share Award or Matching Share Award at the record date in respect of which the Free Share Award or Matching Share Award Vests.

Dividend Equivalents will be calculated on such basis as the Board decides. Special dividends will not be included, unless the Board decides otherwise.

Any Dividend Equivalents may be paid in cash or in such whole number of Shares (rounded down) that has an aggregate Market Value at Vesting which is closest to that amount. Dividend Equivalents will be paid on the same date and the same terms as the related Award.

## **9.5 Share transfer tax**

The Company will arrange payment of any share transfer taxes on purchase or settlement of any Award.

# **10. Investigations**

## **10.1 Relevant investigation**

This rule applies where an investigation is ongoing that might lead to Malus and/or Clawback being triggered in relation to a Participant's Award.

## **10.2 Impact of investigation**

If an investigation is ongoing then, unless the Board decide otherwise:

10.2.1 Discounted Shares or Purchased Shares will not be purchased on behalf of Participants;

10.2.2 the Participant's Free Share Award or Matching Award will not Vest; and

10.2.3 where relevant, the Participant's Award will not be settled,

until the investigation is concluded.

# **11. Dealing Restrictions**

## **11.1 Application of rule**

This rule applies if Dealing Restrictions would prohibit the purchase, delivery or arranging delivery or Shares or cash to settle an Award and/or the Participant from selling Shares, including if required for Taxation purposes.

## **11.2 Impact of Dealing Restrictions**

Unless the Board decides otherwise, if Dealing Restrictions apply, a Free Share Award or Matching

Share Award will not Vest, and the purchase or delivery of Shares or cash to settle an Award will not occur until the Dealing Restrictions cease to apply, unless the Board decides otherwise.

## **12. Plan Shares**

### **12.1 Dividends**

Any dividends paid in respect of Plan Shares will be applied in purchasing further Plan Shares, unless the Board decides otherwise.

The number of Shares to be purchased on behalf of each Participant will be determined by reference to the amount of dividend to which the Participant is entitled and the Market Value of a Share on the relevant date.

If the Board decides that dividends will not be reinvested (in whole or in part), amounts not reinvested will be paid to the relevant Participants as soon as practicable.

### **12.2 Shareholder rights**

Shares issued in connection with this Plan will rank equally in all respects with the Shares in issue on that date.

Participants will only be entitled to rights attaching to Shares from the date of the allotment or transfer to them.

### **12.3 Withdrawing Plan Shares**

A Participant may instruct the Nominee to sell or transfer the Participant's Plan Shares at any time.

## **13. Leaving**

### **13.1 Good Leaver Reason**

**"Good Leaver Reason"** means:

- 13.1.1 death;
- 13.1.2 ill-health, injury or disability (evidenced to the satisfaction of the Board);
- 13.1.3 the Participant's employing company ceasing to be a Member of the Group;
- 13.1.4 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;
- 13.1.5 the business or part of the business that employs the Participant being transferred outside of the Group; or
- 13.1.6 any other reason, at the discretion of the Board.

### **13.2 Leaving – general**

When a Participant Leaves, and after all outstanding Free Share Awards and Matching Share Awards have either Lapsed or Vested, if a Participant does not give the Nominee instructions in relation to the Plan Shares within 90 days of being requested to do so, the Nominee may sell the Plan Shares on the Participant's behalf as soon as practicable.

The Nominee may not be required to transfer cash amounts under a value determined by the Company to Participants who have Left.

### **13.3 Leaving – Discounted Share Awards and Purchased Share Awards**

Where a Participant who holds a Discounted Share Award or Purchased Share Award Leaves, the Award will Lapse as soon as practicable after Leaving. Contributions made before the Award Lapses will be returned to the Participant, unless the Board decides otherwise.

### **13.4 Leaving before Vesting – Free Share Awards and Matching Share Awards**

Where a Participant who holds a Free Share Award or Matching Share Award Leaves before Vesting, the Award will Lapse on the date the Participant Leaves, unless other provisions of this rule 13 (Leaving) apply.

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

- 13.4.1 if the reason is death, Vest on the date of death;
  - 13.4.2 otherwise continue until the normal date of Vesting, unless the Board decides to accelerate Vesting; and
  - 13.4.3 Vest to the extent prescribed by rule 13.7 (Good Leavers - Vesting),
- and to the extent the Participant's Award does not Vest, it will then Lapse.

### **13.5 Leavers after Vesting – Free Share Awards and Matching Share Awards**

If a Participant who holds a Free Share Award or Matching Share Award Leaves after Vesting, the Award will continue in accordance with the Plan.

### **13.6 Summary dismissal**

If, at any time, 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 Board) then that Participant's Awards will immediately Lapse.

### **13.7 Good Leavers - Vesting**

If this rule 13.7 (Good Leavers - Vesting) applies, a Free Share Award will Vest:

- 13.7.1 to the extent that the Board decides any Conditions have been satisfied; and
  - 13.7.2 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 Vesting Date,
- unless the Board decides otherwise.

A Matching Share Award will Vest to the extent that the Board decides any Conditions have been satisfied, or will Vest as otherwise determined by the Board.

## **14. Mobile Participants**

### **14.1 Application of rule**

If a Participant moves from one jurisdiction to another or becomes tax resident in a different jurisdiction and, as a result, there may be adverse legal, regulatory, tax or administrative consequences for the Participant and/or a Member of the Group in connection with an Award then the Board may adjust terms on which the Participant can participate in the Plan as it considers appropriate.

### **14.2 Cancellation**

If the Board decides that the adjustment of an Award under rule 14.1 (Application of rule) is not practicable or appropriate, the Board may decide that Awards will Lapse and/or that the Participant

will be treated as a Leaver.

