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MELROSE INDUSTRIES PLC

**MELROSE INDUSTRIES PLC
PERFORMANCE SHARE PLAN**

Approved by the shareholders of the Company on [] 2024

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1. DEFINITIONS AND INTERPRETATION

1.1 In the Plan, unless the context otherwise requires:

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

"Award" means an Option or a Conditional Award;

"Board" means the board of directors of the Company or a duly authorised committee of that board;

"Buy-out Award" means an Award granted to an individual who becomes employed by a Participating Company which is made to compensate them for any incentive awards granted to them which lapse or are forfeited as a consequence of ceasing employment or relinquishing any office with a company by which they were previously employed or with which they previously held an office;

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

- (a) remain an employee of any other Group Company; or
- (b) retain a statutory right to return to work following such cessation; or
- (c) remain a contractor or consultant to any Group Company following such cessation (if the Committee determines that this provision shall apply),

and the reason for any such cessation shall be determined by reference to Rule 13 regardless of whether such cessation was lawful or unlawful;

"Committee" means the remuneration committee of the Board or, on and after the occurrence of an event described in Rule 14, the remuneration committee of the Board as constituted immediately before that event;

"Company" means Melrose Industries PLC (registered in England and Wales with registered number 09800044);

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

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

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

"Directors' Remuneration Policy" means the prevailing directors' remuneration policy approved by the Company's shareholders;

"Dividend Equivalent" means a benefit calculated by reference to dividends paid on Shares as described in Rule 3.5;

"Early Vesting Date" means, subject to Rule 7.5, either:

- (a) when Cessation occurs and it is determined that an Early Vesting Date shall apply, pursuant to Rule 13.1, the date of that Cessation or, if later, the date of the early evaluation of any Performance Condition by reason of that Cessation;
- (b) the date of the relevant event in Rule 14.1 or Rule 14.2 or the date of Vesting referred to in Rule 14.3;

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

"Exercise Period" means the period commencing on the date on which an Option Vests and ending on the date determined under Rule 3.2(e) during which it may normally be exercised, subject to earlier lapse under the Plan;

"FCA" means the United Kingdom Financial Conduct Authority, or any successor body;

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

"Group Company" means:

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

and **"Group"** will be construed accordingly;

"Holding Period" means the period during which a Participant may be required not to sell, transfer, assign or dispose of their Net Vested Shares in accordance with Rule 10 (*Holding Period*);

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

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

"Listing Rules" means the Listing Rules published by the FCA;

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

"Malus and Clawback" means the provisions set out in Rule 16 under which an Award may lapse or an individual may be required to repay an amount after it has Vested or been exercised;

"Net Vested Shares" means the Vested Shares acquired or received by a Participant on Vesting of a Conditional Award or on exercise of an Option, less: (a) a number of Shares with an aggregate market value on the date of Vesting (in the case of a Conditional Award) or exercise (in the case of an Option) equal to the Participant's Tax Liability arising on that event; or (b) any number of Vested Shares that are sold to satisfy that Tax Liability;

"Normal Vesting Date" means the date on which an Award (or part of an Award) would ordinarily Vest, being the date determined by the Committee under Rule 3.2(g) or, if later, the date on which the Committee determines the extent that any applicable Performance Condition is satisfied;

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

"Option" means a conditional right to acquire Shares which is designated as an option by the Committee under Rule 3.2(c);

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

"Participant" means an individual who holds an Award, including their personal representatives (or, for the purposes of Rule 10, an individual who held an Award to which that Rule applies) and **ex-Participant** shall be construed accordingly;

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

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

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

"Plan" means the Melrose Performance Share Plan, as amended from time to time;

"Plan Limits" the limits on the number of unissued Shares and, subject to Rule 5.5, treasury Shares, that may be "allocated" in respect of the Plan in accordance with Rule 5;

"Restricted Share Award" means an Award, the principal purpose of which is to recruit or retain the services of an individual;

"Rule" means a rule of the Plan;

"Shareholding Requirement" means any requirement, guideline or policy determined by the Committee from time to time pursuant to which an individual must hold Shares either during their employment with a Group Member or following their ceasing to hold employment with a Group Member;

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

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

"Tax Liability" means any amount of tax, social security contributions levy, charge or other payroll deductions for which a Participant would or may be liable (or which may be recovered from the Participant) in relation to an Award and for which any Group Company or former Group Company would or may be obliged to account to any relevant authority (or would or may suffer a disadvantage if it were not to do so) or, where appropriate, the Company's best estimate of any such amount;

"UK MAR" means the retained EU law version of the Market Abuse Regulation 596/2014 which applies in the UK from 1 January 2023, and any related UK subsidiary regulations;

"Vest" means:

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

in accordance with the Rules and **Vesting**, **Vested** and **Unvested** shall be construed accordingly; and

"Vested Shares" means Shares in respect of which an Award has Vested.

- 1.2 Any reference in the Plan to any enactment includes a reference to it as from time to time modified, extended or re-enacted.
- 1.3 Where the context admits, a reference to the singular includes the plural and vice versa.
- 1.4 Expressions in italics, headings and footnotes are for guidance only and do not form part of the Plan.
- 1.5 The terms specified to apply to any Award granted to an Executive Director shall comply with the Directors' Remuneration Policy (which shall prevail in the event of any conflict with these rules).
- 2. **ELIGIBILITY**
 - 2.1 An individual is eligible to be granted an Award only if they are an employee of a Participating Company.

