

SEVERFIELD PLC

THE SEVERFIELD PERFORMANCE SHARE PLAN 2017

Approved by shareholders of the Company on 6 September 2017

Adopted by the board of the Company on 27 September 2017

Amended by the Remuneration Committee on 1 May 2019

Amended by the Remuneration Committee on [] September 2023
following the approval of shareholder on [] September 2023

The Plan is a discretionary benefit offered by the Company for the benefit of selected employees. Its main purpose is to increase the interest of the employees in the Company's long term business goals and performance through share ownership. The Plan is an incentive for the employees' future performance and commitment to the goals of the Company.

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

The Plan is being offered for the first time in 2017 and the remuneration committee of the board of the Company shall have the right to decide, in its sole discretion, whether or not further awards will be granted in the future and to which employees those awards will be granted.

The detailed rules of the Plan are set out overleaf.

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1. DEFINITIONS AND INTERPRETATION

1.1 In the Plan, unless the context otherwise requires:

"**Award**" means a Conditional Award or an Option;

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

"**Committee**" means the remuneration committee of the Board or, on and after the occurrence of a corporate event described in Rule 11 (*Takeovers and other corporate events*), the remuneration committee of the Board as constituted immediately before such event occurs;

"**Company**" means Severfield plc (registered in England and Wales with registered number 1721262);

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

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

"**Clawback**" means an obligation to repay the amounts referred to in Rule 13.3 (*Amount to be subject to Clawback*);

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

"**Early Vesting Date**" means either:

(a) the later of:

(i) the date of cessation of employment or office of a Participant in the circumstances referred to in Rule 11.1 (*Good leavers*); and

(ii) early determination of the extent of Vesting having regard to any Performance Condition and/or other term or condition imposed on the Vesting of the Award relating to such cessation; or

(b) the date of the relevant event in Rule 11.1 (*General offers*) or Rule 11.2 (*Schemes of arrangement and winding up*) or the date of Vesting referred to in Rule 11.3 (*Demergers and similar events*);

"**Exercise Period**" means the period referred to in Rule 6.2 (*Options*) during which an Option may be exercised;

"**FCA**" means the Financial Conduct Authority;

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

"**Group Member**" means:

(a) a Participating Company or a body corporate which is the Company's holding company (within the meaning of section 1159 of the Companies Act 2006) or a Subsidiary of the Company's holding company;

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

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

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

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

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

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

"**Option Price**" means the nominal amount, if any, payable on the exercise of an Option;

"**Participant**" means a person who holds an Award including their personal representatives;

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

"**Performance Condition**" means a condition related to performance which is specified by the Committee under Rule 3.1 (*Terms of grant*);

"**Plan**" means the Severfield Performance Share Plan 2017, as amended from time to time;

"**Rule**" means a rule of the Plan;

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

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

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

"**Vest**" means:

- (a) in relation to an Option, it becoming exercisable;
- (b) in relation to a Conditional Award, a Participant becoming entitled to have Shares transferred to them (or their nominee) subject to the Rules;

and **Vesting** shall be construed accordingly; and

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

- 1.2 Any reference in the Plan to any enactment includes a reference to that enactment as from time to time modified, extended or re-enacted.

1.3 Where the context admits, a reference to the singular includes the plural and a reference to the male includes the female.

1.4 Expressions in italics, headings and any footnotes are for guidance only and do not form part of the Plan.

2. **ELIGIBILITY**

An individual is eligible to be granted an Award only if they are an employee (including an executive director) of a Participating Company.

3. **GRANT OF AWARDS**

3.1 **Terms of grant**

Subject to Rule 3.6 (*Timing of grant*), Rule 3.7 (*Approvals and consents*) and Rule 4 (*Limits*), the Committee may resolve to grant an Award on:

- (a) the terms set out in the Plan; and
- (b) such additional terms if any (whether a Performance Condition and/or any other terms or conditions) as the Committee may specify,

to any person who is eligible to be granted an Award under Rule 2 (*Eligibility*).

~~A Performance Condition must apply in the case of the grant of an Award to an executive director of the Company.~~

3.2 **Type of Award**

On or before the Grant Date, the Committee shall determine whether an Award shall be a Conditional Award or an Option. If the Committee does not specify the type of an Award on or before the Grant Date then an Award shall be an Option with a nil Option Price.

3.3 **Method of grant**

An Award shall be granted as follows:

- (a) by deed executed by the Company;
- (b) if an Award is an Option, the Committee shall determine the Option Price (if any) on or before the Grant Date, provided that the Committee may reduce or waive such Option Price on or prior to the exercise of the Option.

3.4 **Dividend Equivalent at the discretion of the Committee**

The Committee may decide on or before the grant of an Award that either:

- (a) a Participant (or their nominee) shall be entitled to receive a benefit determined by reference to the value of the dividends that would have been paid on the Vested Shares in respect of dividend record dates occurring during the period between the Grant Date and the date of Vesting. The Committee shall decide the basis on which the value of such dividends shall be calculated. The Committee shall also decide at this time whether the Dividend Equivalent shall be provided to the Participant in the form of cash and/or Shares. The Dividend Equivalent shall be provided in accordance with Rule 6.3 (*Delivery of Dividend Equivalent*); or

- (b) it shall grant an Award on terms where the number of Shares comprised in an Award shall increase by deeming dividends that would have been paid on such Shares in respect of dividend record dates occurring within the period between the Grant Date and the date of Vesting to have been reinvested in additional Shares on such terms (including but not limited to the price at which any such additional Shares shall be deemed to have been purchased or otherwise) as the Committee shall decide.