### **14.3 Notifying Participants**

The Board will notify affected Participants of any adjustment or decision made under this rule 14 (Mobile Participants) as soon as practicable.

## **15. Takeovers and restructurings**

### **15.1 Change of Control**

Where a person (or a group of persons acting together) obtains Control of the Company as a result of making an offer to acquire Shares:

15.1.1 Discounted Share Awards and Purchased Share Awards will Lapse; and

15.1.2 Free Share Awards and Matching Share Awards will Vest to the extent prescribed by rule 15.5 (Vesting),

on the date the person obtains such Control, unless otherwise determined by the Board.

### **15.2 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 2006 (inclusive):

15.2.1 Discounted Share Awards and Purchased Share Awards will Lapse; and

15.2.2 Free Share Awards and Matching Share Awards will Vest to the extent prescribed by rule 15.5 (Vesting),

on the date the person becomes so bound or entitled, unless otherwise determined by the Board.

### **15.3 Schemes of arrangement**

Where a court sanctions a compromise or arrangement in connection with the acquisition of Shares, the Board may decide that:

15.3.1 Discounted Share Awards and Purchased Share Awards will Lapse; and

15.3.2 Free Share Awards and Matching Share Awards will Vest to the extent prescribed by rule 15.5 (Vesting),

on the date of the court sanction or the effective date, unless otherwise determined by the Board.

### **15.4 Winding up**

If notice is given of a resolution for the voluntary winding up of the Company:

15.4.1 Discounted Share Awards and Purchased Share Awards will Lapse; and

15.4.2 Free Share Awards and Matching Share Awards will Vest to the extent prescribed by rule 15.5 (Vesting),

on the date the notice is given, unless otherwise determined by the Board.

### **15.5 Vesting**

If this rule 15.5 (Vesting) applies, Free Share Awards will Vest:

15.5.1 to the extent that the Board decides any Conditions have been satisfied; and

15.5.2 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 until the Vesting Date,  
unless the Board decides otherwise and, to the extent the Participant's Award does not Vest, it will then lapse.

Matching Share Awards will Vest to the extent that the Board decides any Conditions have been satisfied, or will Vest as otherwise determined by the Board, and, to the extent the Participant's Award does not Vest, it will then lapse.

## **16. Exchange of Awards**

### **16.1 Definitions**

For the purposes of this rule 16 (Exchange of Awards), "**Acquirer**" means a person that obtains Control of the Company and "**Award**" means a Matching Share Award.

### **16.2 Application of rule**

Where any of rules 15.1 (Change of Control), 15.2 (Bound or entitled) or 15.3 (Schemes of arrangement) is expected to or does apply:

16.2.1 if the relevant event constitutes a corporate reorganisation of the Company where substantially all the shareholders of the Company immediately before the reorganisation will continue to have Control immediately afterwards, Awards will not Vest under rule 15 (Takeovers and restructurings) but will instead be exchanged (along with any Vested Awards, Discounted Share Awards and Purchased Share Awards) for new awards, unless the Board decides otherwise; and

16.2.2 in any other case, the Board may, with the consent of the Acquirer, decide that Awards will not Vest under rule 15 (Takeovers and restructurings) but will instead be exchanged (along with any Vested Awards, Discounted Share Awards and Purchased Share Awards) for new awards.

### **16.3 Timing of exchange**

Any such exchange will take place on (or as soon as practicable after) the relevant event under rule 15 (Takeovers and restructurings).

### **16.4 Exchange terms**

Any new award will be granted on such terms and over such shares (or other type of securities) as the Board decides and, where rule 16.2.2 applies, with the agreement of the Acquirer.

### **16.5 Interpretation following exchange**

Unless the Board decides otherwise, in relation to any new award that is subject to the Plan, the Plan will be interpreted as if references to Shares are references to the shares (or other securities) over which the new award is granted and references to the Company are to such company as the Board decides.

## **17. Variations in share capital**

### **17.1 Definition**

For the purposes of this rule 17 (Variations in share capital), "**Award**" means a Free Share Award or a Matching Share Award.



## **17.2 Adjustments to Awards**

If there is:

- 17.2.1 a variation in the share capital of the Company, including a capitalisation or rights issue, open offer, sub-division, consolidation or reduction of share capital;
  - 17.2.2 a demerger (in whatever form);
  - 17.2.3 a special dividend or distribution; or
  - 17.2.4 any other transaction which the Board decides will materially affect the value of the Shares,
- the Board may adjust the number or class of the Shares to which an Award relates in such manner as the Board considers appropriate.

## **17.3 Notice of Adjustments**

The Board will notify affected Participants of any adjustment made under this rule 17.2 (Adjustments to Awards) as soon as practicable.

## **18. Tax**

### **18.1 Withholding**

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

- 18.1.1 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;
- 18.1.2 sell some or all of the Shares to which the Participant is entitled under the Plan on behalf of the Participant;
- 18.1.3 reduce some of the Shares to which the Participant is entitled under the Plan on behalf of the Participant; or
- 18.1.4 make such other withholding arrangements as it considers necessary or desirable,

to meet any liability for Tax and to meet any applicable dealing and/or currency exchange costs and other associated costs.

### **18.2 Participant indemnity**

A Participant will, if requested, indemnify the Group for the Participant's liability for Tax.

## **19. Terms of employment**

### **19.1 Application**

This rule 19 (Terms of employment) applies during an Employee's employment and after the termination of an Employee's employment, whether or not the termination is lawful.

### **19.2 Not part of employment contract**

Nothing in the rules of the Plan or the operation of the Plan forms part of an Employee's contract of employment 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).

### **19.3 No future expectation**

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.