3. GRANT OF AWARDS

3.1 Terms of grant

Subject to Rule 3.7, Rule 3.8, Rule 5 and Rule 6, the Committee may resolve to grant an Award on:

- (a) the terms set out in the Plan (including any country-specific terms set out in appendices to the Rules); and
- (b) any additional terms and conditions (including, but not limited to, one or more Performance Conditions) that the Committee determines,

to any individual who is eligible to be granted an Award under Rule 2.

3.2 Committee determinations

The Committee shall determine:

- (a) the number of Shares over which the Award is granted;
- (b) whether the Award shall be a Performance Award, a Restricted Share Award or a Buy-out Award;
- (c) whether the Award shall be an Option or a Conditional Award provided that, if no determination is made, it shall be an Option;
- (d) if an Award is an Option, any Option Price provided that, if no determination is made, it shall have a nil Option Price;
- (e) if an Award is an Option, the last date of the Exercise Period, provided that, if no such determination is made, it shall be the day immediately preceding the 10th anniversary of the Grant Date;
- (f) any Performance Conditions (whether required by the Plan or otherwise) and any additional terms and conditions applicable to the Award;
- (g) for the purpose of determining the Normal Vesting Date applicable to any Award, either a single date applicable to all the Shares subject to the Award or more than one date, each applicable to a stated number of the Shares subject to the Award, provided:
 - (i) that if no determination is made, the date shall be the third anniversary of the Grant Date; and
 - (ii) in the case of an Award (other than a Buy-out Award) granted to an Executive Director, the date shall be not earlier than the third anniversary of the Grant Date; and

- (h) whether the relevant Award shall be entitled to a Dividend Equivalent pursuant to Rule 3.5 (provided that, if no determination is made, the relevant Award shall be entitled to a Dividend Equivalent);
- (i) whether the Award will be subject to a Holding Period (where Rule 10 does not require a Holding Period to apply) and when any such Holding Period will normally end pursuant to Rule 10.4(a) (provided that, if no determination is made, it shall end on the second anniversary of the date on which the Award Vests).

Each of the determinations noted in paragraphs (a) to (i) in this Rule 3.2 shall be made by the Committee on or before the Award's Grant Date, save that the Committee may in exceptional circumstances determine that a Performance Condition shall apply to an Award (whether or not any other Performance Conditions apply) but that its terms will be finalised within six months after the Grant Date and that, until such terms are finalised, it shall not Vest in any circumstances (notwithstanding any other provision of the Plan).

3.3 Method of grant

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

3.4 Acceptance of Awards

Unless the Committee determines otherwise, an Award shall be granted subject to a condition that, unless its terms are accepted within a period specified by the Committee,

- (a) the Award may not Vest; and
- (b) the Board may determine that the Award will lapse.

3.5 Treatment of dividends

The Committee may decide on or before the grant of an Award or at any time before it Vests that a Participant shall be entitled to receive a benefit determined by reference to the value of the dividends that would have been paid on the Vested Shares (assuming dividend reinvestment) in respect of record dates occurring during the period commencing on the Grant Date and ending on the date of Vesting (or in the case of an Option where a Holding Period applies, the last day of the Holding Period or, if earlier, the date of exercise of the Option).

The Committee may also decide whether such Dividend Equivalent shall be provided in the form of cash and/or Shares. Any Dividend Equivalent shall be provided in accordance with Rule 8.3.

3.6 Method of satisfying Awards

Unless specified to the contrary by the Committee on the Grant Date, and subject to Rule 5.7 and Rule 11, an Award may be satisfied by one or more of:

- (a) issuing new Shares;

- (b) transferring treasury Shares; and
- (c) transferring Shares (other than treasury Shares).

The Committee may decide, after an Award has been granted, to change how it is intended that it may be satisfied, having regard to the provisions of Rule 5.

3.7 Timing of grant

Subject to Rule 3.8, an Award (other than a Buy-out Award) may only be granted:

- (a) within the 6 weeks commencing on the date on which the Plan was approved by the Company's shareholders);
- (b) within the 6 weeks commencing on the Dealing Day after the date on which the Company announces its results for any period;
- (c) within the 6 weeks commencing on the date on which the individual to whom the Award is to be granted first becomes eligible to be granted an Award;
- (d) at any other time when the Committee considers that circumstances are sufficiently exceptional to justify its grant; or
- (e) if an Award may not be granted within any of the periods in Rules 3.7(a), 3.7(b) or 3.7(c) due to a restriction under any Applicable Laws or the Company's share dealing code, within the period of 6 weeks beginning with the Dealing Day after such restriction lifts

but an Award may not be granted after [] 2034 (that is, the expiry of the 10-year period beginning with the date on which the Plan was approved by shareholders).

3.8 Approvals and consents

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

4. NON-TRANSFERABILITY

An Award shall not be transferred, assigned, charged, pledged, sold, or otherwise disposed of or encumbered (except on their death to their personal representatives) and shall lapse immediately on any attempt to do so.

5. PLAN LIMITS

5.1 5 per cent. in 10 years limit

An Award shall not be granted in any calendar year if, at the time of its proposed Grant Date, it would cause the number of Shares allocated (as defined in Rule 5.3) in the period of 10 calendar years ending with that calendar year under the Plan and under any other executive share plan (i.e. only discretionary share plans and not including all-employee plans) adopted by the

Company to exceed such number as represents 5 per cent. of the ordinary share capital of the Company in issue at that time.