### **19.4 Decisions and discretion**

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

### **19.5 No compensation**

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:

- 19.5.1 any loss or reduction of rights or expectations under the Plan in any circumstances (including lawful or unlawful termination of employment);
- 19.5.2 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
- 19.5.3 the operation, suspension, termination or amendment of the Plan.

### **19.6 Waiver**

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. General**

### **20.1 Data protection**

Participation in the Plan will be subject to:

- 20.1.1 any data protection policies applicable to any relevant Member of the Group; and
- 20.1.2 any applicable privacy notices.

### **20.2 Consents and filings**

All allotments, issues and transfers of Shares or cash payments will be subject to the Company's articles of association and any necessary consents or filings required in any relevant jurisdiction. The Participant will be responsible for complying with any requirements needed in order to obtain, or to avoid the necessity for, any such consents or filings.

### **20.3 Source of Shares**

The Plan may operate using newly issued Shares, Shares transferred from treasury and/or Shares purchased in the market.

### **20.4 Listing**

If, and for as long as the Shares are listed on the London Stock Exchange (or, if the Board decides, any other stock exchange on which the Shares are traded), the Company will apply as soon as practicable for the listing and admission to trading on such exchange of any Shares issued in

connection with the Plan.

## **20.5 Notices**

Any notice or other communication required under this Plan will be given in writing, which may include electronic means.

Any notice or other communication to be given to an Employee or Participant may be delivered by electronic means (including by email, through the Group's intranet or a share plan portal), personally delivered or sent by ordinary post to such address as the Board reasonably considers appropriate.

Any notice or other communication to be given to the Company, the Nominee or the Company's agents may be delivered or sent to its registered office or such other place and by such means as the Board, the Nominee or the Company's agents, as appropriate, may specify and notify to Employees and/or Participants, as relevant.

Notices or other communications:

- 20.5.1 sent electronically will be deemed to have been received immediately (if sent during usual business hours) or at the opening of business on the next Business Day (if sent outside usual business hours);
- 20.5.2 that are personally delivered will be deemed to have been received when left at the relevant address (if left during usual business hours) or at the opening of business on the next Business Day (if left outside usual business hours); and
- 20.5.3 sent by post will be deemed to have been received 24 hours after posting to a UK address or 3 days after posting to an address outside the UK,

unless there is evidence to the contrary.

All notices or communications to be given to 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.

## **20.6 Third party rights**

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

## **20.7 Bankruptcy**

A Participant's Award will Lapse if the Participant becomes bankrupt or enters into a compromise (or any overseas equivalent) with the Participant's creditors generally, other than where the compromise (or overseas equivalent) is entered into by the Participant voluntarily and at the Participant's complete discretion.

## **20.8 Not pensionable**

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

## **20.9 Not transferable**

A Participant's Award will Lapse if the Participant transfers, assigns, charges or otherwise disposes of the Award or any of the rights in respect of it, whether voluntarily or involuntarily (other than to that Participant's personal representatives on death).

## **20.10 Currency conversions**

Any conversion of money into different currencies (whether notional or actual) will be done at a time and rate of exchange that the Board decides.

No Member of the Group will be liable for any loss due to movements in currency exchange rates or conversion or money transfer charges.

## **21. Administration**

### **21.1 Administration of the Plan**

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

### **21.2 Board decisions**

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

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

### **21.3 Severance of rules**

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:

21.3.1 such provision will be deleted; and

21.3.2 the remaining provisions will continue in full force and effect,  
unless the Board decides otherwise.

### **21.4 Language**

Where there is any conflict between the terms of the English version of the Plan, the Awards and/or any ancillary documents and a version in any other language, the English language version will prevail.

## **22. Changing the Plan and termination**

### **22.1 General power**

The Board may change the Plan in any way and at any time.

### **22.2 Shareholder approval**

The Company will obtain prior approval 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:

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

22.2.2 the total number or amount of Shares or cash which may be delivered or paid under the Plan;

22.2.3 the maximum entitlement for any Participant;

22.2.4 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 17.2.1; and

22.2.5 this rule 22.2 (Shareholder approval).

### **22.3 Shareholder approval – minor changes exception**

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

22.3.1 benefit the administration of the Plan;

22.3.2 comply with or take account of a change in legislation; and/or

22.3.3 obtain or maintain favourable tax, exchange control or regulatory treatment of any Member of the Group or any present or future Participant.

### **22.4 Participant consent**

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

### **22.5 Participant consent – minor changes exception**

The Board need not obtain Participant consent for any minor changes which are to:

22.5.1 benefit the administration of the Plan;

22.5.2 comply with or take account of a change in legislation; and/or

22.5.3 obtain or maintain favourable tax, exchange control or regulatory treatment of any Member of the Group or any present or future Participant.

### **22.6 Participant consent – majority consent exception**

The Board need not obtain the consent of a Participant if:

22.6.1 the Board invites each disadvantaged Participant to indicate whether or not they approve the change; and

22.6.2 the majority of the Participants (by number) who were invited and who make an indication approve the change.

### **22.7 Notice of change**

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

### **22.8 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 other jurisdictions, provided that no individual will be entitled to more Shares or cash under an overseas plan than the maximum entitlement under the Plan.

### **22.9 Termination of the Plan**

The Plan will terminate on the date the Board decides. Termination will not affect existing rights under the Plan.

### **22.10 Consequences of termination**

If the Board terminates the Plan, after all outstanding Matching Share Awards have either Lapsed or Vested if a Participant does not give the Nominee instructions in relation to the Plan Shares within 90 days of being requested to do so, the Nominee may sell the Plan Shares on the Participant's behalf as soon as practicable.

The Nominee may not be required to transfer cash amounts under a value determined by the Company to Participants who have Left.

#### **22.11 Governing law and jurisdiction**

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

## SCHEDULE 1: CALIFORNIA

The provisions of Schedule 1 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:

- 2.1.1 except to the extent otherwise provided below, each Award shall be granted in accordance with Rule 701;
- 2.1.2 the total number of Shares that may be issued under the Plan is 10% of the total number of ordinary shares outstanding;
- 2.1.3 Shares must be issued, if at all, prior to the 10-year anniversary of the date the Plan was adopted;
- 2.1.4 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
- 2.1.5 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.

## SCHEDULE 2: USA

### 1. Introduction

The purpose of this Schedule 2 is to make certain variations to the terms of the Plan to provide Eligible Employees of Participating Companies with the opportunity to purchase Shares through payroll deductions under terms intended to qualify as an "employee stock purchase plan" within the meaning of Section 423 of the Code.

### 2. Meaning of words used

Certain words and expressions used in this Schedule 2 which have initial capital letters have the meanings set out below. Other words and expressions used in this Schedule 2 which have initial capital letters that are not set forth below have the meanings set out in the main rules of the Plan.

**"Acquiring Company"** means a company which is expected to obtain Control of the Company as a result of an offer referred to in paragraph 14.1 (General offers) or a compromise or arrangement referred to in paragraph 14.2 (Schemes of arrangement);

**"Award Date"** means the date on which the Incentive Stock Option is granted, as determined under Section 1.421-1(c) of the Treasury Regulations;

**"California Resident"** means a Participant 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;

**"Code"** means the US Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated and other official guidance issued under it, collectively, and **"Treasury Regulations"** will be understood accordingly;

**"Contribution"** means the amount or percentage (as determined by the Board) of after-tax payroll deductions from an Eligible Employee's Eligible Compensation;

**"Eligible Compensation"** means base salary and wages, but excluding overtime and shift premium;

**"Exchange Rate"** means the exchange rate designated by the Board from time to time for the purpose of converting US dollars into British pounds or British pounds into US dollars, as appropriate;

**"Fair Market Value"** on any date for an Offering means:

- (i) an amount equal to the mid-market closing price of a Share on the London Stock Exchange (or, if the Board determines, any other stock exchange on which the Shares are traded) on the latest previous day on which the exchange was open; or
- (ii) an amount determined under such other method as determined by the Board for the Offering that is permissible for purposes of Section 423 of the Code.

**"Offering"** means the grant of Options to acquire Shares under the Plan to Eligible Employees for an Offering Period;

**"Offering Period"** means a period of time over which Eligible Employees agree to payroll deductions in connection with the Plan, beginning on the Award Date, and ending on the Purchase Date or such earlier date as may be determined under the rules of the Plan;



**"Option"** means an Award in the form of a right to acquire Shares in an Offering granted under the Plan (including this Schedule 2);

**"Parent"** means a corporation which is a "parent corporation" of the Company within the meaning of Section 424(e) of the Code;

**"Participating Company"** means any Subsidiary designated by the Board to participate in the Plan for a given Offering;

**"Purchase Date"** means the end of the Offering Period, determined under the rules of the Plan, at which time the Option granted under the Plan may normally be exercised and Shares purchased on behalf of the Participant;

**"Purchase Price"** means the amount payable per Share on the exercise of an Option, as determined under paragraph 4.5 (Purchase Price);

**"Subsidiary"** means a "subsidiary corporation" of the Company within the meaning of Section 424(f) of the Code, and will include any wholly owned entity of such subsidiary corporation which is treated as an entity disregarded as separate from its owner for US federal income tax purposes; and

**"US"** means the United States of America.

### **3. Eligibility**

#### **3.1 Eligible Employees**

An Employee will be eligible to participate if that Employee is employed (including employed as an executive director), for the purposes of Section 423(b)(4) of the Code, by a Participating Company on the Award Date, unless paragraph 3.2 (Exclusions from eligibility) or paragraph **Error! Reference source not found.** (Restrictions on eligibility) apply.

#### **3.2 Exclusions from eligibility**

The Board may determine prior to an Offering that an Employee who would otherwise be eligible under paragraph 3.1 (Eligible Employees) will only be eligible to participate in the Offering if:

- 3.2.1 that Employee has been employed by a Participating Company for a specified minimum period prior to the Award Date as determined by the Board (with such minimum period of employment being set as a period which does not exceed 2 years' duration); and/or
- 3.2.2 that Employee is customarily employed by a Participating Company for a specified minimum number of hours per week as determined by the Board (with such minimum number of hours being set at a number which does not exceed 20); and/or
- 3.2.3 that Employee is customarily employed by a Participating Company for a specified minimum number of calendar months per year as determined by the Board (with such minimum number of calendar months being set at a number which does not exceed 5); and/or
- 3.2.4 that employee is not a "highly compensated employee" within the meaning of Section 414(q) of the Code; and/or
- 3.2.5 where that employee is a citizen or resident of a non-US jurisdiction, and:
  - (i) granting such person an Option would not violate the laws of such jurisdiction; and/or
  - (ii) compliance with the laws of such jurisdiction would not cause this Schedule 2 to violate Section 423 of the Code.

Any exclusions from eligibility set by the Board under this paragraph 3.2 (Exclusions from eligibility) must be applied equally and on the same terms to all Employees who would otherwise be eligible under paragraph 3.1 (Eligible Employees).

## **4. Invitations**

### **4.1 Operation**

The Board has discretion to decide whether and when the Plan will be operated in accordance with the rules of the Plan, including;

- 4.1.1 whether an Offering will be made at all; and
- 4.1.2 whether Offering Periods may run concurrently or consecutively.