5.2 10 per cent. in 10 years limit

An Award shall not be granted in any calendar year if, at the time of its proposed Grant Date, it would cause the number of Shares allocated (as defined in Rule 5.3) in the period of 10 calendar years ending with that calendar year under the Plan and under any other employee share plan (i.e. all types of employee share plans: discretionary, all-employee or otherwise) adopted by the Company to exceed such number as represents 10 per cent. of the ordinary share capital of the Company in issue at that time.

5.3 Meaning of "allocated" for the purposes of Plan limits

For the purpose of the Plan Limits:

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

5.4 Post-grant events affecting numbers of "allocated" Shares

For the purposes of Rule 5.3:

- (a) where:
 - (i) any option, award or other contractual right to acquire unissued Shares or treasury Shares is released or lapses (whether in whole or in part); or

(ii) after the grant of an option, award or other contractual right the Committee determines that:

(aa) it shall be satisfied wholly or partly by the payment of cash; or

(bb) it shall be satisfied wholly or partly by the transfer of existing Shares (other than Shares transferred out of treasury)

the unissued Shares or treasury Shares which consequently cease to be subject to the option, award or other contractual right shall not count as allocated;

(b) the number of Shares allocated in respect of an option, award or other contractual right shall be such number as the Board shall reasonably determine from time to time; and

(c) the Committee may adjust the method of applying the limits set out in this Rule 5 as it considers appropriate in the event of any variation of the Company's share capital.

5.5 Changes to investor guidelines relating to treasury Shares

Treasury Shares shall cease to count as allocated Shares for the purposes of Rule 4.3 if the Remuneration Committee determines counting them as allocated Shares is no longer in accordance with market practice.

5.6 Effect of limits

Any Award shall be limited and take effect to comply with the limits in this Rule 5 on such basis at the Committee determines.

5.7 Further provisions relating to Plan limits

No Shares may be issued or treasury Shares transferred to satisfy any Award to the extent that such issue or transfer would cause the number of Shares allocated (as defined in Rule 5.3 and adjusted under Rule 5.4) to exceed the limit in Rule 5.1 and Rule 5.2 (as adjusted under Rule 5.4(c) if applicable).

6. INDIVIDUAL LIMIT

The total market value of Shares (calculated as set out in this Rule 6) over which Performance Share Awards may be granted to any individual in respect of any financial year of the Company shall be limited to 300% of their salary or, if greater, the maximum percentage of salary for Performance Share Awards to Executive Directors provided for in the Directors' Remuneration Policy.

Any Performance Share Award shall be limited and take effect to comply with the limits in this Rule 6.

There is no individual limit for Restricted Share Awards or Buy-out Awards.

For the purpose of this Rule 6:

- (a) an employee's **salary** is their base salary (excluding benefits in kind), expressed as an annual rate payable by Participating Companies to them on the Grant Date (or any earlier date that the Committee determines). Salary paid in a currency other than sterling, shall be treated as equal to the equivalent sterling amount determined using any rate of exchange which the Committee reasonably selects; and
- (b) the **market value** of Shares over which an Award is to be granted shall ordinarily be taken to be an amount equal to the closing middle-market quotation of such Shares (derived from the London Stock Exchange Daily Official List) averaged over up to a period of 5 consecutive Dealing Days ending with the last Dealing Day before the Grant Date or such other period as the Committee determines provided that, in all cases, no such Dealing Days may fall within a period when dealing in Shares is prohibited under the Company's share dealing code.

7. VESTING OF AWARDS

7.1 Timing of Vesting

Subject to Rule 7.5 and the terms of the Plan, an Award shall Vest on its Normal Vesting Date except where earlier Vesting occurs under Rule 13 or Rule 14 and provided that:

- (a) if Vesting would otherwise occur on a day which is not a Dealing Day, it will Vest on the next Dealing Day (unless otherwise determined by the Committee); and
- (b) the Committee may defer the date on which an Award would otherwise Vest to facilitate the operation of the Plan.

Except where Rule 13 applies, the Committee may accelerate or delay the Vesting of some or all of an Award if, as a result of moving jurisdiction:

- (a) a Participant would suffer a different (including but not limited to greater and/or earlier) liability to tax and/or social security contributions than was considered to be the case at the Grant Date;
- (b) a Participant's ability to exercise an Option, or have Shares delivered to them would be restricted; and/or
- (c) a Participant's ability to hold or deal in the Shares acquired or the proceeds of sale of or dividends payable on such Shares would be restricted or prohibited, and

the Committee may determine that such Vesting will be subject to such conditions as it may determine, which may include restrictions on disposing of some or all of the Shares acquired pursuant to the Award for a period specified by the Committee, and that any Shares so restricted may be forfeited if the Participant ceases to hold office or employment with a Group Member during that period in circumstances in which their Award would have lapsed if its Vesting had not been so accelerated and that any such Shares remain subject to Rule 16. The Committee may make the Vesting conditional on the Participant taking any action (including entering into any agreement) that it reasonably requires for these purposes.

7.2 Extent of Vesting

Subject to Rule 7.3, an Award shall only Vest to the extent permitted by:

- (a) any Performance Condition (or any other term imposed on its Vesting in accordance with Rule 3.2(f));
- (b) Rules 13.4 and 14.5; and
- (c) any operation of Malus and Clawback.

Where, under Rule 13 or Rule 14, all or part of an Award would Vest before the end of the full period over which performance would be measured under a Performance Condition then, unless provided to the contrary by the Performance Condition, the extent to which it has been satisfied shall be determined by the Committee on such reasonable basis as it decides.