When the Board does make an Offering under the Plan, it must invite all Eligible Employees to apply to participate in that Offering.

### **4.2 Time when invitations may be made**

The Board may ~~only~~ issue invitations to apply for Options at any time unless prevented by Dealing Restrictions, within 42 days starting on any of the following:

~~the day on which the Company's shareholders approve the Plan (including this Schedule 2);~~

~~the Business Day following the day on which the Company's results are announced or, where not announced, are published for any period;~~

~~any day on which changes to the legislation or regulations affecting share plans are announced or take effect;~~

~~any day on which the Board resolves that exceptional circumstances exist which justify the grant of Options and/or issue of invitations (as appropriate); and~~

~~the day Dealing Restrictions, which prevented the granting of Options and/or issuing of invitations (as appropriate) during the periods specified above, are lifted.~~

No Options may be granted, or invitations to apply for Options issued, after the termination of the Plan.

### **4.3 Form of invitation**

An invitation will be in a form specified by the Board, which may be electronic. The invitation will specify the following for the Offering:

- 4.3.1 the proposed Award Date;
- 4.3.2 the requirements a person must satisfy in order to be eligible to participate in the Offering, consistent with paragraph 3 (Eligibility);
- 4.3.3 how the Purchase Price is to be calculated, consistent with paragraph 4.5 (Purchase Price);
- 4.3.4 the limits on participation under paragraph 4.6 (Section 423 limits);
- 4.3.5 how applications must be submitted and the deadline by which the Company must receive an application to participate in the Offering;
- 4.3.6 any maximum permitted Contribution prescribed by the Board under paragraph 4.4 (Maximum Contribution);

- 4.3.7 the maximum number, if any, of Shares that the Board has determined will be available for the Offering under paragraph 4.7 (Per Offering limit);
- 4.3.8 the maximum number, if any, of Shares over which the Board has determined an Eligible Employee may be granted an Option for the Offering under paragraph 4.8 (Per employee per Offering limit);
- 4.3.9 when and how frequently the payroll deductions of Eligible Compensation will be made;
- 4.3.10 if rule paragraph 5.3 (Evergreen) applies, confirmation that it applies;
- 4.3.11 the intended Purchase Date that will apply under paragraph 4.9 (Intended Purchase Date);
- 4.3.12 if any Shares acquired on exercise of the Option are to be held by a Nominee, details of the Nominee facility; and
- 4.3.13 any other terms or conditions the Board determines in accordance with these rules and which are permissible under Section 423 of the Code.

The invitation and Offering must comply with the requirements of Section 423(b)(5) of the Code so that all Eligible Employees for an Offering have the same rights and privileges.

#### **4.4 Maximum Contribution**

The Board may determine that a maximum Contribution will apply to an Offering, such that an Eligible Employee may only contribute an amount that does not exceed the limit set by the Board under this paragraph 4.4 (Maximum Contribution).

#### **4.5 Purchase Price**

The Purchase Price for a given Offering may be:

- 4.5.1 a proportion (to be not less than 85 per cent) of the Fair Market Value as of the Award Date;
- 4.5.2 a proportion (to be not less than 85 per cent) of the Fair Market Value as of the Purchase Date; or
- 4.5.3 the lower of the amounts in (i) and (ii) above.

#### **4.6 Section 423 limits**

- 4.6.1 No employee may be granted an Option which causes rights to purchase Shares under the Plan and under all plans of the Company, any Subsidiary or any Parent in which the employee is eligible to participate and that are qualified under Section 423 of the Code to accrue at a rate which exceeds \$25,000 (or such other limit specified in Section 423(b)(8) of the Code), calculated using the Fair Market Value (determined on the Award Date), for each calendar year in which the Option is outstanding at any time.
- 4.6.2 No employee may be granted an Option if, immediately after the Option was granted, such employee would be treated as owning stock possessing 5 per cent or more of the total combined voting power or value of all classes of stock of the Company or any Subsidiary or any Parent. The rules of Section 424(d) of the Code will apply in determining the stock ownership of any employee, and all stock which the employee has a contractual right to purchase will be treated as stock owned by the employee.
- 4.6.3 To the extent necessary to comply with these requirements, the Board may:
  - (i) cause Contributions to be decreased in respect of any Offering; or

- (ii) take other actions it considers necessary to ensure compliance with Section 423 of the Code.

#### **4.7 Per Offering limit**

The Board may specify a maximum number of Shares that will be available for a given Offering.

#### **4.8 Per employee per Offering limit**

The Board may specify a maximum number of Shares that may be subject to an Eligible Employee's Option in respect of a given Offering.

#### **4.9 Intended Purchase Date**

The intended Purchase Date for a given Offering may not exceed 5 years.

If 4.5.1 or 4.5.3 applies, the Purchase Date may not exceed 27 months from the Award Date.

#### **4.10 California Limit on Purchase Date and Satisfaction**

If there are any Eligible Employees who are California Residents, the intended Purchase Date for an Offering may be no later than, and Shares in respect of which the Option was exercised must be delivered pursuant to paragraph 11 (Satisfaction of Options), no later than 10 years from the date the Plan (including this Schedule 2) is adopted by the Company or the date the Plan (including this Schedule 2) is approved by the Company's shareholders, whichever is earlier.

### **5. Applying to join the Plan**

#### **5.1 Form of application**

An application for an Option will be made in a form specified by the Board, including electronically. It will require the Eligible Employee to state the Contribution that the Eligible Employee wishes to make and will authorise the deduction of the Contribution from payments of the Participant's Eligible Compensation.