7.3 Adjustments to extent of Vesting

Notwithstanding any other provision of the Plan, and irrespective of whether and to what extent any Performance Condition has been satisfied, the Committee may at any time prior to the settlement of an Award and at its reasonable discretion reduce (including to nil) or increase the extent to which an Award would otherwise Vest or remain Vested under Rule 7.2 in circumstances the Committee considers exceptional. In doing so, it may take into account any factors it considers relevant (including, but not limited to, the performance of the Company, any other Group Company or the Participant).

7.4 Shareholding requirement

The Committee may make the delivery of any Shares on the Vesting of a Conditional Award conditional on the Participant taking any action (including entering into any agreement) in relation to those Shares reasonably required by the Committee in connection with any Shareholding Requirement.

7.5 Restrictions on Vesting: including regulatory and tax issues

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

- (a) Vesting of the Award, and the issue, transfer or sale of Shares on (or shortly after) Vesting, would be lawful and comply with Applicable Laws and any share dealing code of the Company;
- (b) if a Tax Liability would arise by virtue of such Vesting and the Committee decides that this shall not (or cannot) be satisfied by the sale of Shares pursuant to Rule 7.7, the Participant must have entered into arrangements acceptable to the Committee that the relevant Group Company will receive the amount of such Tax Liability;
- (c) where the Committee requires, the Participant has entered into, or agreed to enter into, a valid election under Part 7 of ITEPA (*Employment income: elections to disapply tax*

charge on restricted securities) or any similar arrangement in any overseas jurisdiction;
and

- (d) if the Participant is subject to any disciplinary procedure, that procedure has been completed and any consequent decision implemented without the Award lapsing.

For the purposes of this Rule 7.5, references to a Group Company include any former Group Company.

7.6 Tax Liability before Vesting

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

For the purposes of this Rule 7.6, references to a Group Company include any former Group Company.

7.7 Payment of Tax Liability

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

8. CONSEQUENCES OF VESTING

8.1 Options

- (a) An Option shall, subject to Rule 9.1, be exercisable in respect of Vested Shares during the Exercise Period unless it lapses earlier under Rule 13 or Rule 14.
- (b) If an Option is not exercised by the end of the Exercise Period because of any regulatory restrictions referred to in Rule 9.2(a), the Committee may extend the Exercise Period for such limited period as it determines appropriate to permit the Option to be exercised as soon as those restrictions cease to apply.
- (c) If, at the end of the Exercise Period (or any extended Exercise Period under Rule 8.1(b)), an Option remains unexercised and would otherwise lapse under Rule 9.7, the Committee may determine that the Option shall be treated as having been exercised on the last Dealing Day of the Exercise Period during which exercise would be permitted under Rule 9.1.

8.2 Conditional Awards

On or as soon as reasonably practicable and in any event not later than 30 days after the Vesting of a Conditional Award, the Board shall, subject to Rule 7.7 and any arrangement made under Rule 7.5(b), transfer or procure the transfer of the Vested Shares to the Participant.

8.3 Delivery of Dividend Equivalent

If the Committee decided under Rule 3.5 that a Participant would be entitled to the Dividend Equivalent in relation to Shares under their Award, the Committee shall decide whether the Dividend Equivalent should be provided in the form of cash and/or Shares on or before the transfer of the Vested Shares to the Participant.

The Committee, acting fairly and reasonably, may decide to exclude the value of all or part of a special dividend or any other dividend from the amount of the Dividend Equivalent where an Award is adjusted under Rule 15.1(b) for that special dividend or any other action is taken to take account of the potential effect on the Company's Share price of the special dividend (including, but not limited to, consolidation of the Company's share capital).

The provision of the Dividend Equivalent shall be made as soon as practicable after the issue or transfer of Vested Shares and:

- (a) any cash payment, shall be subject to such deductions (on account of tax or similar liabilities) as may be required by law or as the Board may reasonably consider to be necessary or desirable;
- (b) if Shares are provided, Rule 7.5 and Rule 7.7 shall apply as to the Vesting of an Award.

9. EXERCISE OF OPTIONS

9.1 Shareholding requirement

The Committee may make the delivery of any Shares on the exercise of an Option conditional on the Participant taking any action (including entering into any agreement) in relation to those Shares reasonably required by the Committee in connection with any Shareholding Requirement.

9.2 Restrictions on the exercise of an Option: regulatory and tax issues

A Vested Option may not be exercised unless:

- (a) that exercise and the consequent issue or transfer of Shares would be lawful and comply with Applicable Laws and any share dealing code of the Company;
- (b) if, on that exercise, a Tax Liability would arise and the Committee decides that it shall not (or cannot) be satisfied by selling Shares pursuant to Rule 9.5, then the Participant must have entered into arrangements acceptable to the Committee that the relevant Group Company shall receive the amount of that Tax Liability; and

- (c) where the Committee requires, the Participant has entered into, or agreed to enter into, a valid election under Part 7 of ITEPA (*Employment income: elections to disapply tax charge on restricted securities*) or any similar arrangement in any overseas jurisdiction.

For the purposes of this Rule 9.1, references to a Group Company include any former Group Company.

9.3 Exercise in whole or part

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

9.4 Method of exercise

An Option shall be exercised in the form and manner prescribed by the Committee. Unless the Committee, acting fairly and reasonably determines otherwise, any notice of exercise shall, subject to Rule 9.1, take effect on the final Dealing Day of the Exercise Period provided the Company has prior to that date received the notice of exercise, together with payment of any Option Price (or, if the Board so permits, an undertaking to pay that amount).

9.5 Payment of Tax Liability

The Participant authorises the Company to sell or procure the sale of sufficient Vested Shares on or following the exercise of their Option on their behalf to ensure that any relevant Participating Company receives the amount equal to any Tax Liability which arises on such exercise except to the extent that the Board decides that all or part of the Tax Liability shall be funded in a different manner.

9.6 Transfer or allotment timetable

As soon as reasonably practicable and in any event not later than 30 days after an Option has been exercised, the Company shall, subject to Rule 9.5 and any arrangement made under Rule 9.2(b), transfer or procure the transfer to them or, if appropriate, allot to them the number of Shares in respect of which the Option has been exercised.

9.7 Lapse of Options

Subject to Rules 8.1(b) and 8.1(c), an Option which has become exercisable shall lapse at the end of the Exercise Period if it has not been exercised unless it lapses earlier under Rule 13 or Rule 14.

10. HOLDING PERIOD

10.1 Applicability of a Holding Period

This Rule 10 shall apply to Shares acquired or delivered on the Vesting or exercise of an Award granted to an Executive Director (where required by the Directors' Remuneration Policy) and to any other Participant where the Committee determines that a Holding Period shall apply (as provided for in Rule 3.2(i)).

Where a Holding Period applies in relation to a Share Option, the Committee may determine that that it may not be exercised until after the expiry of the Holding Period.

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

Subject to Rule 10.3 below, a Participant to which this Rule 10 applies is required:

- (a) to hold their Net Vested Shares during the applicable Holding Period in accordance with such terms and conditions that the Committee may impose from time to time, which may include their Net Vested Shares being held by a nominee appointed by the Company;
- (b) not to sell, transfer, assign, pledge, charge or dispose of any interest in their Net Vested Shares until the expiry of the applicable Holding Period;
- (c) if, during the applicable Holding Period, they acquire any additional Shares by virtue of holding Net Vested Shares during the Holding Period, those additional Shares shall also be held subject to the terms of this Rule 10 as they apply to the original Net Vested Shares unless the Committee, in its discretion, determines otherwise; and
- (d) to execute any other document required by the Committee at any time to give effect to the restrictions under this Rule 10.

For the avoidance of doubt:

- (i) Net Vested Shares shall not be subject to any risk of forfeiture during the Holding Period (other than to satisfy Malus and Clawback); and
- (ii) any Shares delivered in respect of a Dividend Equivalent under Rule 8.3 shall not be subject to the Holding Period.

10.3 Permitted transfers during the Holding Period

Subject to the prior approval of the Committee, the Participant may, during the Holding Period, transfer or assign some or all of their Net Vested Shares to any person who would be a PCA of the Participant as defined under the Company's share dealing policy (the "**transferee**"), provided that the transferee has agreed to comply with this Rule 10.3, any other terms and conditions imposed by the Committee and the decisions of the Committee and the transferee agrees not to sell, transfer, assign, pledge, charge or dispose of those Net Vested Shares until the expiry of the Holding Period.

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

10.4 Expiry of the Holding Period

The Holding Period shall expire on the earliest of:

- (a) the date determined by the Committee pursuant to Rule 3.2(i);

- (b) the date of an event under Rule 14.1 or 14.2 (excluding an internal reorganisation under Rule 14.4);
- (c) the death of the Participant; and
- (d) any earlier date determined by the Committee at its discretion.

Net Vested Shares shall cease to be subject to any restrictions under this Rule 10 once the Holding Period has expired.

10.5 Interaction with the Company's share ownership requirements

Nothing in this Rule 10 shall remove and/or reduce any requirements that may apply to the Participant under any Shareholding Requirement.

11. CASH ALTERNATIVE

11.1 Committee determination

Where an Option has been exercised or where a Conditional Award Vests and Vested Shares have not yet been allotted or transferred to the Participant, the Committee may determine that, in substitution for their right to acquire any number of Vested Shares as the Committee decides (but in full and final satisfaction of their right to acquire those Shares), they shall be paid a sum equal to the cash equivalent (defined in Rule 11.3) of that number of Shares in accordance with this Rule 11.

11.2 Limitation on the use of this Rule

Rule 11.1 shall only ordinarily be used in exceptional circumstances or in connection with net settlement arrangements and shall not apply in relation to an Award made to a Participant in any jurisdiction where the presence of Rule 9.1 would cause:

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

provided that this Rule 11.2 shall only apply if its application would prevent the occurrence of a consequence referred to in (a) or (b) above.

11.3 Cash equivalent

For the purpose of this Rule 11, the cash equivalent of a Share is:

- (a) in the case of a Conditional Award, the market value of a Share on the day when the Award Vests; or
- (b) in the case of an Option, the market value of a Share on the day when the Option is exercised less the Option Price (if any) in respect of that Share.

Market value on any day shall be determined as follows:

- (a) if on the day of Vesting or exercise, Shares are quoted in the London Stock Exchange Daily Official List, the closing middle-market quotation of a Share, as derived from that List, on that day; or
- (b) if Shares are not so quoted, such value of a Share as the Committee reasonably determines.

11.4 Payment of cash equivalent

As soon as reasonably practicable after the Committee has determined under Rule 11.1 that a Participant shall be paid a sum in substitution for the right to acquire any number of Vested Shares the Company shall pay to them or procure the payment to them of that sum in cash.