An application must be in the form determined by the Board and properly submitted and received by the Company (or on the Company's behalf) by the deadline specified by the Board. Any application that is improperly completed or late will be rejected.

#### **5.2 Dealing Restrictions on application**

An Eligible Employee will have regard to Dealing Restrictions when applying for an Option. An Eligible Employee must not submit an application at a time when such application would be prohibited by Dealing Restrictions.

#### **5.3 Evergreen**

The Board may allow an Eligible Employee to request that their application will remain effective for further Offerings if and when further Offerings are made available by the Company unless the Eligible Employee withdraws from the further Offerings.

#### **5.4 Acceptance of terms**

By participating in the Plan, an Eligible Employee agrees to be bound by the rules of the Plan.

## **6. Scaling down**

### **6.1 When scaling down applies**

If valid applications are (or are deemed to be) received for a total number of Shares in excess of any maximum number of Shares available for an Offering under paragraph 4.7 (Per Offering limit) or paragraph 8 (Share limits), the Board will scale down applications in a manner permissible under Section 423 of the Code.

### **6.2 Method**

Where the Board scales down applications, it will do so by one or more of the following ways:

- 6.2.1 reducing the proposed Contributions by the same proportion for all applications; or
- 6.2.2 reducing the proposed Contributions to a maximum amount chosen by the Board; or
- 6.2.3 using other methods, but these must treat Eligible Employees in as uniform a manner as practicable and as the Board determines to be equitable.

### **6.3 Insufficient shares**

If, having scaled down, the number of Shares available is insufficient to enable Options to be granted to all Eligible Employees making valid applications, the Board may decide not to grant any Options, or may make a pro rata allocation of the Shares remaining available for Options in as uniform a manner as practicable, in a manner permissible under Section 423 of the Code and as the Board determines to be equitable.

## **7. Option grant**

### **7.1 Grant**

The Board will grant, to each Eligible Employee whom has submitted and not withdrawn a valid application for an Option, an Option to acquire Shares at the Purchase Price.

### **7.2 Board discretion to grant**

The Board may decide not to proceed with an Offering for any reason, in which case no Options will be granted.

### **7.3 Eligible Employees only**

The Board will not grant an Option to anyone who is not an Eligible Employee on the Award Date. If it tries to do so, the grant will be void.

### **7.4 Not transferable**

A Participant's Option is not transferable and will lapse if the Participant transfers, assigns, charges or otherwise disposes of the Option or any rights in respect of it, whether voluntarily or involuntarily.

## **8. US Share limit**

Subject to rule 4 of the Plan (Plan limit) and subject to adjustment under paragraph 16 (Variations in share capital), 50 million Shares in aggregate will be available for issuance or transfer under this Schedule 2. If Options lapse, the Shares that were subject to those Options may be used again for future Options for the purposes of the limit in this paragraph 8 (US Share limit).

## **9. Payroll deductions**

### **9.1 Timing and nature**

The Contributions will be deducted in accordance with the payroll period specified in the invitation, and will end on the last payroll date prior to the Purchase Date (unless terminated early in accordance with the rules of the Plan) or will be deducted on such other dates as the Board may decide. All payroll deductions are made on an after-tax basis.

### **9.2 Holding Contributions**

Contributions will be held in a non-interest bearing account.

### **9.3 No top-ups**

A Participant cannot make additional payments in connection with the Plan (including top-ups).

### **9.4 Withdrawal**

A Participant may withdraw from participation in an Option by giving notice to the Company. The notice will take effect as soon as practicable following receipt or on another date determined by the Company.

On the notice taking effect:

9.4.1 no further Contributions will be deducted;

9.4.2 as soon as practicable, any Contributions still held in cash will be paid to the Participant;  
and

9.4.3 the Option will Lapse.

Partial withdrawals are not permitted.

### **9.5 Compliance with Section 423**

A Participant's Contributions may be decreased to zero at any time, to the extent necessary to comply with Section 423(b)(8) of the Code and paragraph 4.6 (Section 423 limits).

### **9.6 Approved leave of absence**

A Participant's employment relationship shall be treated as continuing intact while the Participant is on an approved leave of absence, and the Participant's Contributions shall continue to be deducted from his Eligible Compensation during such period.

For the purposes of this rule, "**approved leave of absence**" means an employee's leave of absence (which includes military leave, maternity leave or sick leave) with the prior approval of an authorised person of his or her employer during which period the employee's employment relationship is treated as continuing for the purposes of the Plan. However, if the period of leave exceeds 90 days and the individual's right to re-employment is not guaranteed either by statute or by contract, the employment relationship will be deemed to terminate for the purposes of the Plan on the first day immediately following such 90-day period.

## **10. Option exercise**

### **10.1 Date of exercise**

Save for where:

10.1.1 a Participant effectively withdraws from an Offering;

10.1.2 paragraph 10.4 (Terminating the Offering) applies; or

10.1.3 a Participant's Option has already been exercised or lapsed under the rules of the Plan,

a Participant's Option will be exercised automatically on the intended Purchase Date specified in the invitation under paragraph 4.3.11.

## **10.2 Exercise**

Where an Option is exercised under any provision of these rules, the maximum number of whole Shares subject to the Option (not to exceed any per employee limit established by the Board under paragraph 4.8 (Per employee per Offering limit) for the Offering) will be purchased at the applicable Purchase Price with the accumulated Contributions in the Participant's account at that time (converted, where appropriate, using the Exchange Rate in effect at that time), subject to the rest of this paragraph 10 (Option exercise) and rule 18 of the Plan (Tax).

## **10.3 Surpluses**

Any surplus in the account which is insufficient to purchase a whole Share will be returned to the Participant as soon as reasonably practicable, without interest, following the Purchase Date.