11.5 Deductions

There shall be deducted from any payment under this Rule 11 any amounts (on account of tax or similar liabilities) required by law or as the Board may reasonably consider to be necessary or desirable.

12. LAPSE OF AWARDS

An Award shall lapse:

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

13. LEAVERS

13.1 Good leavers before the Normal Vesting Date

If a Cessation occurs before the Normal Vesting Date of an Award due to:

- (a) the Participant's death;
- (b) the Participant's ill-health, injury or disability (evidenced to the satisfaction of the Committee);
- (c) the Participant's redundancy (within the meaning of the Employment Rights Act 1996 or applicable local law equivalent);
- (d) the Participant's retirement with the agreement of the Committee;
- (e) the Participant's office or employment being either with a company which ceases to be a Participating Company or relating to a business or part of a business which is transferred to an individual who is not a Participating Company; or

- (f) in any other circumstances where the Committee determines that this Rule 13.1 shall apply in relation to the Award,

then, subject to Rule 7.1 and Rule 7.5, that Award shall Vest on the Normal Vesting Date except in the case of death or where the Committee determines otherwise, in which cases it shall Vest on the Early Vesting Date.

In either case, Vesting may be subject to any additional conditions that the Committee specifies and Rule 13.4 shall apply. Where the Award is an Option, subject to Rule 8.1, Rule 9 and Rule 14, it shall be exercisable in the 12 months commencing on the date of on which it Vests and, to the extent it is not exercised, it shall lapse at the end of that period.

13.2 Other leavers before the Normal Vesting Date

If a Cessation occurs before the Normal Vesting Date for any reason other than those specified in Rule 13.1, any Award held by the relevant Participant shall lapse immediately.

13.3 Cessation of employment on or after the Normal Vesting Date

If a Cessation occurs on or after the Normal Vesting Date for any reason (other than misconduct dishonesty, fraud, or any other reason justifying summary dismissal), then subject to Rule 7.5:

- (a) any Award held by the Participant that has not already Vested shall Vest on the date on which it would Vest had Cessation not occurred; and
- (b) any unexercised Option held by the Participant that is or becomes exercisable shall, subject to Rule 8.1, Rule 9 and Rule 14, be exercisable in the 12 months commencing on the date of Cessation and, to the extent it is not exercised, it shall lapse at the end of that period.

If a Cessation occurs on or after the Normal Vesting Date due to misconduct, dishonesty, fraud, or any other reason justifying summary dismissal, the Awards in question shall lapse.

13.4 Leavers: reduction in number of Vested Shares

Where this Rule 13.4 applies, the Committee shall determine the number of Vested Shares of the relevant Award by applying:

- (a) any Performance Condition and any other condition imposed on the Vesting of the Award; and
- (b) a pro rata reduction to the number of Shares determined under Rule 13.4(a) based on the period starting on the Grant Date and ending on the date of Cessation (unless the Committee, acting fairly and reasonably, decides that a lesser (or no) reduction is appropriate, in which case it may increase the number of Vested Shares to such higher number as it decides provided that number does not exceed the number of Shares determined under Rule 13.4(a)).

If an Award Vests under any of Rules 14.1 to 14.3 following a Cessation of the relevant Participant then this Rule 13.4 shall take precedence over Rule 14.5.

To the extent that an Award is reduced in accordance with this Rule 13.4, it will lapse and become incapable of Vesting in respect of the relevant number of Shares by which it is reduced.

13.5 Leavers – shareholding requirement

The Committee may determine that any Award held by a Participant after Cessation will lapse if the Participant fails to abide by any applicable Shareholding Requirement.

13.6 Leavers – post-cessation change in circumstances

If an Award continues in accordance with Rule 13.1 following Cessation, the Committee may:

- (a) require the Participant to confirm, in such form and at such time or times as the Committee requires that in the period between the date of cessation and the date on which the Award Vests they have not started or agreed to start employment with, or otherwise to provide services to, any other person;
- (b) make the delivery of any Shares to satisfy the Award conditional on the Participant giving the confirmation referred to in sub-paragraph (a) above;
- (c) determine that the Award will lapse if:
 - (i) the Participant does not give the confirmation referred to in sub-paragraph (a) above; or
 - (ii) if the Board determines that in the period between Cessation and the date on which the Award Vests the Participant has started or agreed to start employment with, or otherwise to provide services to, any other person.

14. TAKEOVERS AND OTHER CORPORATE EVENTS

14.1 General offers

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

- (a) obtains Control of the Company as a result of making a general offer to acquire Shares; or
- (b) having obtained Control of the Company makes such an offer and such offer becomes unconditional in all respects,

then, subject to Rule 14.4:

- (i) subject to Rule 7.5, all Awards shall Vest on the date of, and immediately prior to, that event if they have not then Vested and Rule 14.5 shall apply; and

- (ii) any Option may, subject to Rule 9.1, be exercised within one month of the date of that event (or, if shorter, until the expiry of the Exercise Period), but to the extent that an Option has not been exercised at the end of that period it shall lapse (regardless of any other provision of the Plan).

14.2 Schemes of arrangement and winding up

If:

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

all Awards shall, subject to Rule 7.5 and Rule 14.4, Vest on the date of, and immediately prior to, that event if they have not then Vested and Rule 14.5 shall apply.

If an event described in this Rule 14.2 occurs, an Option may, subject to Rule 9.1 and Rule 14.4, be exercised within one month of that event (or, if shorter, until the expiry of the Exercise Period), but to the extent that the Option is not exercised within that period, it shall lapse (regardless of any other provision of the Plan).

14.3 Other material corporate events

If a material corporate event (the "**Event**") is proposed which, in the opinion of the Committee, would, as a direct consequence (which would not include a change in market sentiment), affect the market price of Shares to a material extent or operation of the Plan, then the Committee may, at its discretion, decide that either Rule 15 or the following provisions shall apply:

- (a) the Committee shall, as soon as reasonably practicable after deciding to apply these provisions, notify a Participant that, subject to earlier lapse under Rule 13, their Award Vests if it has not already Vested and/or, if relevant, their Option may, subject to Rule 9.7 and Rule 13, be exercised on such terms as the Committee may determine and during such period preceding the Event or on the Event as the Committee may determine and, if the Award is an Option, it shall (regardless of any other provision of the Plan) lapse at the end of that period to the extent unexercised;
- (b) if an Award Vests or an Option is exercised conditional upon the Event and such Event does not occur, then the conditional Vesting or exercise shall not be effective, and the Award shall continue to subsist; and
- (c) if an Award Vests under this Rule 14.3, the date of that Vesting shall be the Early Vesting Date and the provisions of Rule 14.5 shall apply.

14.4 Internal reorganisations

If:

- (a) a company (for the purposes of this Rule 14.4, the "**Acquiring Company**") is expected to obtain Control of the Company as a result of an offer referred to in Rule 14.1 or a compromise or arrangement referred to in Rule 14.2(a); and
- (b) at least 75% of the shares in the Acquiring Company are expected to be held by substantially the same persons who were shareholders in the Company immediately before the obtaining of that Control,

then the Committee, with the consent of the Acquiring Company, may decide that an Award shall not Vest under Rule 14.1 or Rule 14.2 but shall be automatically surrendered in consideration for the grant of a new award which the Committee determines is equivalent to the Award (including as to any Performance Condition) it replaces except that it will be over shares in the Acquiring Company or some other company.

The Rules will apply to any new award granted under this Rule 14.4 as if references to Shares were references to shares over which the new award is granted and references to the Company were references to the company whose shares are subject to the new award.

14.5 Corporate events: reduction in number of Vested Shares

If an Award Vests under any of Rules 14.1 to 14.3, the Committee shall determine the number of Vested Shares of that Award by applying:

- (a) any Performance Condition and any other condition imposed on the Vesting of the Award; and
- (b) subject to Rule 13.4, a pro rata reduction to the number of Shares determined under Rule 14.5(a) based on the period starting on the Grant Date and ending on the Early Vesting Date relative to the period commencing on the Grant Date and ending on relevant date determined under Rule 3.2(g) (for the purpose of ascertaining the Normal Vesting Date),

unless the Committee, acting fairly and reasonably, decides that the reduction under Rule 14.5(b) is inappropriate in which case it may increase the number of Vested Shares to such higher number as it decides provided that number does not exceed the number of Shares determined under Rule 14.5(a).

15. ADJUSTMENT OF AWARDS

15.1 General rule

In the event of:

- (a) a variation of the share capital of the Company; or

- (b) a material corporate event which, in the opinion of the Committee, would, as a direct consequence (which would not include a change in market sentiment), affect the market price of Shares to a material extent

the Committee may adjust Awards as it considers appropriate under Rule 15.2.

15.2 Method of adjustment

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

- (a) the number of Shares comprised in an Award;
- (b) subject to Rule 15.3, the Option Price; and
- (c) where any Award has Vested or Option has been exercised but no Shares have been transferred or allotted after such Vesting or exercise, the number of Shares which may be so transferred or allotted and (if relevant) the price at which they may be acquired.

15.3 Adjustment below nominal value

An adjustment under Rule 15.2 may reduce the price at which Shares may be subscribed for on the exercise of an Option to less than their nominal value, but only if and to the extent that the Board is authorised:

- (a) to capitalise from the reserves of the Company a sum equal to the amount by which the nominal value of the Shares in respect of which the Option is exercised and which are to be allotted after such exercise exceeds the price at which the Shares may be subscribed for; and
- (b) to apply that sum in paying up that amount on those Shares,

so that, on exercise of any Option in respect of which such a reduction has been made, the Board shall capitalise that sum (if any) and apply it in paying up that amount.

16. MALUS AND CLAWBACK

16.1 Applicability of Malus and Clawback

This Rule 16 shall apply to Awards regardless of any other provisions of the Plan.

16.2 **Malus**

In the event of:

- (a) material misstatement of financial results that, in the reasonable opinion of the Remuneration Committee, has a material negative effect;
- (b) gross misconduct by a Participant;
- (c) events or behaviour of a Participant that have led to the censure of the Company or have had a significant detrimental impact on the reputation of the Company, provided that the Committee is satisfied that the Participant was responsible for the censure or reputational damage and that the censure or reputational damage is attributable to them; and/or
- (d) the Company becoming insolvent or otherwise suffering a corporate failure so that the value of the Company's shares is materially reduced, provided that the Committee determines, following an appropriate review of accountability, that a Participant should be held responsible (in whole or in part) for that insolvency or corporate failure,

and that event occurs prior to the Vesting date of any Award held by that Participant, all or any such Award may be cancelled in whole or in part for nil consideration.