## **10.4 Terminating the Offering**

Where 4.5.1 applies, and the Purchase Price is more than the Fair Market Value on the Purchase Date, such Options will not be exercised automatically under the rules of the Plan and will instead lapse immediately. In this case, the Participant's unused Contributions will be refunded, without interest, as soon as reasonably practicable.

## **10.5 Contributions**

Where an Option is exercised under the Plan, the Participant must use only Contributions:

10.5.1 he has made for the applicable Offering (and, if applicable, any surplus held in the Participant's account from a previous Offering that was insufficient to purchase a whole Share); and

10.5.2 that were made before the Purchase Date of the Option,  
to exercise his Option.

## **10.6 Lapsing**

If an Option lapses under the Plan, it cannot be exercised and the Participant has no right to receive the Shares underlying the lapsed Option.

# **11. Satisfaction of Options**

## **11.1 Shares to be used**

The Shares delivered following exercise of an Option may be newly issued Shares, treasury Shares or market purchase shares.

## **11.2 Delivery of Shares**

The Board will arrange for the delivery to, or to the order of, the Participant of the number of Shares in respect of which the Option was exercised as soon as reasonably practicable after the Option is exercised, subject to rule 20.2 of the Plan (Consents and filings), rule 18 of the Plan (Tax) and rule 11 of the Plan (Dealing Restrictions).

## **12. Notification on disposal of Shares**

By participating in the Plan, Participants agree that, if they hold Shares acquired on exercise of an Option in their own name, they will give the Company prompt notice of any disposal of Shares purchased under the Plan.

## **13. Leavers**

### **13.1 Termination before exercise**

If a Participant ceases to be employed by a Participating Company for any reason (including as a result of the death of the Participant) before the Purchase Date, no further Contributions will be taken from any pay due and owing to the Participant, the Option will lapse and any unused Contributions will be paid to the Participant (or personal representatives, as appropriate) as if the Participant had validly withdrawn from the Offering under paragraph 9.4 (Withdrawal).

### **13.2 Meaning of ceasing to be employed**

For the purposes of this paragraph 13 (Leavers), subject to paragraph 9.6 (Approved leave of absence), a Participant will be treated as ceasing to be employed by a Participating Company on the date the Participant ceases to be employed by a Participating Company without immediately commencing employment with another Participating Company.

## **14. Takeovers and restructurings**

### **14.1 General offers**

Where a person (or a group of persons acting together) obtains Control of the Company as a result of making an offer to acquire Shares, any outstanding Options will Lapse, and any unused Contributions will be returned to the Participant, unless otherwise determined by the Board.

### **14.2 Bound or entitled**

Where a person becomes bound or entitled to acquire Shares under sections 979 to 982 or 983 to 985 of the UK Companies Act 2006 (inclusive), any outstanding Options will Lapse, and any unused Contributions will be returned to the Participant, unless otherwise determined by the Board.

### **14.3 Schemes of arrangement**

Where a court sanctions a compromise or arrangement in connection with the acquisition of Shares, any outstanding Options will Lapse, and any unused Contributions will be returned to the Participant, unless otherwise determined by the Board.

### **14.4 Winding up**

If notice is given of a resolution for the voluntary winding up of the Company any outstanding Options will Lapse, and any unused Contributions will be returned to the Participant, unless otherwise determined by the Board.

### **14.5 Exchange**

Paragraph 14.1 (General offers) and paragraph 14.2 (Schemes of arrangement) will not apply to the extent Options are exchanged in accordance with paragraph 15 (Exchange of Options).



## **15. Exchange of Options**

### **15.1 Application of rule**

Where any of rules 14.1 (General offers), 14.2 (Bound or entitled), or 14.3 (Schemes of arrangement) is expected or does apply:

- 15.1.1 if the relevant event constitutes a corporate reorganisation of the Company where substantially all the shareholders of the Company immediately before the reorganisation will continue to have Control immediately afterwards, the Option will be exchanged for new awards, unless the Board decides otherwise; and
- 15.1.2 in any other case, the Board may, with the consent of the Acquirer, decide that Options will be exchanged for new awards.

### **15.2 Timing of exchange**

Where an Option is to be exchanged, the exchange will take place on (or as soon as practicable after) the relevant event.

### **15.3 Exchange terms**

Where a Participant is granted a new option in exchange for an outstanding Option, the new option must be substantially equivalent to the outstanding Option, but relates to shares in a different company (whether the acquiring company itself or another company). It is intended that any such exchange of the outstanding Options shall be made in accordance with Sections 424(a) and (h)(3) of the Code.

Upon such exchange, pursuant to the requirements of Section 1.424-1(a) of the US Treasury Regulations, the provisions of the Plan shall be construed as if:

- 15.3.1 the new option were an Option granted under the Plan at the same time as the outstanding Option;
- 15.3.2 references in the Plan and this Schedule 2 to the Company were references to the new grantor, provided that, except as may be required to comply with Section 423 of the Code, references to the Company within the definition of Participating Company shall continue to be construed as references to The Sage Group plc;
- 15.3.3 references in the Plan or this Schedule 2 to the Board were references to the board of directors of the new grantor;
- 15.3.4 references in the Plan or this Schedule 2 to Shares were references to shares in the new grantor;
- 15.3.5 the provisions for Contributions under paragraph 9 (Payroll deductions) entered into in connection with the outstanding Option had been made in connection with the new option;
- 15.3.6 the intended Purchase Date specified in the invitation under paragraph 4.3.11 in relation to the new option was the same as that in relation to the outstanding Option;
- 15.3.7 the total Fair Market Value, immediately before the release of the outstanding Option, of the Shares which were subject to the outstanding Option does not exceed the total Fair Market Value, immediately after the grant of the new option, of the shares in the new grantor subject to the new option;
- 15.3.8 the aggregate Purchase Price of the shares in the new grantor under the new option does not exceed the aggregate Purchase Price of the Shares under the outstanding Option; and

15.3.9 the new option does not give the Participant additional benefits which he did not have under the outstanding Option.