16.3 **Clawback**

In the event of:

- (a) material misstatement of financial results that, in the reasonable opinion of the Remuneration Committee, has a material negative effect;
- (b) material miscalculation of any performance measure on which the Vesting of an Award was based;
- (c) gross misconduct by a Participant;
- (d) events or behaviour of a Participant that have led to the censure of the Company by a significant regulatory authority or have had a significant detrimental impact on the reputation of the Company, provided that the Committee is satisfied that they were responsible for the censure or reputational damage and that the censure or reputational damage is attributable to them; and/or
- (e) the Company becoming insolvent or otherwise suffering a corporate failure so that the value of the Company's shares is materially reduced, provided that the Committee

determines, following an appropriate review of accountability, that a Participant should be held responsible (in whole or in part) for that insolvency or corporate failure,

following the Vesting date of an Award but prior to the date falling three years after that Vesting date, the relevant Participant may be required to

- (a) transfer (for nil consideration) the number of Shares arising from the Vesting or exercise of the Award, less any number of Shares sold to fund the Tax Liability arising from such Vesting or exercise; and/or
- (b) to pay to the Company the amount of any cash received (whether in lieu of the delivery of Shares, or as a result of the sale of any such Shares) on or following the Vesting or exercise of the Award less the amount of any Tax Liability from the Vesting or Exercise of the Award;

or, in order to achieve recovery of a similar amount or value, (i) the number of Shares that would otherwise be acquired pursuant to any award under any share plan operated by the Company may be reduced; and/or (ii) any Group Company may determine to pay a lower bonus than might otherwise have been paid to that Participant and/or (iii) any Group Company may withhold an amount from any amount that would otherwise be payable to the Participant.

16.4 Reduction in Awards to give effect to Malus and Clawback provisions in other plans

The Committee may decide at any time to reduce the number of Shares subject to an Award (including reducing such number to zero) to give effect to malus and clawback provisions of any form or name contained in any incentive plan, bonus plan or other arrangement operated by any Participating Company. The reduction shall be in accordance with the terms of the relevant provisions of that plan or arrangement or, in the absence of any such term, on such basis as the Committee, acting fairly and reasonably, determines.

16.5 Further provision

For the purposes of this Rule 16, references to a Group Member or a relevant business unit include any former Group Member or former business unit.

17. ALTERATIONS

17.1 General rule on alterations

Except as described in Rule 17.2 and Rule 17.4 the Committee may at any time alter the Plan or the terms of any Award.

17.2 Shareholder approval

Except as described in Rule 17.3, no alteration to the advantage of an individual to whom an Award has been or may be granted shall be made under Rule 17.1 to the provisions concerning:

- (a) eligibility;

- (b) the individual limits on participation;
- (c) the overall limit on the issue of Shares or the transfer of treasury Shares;
- (d) the basis for determining a Participant's entitlement to, and the terms of, Shares or cash provided under the Plan;
- (e) the adjustments that may be made in the event of any variation of capital; and
- (f) the terms of this Rule 17.2,

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

17.3 Exceptions to shareholder approval

Rule 17.2 shall not apply to:

- (a) any minor alteration to benefit the administration of the Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for Participants or any Participating Company; or
- (b) any alteration relating to the Performance Condition made under Rule 17.5.

17.4 Alterations to disadvantage of Participants

No alteration to the material disadvantage of Participants (other than an alteration to any Performance Condition) shall be made under Rule 17.1 unless:

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

17.5 Alterations to a Performance Condition

The Committee may alter any Performance Condition (including by substituting a different Performance Condition) on such basis as it considers to be appropriate and fair and reasonable without prior shareholder approval if:

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

18. MISCELLANEOUS

18.1 Employment

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

18.2 Disputes

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

18.3 Exercise of powers and discretion

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

18.4 Costs

Any costs associated with delivering Shares to satisfy an Award (including any stamp duty or stamp duty reserve tax) will be borne by the Company (or another Group Member). Any costs associated with selling Shares acquired pursuant to an Award (including under Rule 7.7) will be borne by the Participant (or former Participant).

18.5 Share Rights

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

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

18.6 Listing of Shares

If and so long as Shares are listed on the Official List and traded on the London Stock Exchange, the Company will apply for the listing of any Shares issued under the Plan in accordance with the Listing Rules.

18.7 Notices

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

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

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

18.8 Third parties

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

18.9 Benefits not pensionable

Benefits provided under the Plan shall not be pensionable.

18.10 Data Protection

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

18.11 International Plans

The Committee or the Board, as relevant, may at any time by resolution and without seeking further shareholder approval establish further plans or sub-plans (outside the Plan) for overseas territories, governed by rules similar to these Rules but modified to take account of local tax,

exchange control or securities laws, provided that any Shares made available under such further plans are treated as counting against the limits on individual and overall participation in the Plan.

18.12 **Governing law**

The Plan and all Awards shall be governed by and construed in accordance with the laws of England and the Courts of England have exclusive jurisdiction to hear any dispute (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation.

SCHEDULE 1

CASH CONDITIONAL AWARDS

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

1. The Committee may in exceptional circumstances) grant or procure the grant of a Cash Conditional Award.
2. Each Cash Conditional Award shall relate to a given number of notional Shares.
3. On its Vesting, the holder of that Cash Conditional Award shall be entitled to a cash sum equal to the "**Cash Value**" of the notional Vested Shares, where the Cash Value of a notional Share is the market value of a Share on the date of such Vesting. For this purpose, the market value of a Share on any day shall be determined in accordance with Rule 11.3.
4. Rule 11.5 shall apply to any sum payable under paragraph 3 above.
5. For the avoidance of doubt, a Cash Conditional Award shall not confer any right on its holder to receive or acquire Shares or any interest in Shares.