#### **15.4 Lapse of existing Option**

Immediately following the exchange of outstanding Options for new options under this paragraph 15 (Exchange of Options), the outstanding Options will lapse.

### **16. Variations in share capital**

#### **16.1 Adjustments to Options**

If there is:

16.1.1 a variation in the share capital of the Company, including a capitalisation or rights issue, open offer, sub-division, consolidation or reduction of share capital;

16.1.2 a demerger (in whatever form);

16.1.3 a special dividend or distribution; or

16.1.4 any other transaction which the Board decides will materially affect the value of the Shares,

the Board shall proportionately adjust the number or class of the Shares (or type of securities) available under this Schedule 2 in paragraph 8 (US Share limit), the number or class of the Shares (or type of securities) comprised in outstanding Options and the Purchase Price of outstanding Options in accordance with the requirements of Section 423 of the Code.

#### **16.2 Notice of Adjustments**

The Board will notify affected Participants of any adjustment made under paragraph 16.1 (Adjustments to Options) as soon as practicable.

### **17. General**

#### **17.1 Intention**

The Plan is intended to qualify as an "employee stock purchase plan" within the meaning of Section 423 of the Code and, where relevant, will be interpreted accordingly.

#### **17.2 No guarantee**

Notwithstanding any other provision of the Plan (including this Schedule 2) or any Option, no Member of the Group guarantees or warrants to any person that an Option granted to a US Taxpayer is taxable under Section 423 of the Code, or exempt from or compliant with Section 409A of the Code. Each Participant is solely responsible and liable for the satisfaction of all taxes, penalties and interest that may be imposed on the Participant in connection with the Plan and/or this Schedule 2 or any Option, including any taxes, penalty or interest under Section 409A of the Code. No Member of the Group shall have any obligation to indemnify or otherwise hold a Participant harmless from any or all of such taxes, penalty or interest.

#### **17.3 US Federal and State Securities Laws**

Unless the Board determines otherwise, Options under this Schedule 2 will be granted in accordance with Rule 701 of the US Securities Act of 1933, as amended, and available state securities law exemptions.

If there are any Eligible Employees who are California Residents, Options granted under this Schedule 2 to California Residents are intended to qualify for an exemption from the California Securities Laws. Notwithstanding the foregoing, Options may be granted under this Schedule 2 to any California Resident in accordance with any other registration exemption permitted under California Corporate Securities Law of 1968, as amended, or by qualification under such law, subject to such conditions as required by such law.

#### **17.4 Conflict**

Options granted under this Schedule 2 remain subject to the rules of the Plan except as otherwise provided or modified by this Schedule 2. In the event of any conflict between a provision of the main rules of the Plan and a provision of this Schedule 2, with respect to an Option granted under this Schedule 2, the provisions of this Schedule 2 will take precedence.

#### **17.5 Shareholder Approval**

The Plan (including this Schedule 2) must be approved by the shareholders of the Company within 12 months before or after the date that the Plan (including this Schedule 2) is adopted.

The Board will obtain prior approval of shareholders for any change to this Schedule 2 which relates to the maximum number of Shares that may be issued under this Schedule 2 in paragraph 8 (US Share limit), the class of Participating Companies whose Employees may be Eligible Employees, or the Employees (or class or classes of Employees) eligible to participate in an Offering in paragraph 3 (Eligibility).

## SCHEDULE 3: FRANCE

### Matching Share Awards and Free Share Awards granted to French residents

#### 1. Application and purpose

- 1.1 This French Appendix sets out the terms and conditions applicable to Qualified Free Share Awards and Qualified Matching Share Awards (together, the “**Qualified Awards**”) granted to Eligible French Employees.
- 1.2 This French Appendix makes certain variations to the terms of the Sage Group plc 2023 Colleague Share Purchase 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 Board decides to grant Qualified Awards to Eligible French Employees. Nothing in this French Appendix prevents other forms of Award 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, including this French Appendix to the Plan, was approved by the shareholders of the Company on [TBC].

#### 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 Matching Share Awards and Free Share Awards, as applicable, under the Plan, except to the extent that this French Appendix provides otherwise. References to Matching Share Awards and Free Share Awards, as applicable, 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. 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;

**“Qualified Free Share Award”** means a conditional rights to acquire Shares granted under the Plan that is intended to qualify for the special tax and social security treatment applicable to 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

**“Qualified Matching Share Award”** means a conditional right to acquire Shares granted under the Plan in connection with a Purchased Share Award that is intended to qualify for the special tax and social security treatment applicable to shares granted under Sections L. 225-197-1 to L. 225-197-6 of the French Commercial Code, as amended, 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 Free Share Award or Matching Share 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 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 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** Qualified Awards cannot Vest 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** 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 Where:**

6.2.1 a Qualified Award is granted with a Vesting Period of less than 2 years; 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 Vest in full, without any application of pro rating for any other reason unless it is to apply a Condition related to performance; 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 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 13.7 (Good Leavers – 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 15 (Takeovers and restructurings), rule 16 (Exchange of Awards) or rule 17 (Variations in share capital) 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 **Error! Reference source not found.** (Corporate events) or rule **Error! Reference source not found.** (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 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, 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 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 Qualified Award which may have been imposed under this French Appendix.
- 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.