3.5 **Method of satisfying Awards**

Unless specified to the contrary by the Committee on the Grant Date, an Award may be satisfied:

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

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

3.6 **Timing of grant**

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

- (a) within the period of 42 days commencing on the date on which the Plan is approved by shareholders;
- (b) within the period of 42 days commencing with the dealing day immediately following the last day of a 'closed period' under the Market Abuse Regulation (EU) 596/2014; or
- (c) at any other time when the Committee considers that circumstances are sufficiently exceptional to justify its grant

but an Award may not be granted after 6 September 2027 (that is, the expiry of the period of 10 years beginning with the date on which the Plan is approved by the shareholders of the Company).

3.7 **Approvals and consents**

The grant of any Award shall be subject to obtaining any approval or consent required under the Listing Rules, any relevant share dealing code of the Company, the City Code on Takeovers and Mergers, or any other relevant UK or overseas regulation or enactment.

3.8 **Non-transferability and bankruptcy**

An Award granted to any person:

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

4. LIMITS

4.1 10 per cent. in 10 years limit

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

4.2 5 per cent. in 10 years limit

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

4.3 Meaning of "allocated"

For the purpose of Rules 4.1 (*10 per cent. in 10 years limit*) and 4.2 (*5 per cent. in 10 years limit*):

- (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; and
- (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.

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

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

- (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 on its vesting or exercise; or
 - (bb) it shall be satisfied wholly or partly by the transfer of existing Shares (other than Shares transferred out of treasury),

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

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

4.5 **Changes to investor guidelines**

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

4.6 **Individual limit**

- (a) The maximum total market value of Shares (calculated as set out in this Rule 4.6) over which Awards may be granted to any employee during any financial year of the Company is 150% of their salary (as defined in this Rule 4.6) unless Rule 4.6(b) applies.
- (b) If the Committee decides that exceptional circumstances exist, such as recruitment, then the maximum total market value of Shares (calculated as set out in this Rule 4.6) over which Awards may be granted to that employee during a financial year of the Company is such percentage of their salary (as defined in this Rule 4.6) as the Committee determines appropriate.

For the purpose of this Rule 4.6:

- (i) an employee's **salary** shall be taken to be their base salary (excluding benefits in kind), expressed as an annual rate payable by the Participating Companies to them on the Grant Date (or such earlier date as the Committee shall determine). Where a payment of salary is made in a currency other than sterling, the payment shall be treated as equal to the equivalent amount of sterling determined by using any rate of exchange which the Committee may reasonably select; and
- (ii) the **market value** of the Shares over which an Award is to be granted shall be taken to be an amount equal to the closing middle-market quotation of such Shares (as derived from the London Stock Exchange Daily Official List) on the dealing day before the Grant Date or, if the Committee so determines, the average of the closing middle market quotations during a period determined by the Committee not exceeding the period of 5 dealing days ending with the dealing day before the Grant Date provided such dealing day(s) do not fall within any period when dealings in Shares are prohibited under the Company's share dealing code.

4.7 **Effect of limits**

Any Award shall be limited and take effect so that the limits in this Rule 4 are complied with.

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

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

5. **VESTING OF AWARDS**

5.1 Timing of Vesting: Normal Vesting Date

Subject to Rule 5.3 (*Adjustments to extent of Vesting*) and Rule 5.4 (*Restrictions on Vesting: regulatory and tax issues*), an Award shall Vest on the later of:

- (a) if any Performance Condition and/or any other term or condition has been imposed on the Vesting of the Award, the date on which the Committee determines the extent of Vesting having regard to that whether or not such Performance Condition and/or other term or condition ~~has been wholly or partly satisfied~~; and
- (b) the third anniversary of the Grant Date or such other date (which may be earlier or later than the third anniversary of the Grant Date) as the Board shall determine on or before the Grant Date,

except where earlier Vesting occurs on an Early Vesting Date under Rule 10 (*Leavers*) or Rule 11 (*Takeovers and other corporate events*).

5.2 Extent of Vesting

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

- (a) that any Performance Condition is satisfied on the Normal Vesting Date or, if appropriate, the Early Vesting Date;
- (b) permitted by any other term or condition imposed on the Vesting of the Award;
- (c) in relation to Vesting before the Normal Vesting Date, in accordance with Rules 10.4 (*Leavers: reduction in the number of Vested Shares*) and 11.5 (*Corporate Events: reduction in number of Vested Shares*); and
- (d) as permitted under any operation of the Clawback.

Where, under Rule 10 (*Leavers*) or Rule 11 (*Takeovers and other corporate events*), an Award would (subject to the satisfaction of any Performance Condition) Vest before the end of the full period over which performance would be measured under any Performance Condition then, unless provided to the contrary by the Performance Condition, the extent to which the Performance Condition has been satisfied in such circumstances shall be determined by the Committee on such reasonable basis as it decides.

Where, under Rule 10 (*Leavers*) or Rule 11 (*Takeovers and other corporate events*), an Award would (subject to any term or condition imposed on the Vesting of the Award other than a Performance Condition) Vest before the originally anticipated date of assessment of that other term or condition then, unless provided to the contrary by that term or condition, whether and, if relevant, the extent to which that term or condition has been satisfied in such circumstances shall be determined by the Committee on such reasonable basis as it decides.

5.3 Adjustments to extent of Vesting – applicable to Awards granted on or after 19 June 2019

Notwithstanding any other provision of the Plan, and irrespective of: (i) whether and to what extent any Performance Condition attached to an Award has been satisfied; and (ii) whether and, if relevant, to what extent any other term or condition which has been imposed on the Vesting of an Award has been satisfied, the Committee may at any time prior to the settlement of an Award granted on or after 19 June 2019 and at its discretion:

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

- (b) impose any other condition on the Vesting of an Award,

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

5.4 **Restrictions on Vesting: regulatory and tax issues**

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

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

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

5.5 **Tax liability before Vesting**

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

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

5.6 **Payment of Tax Liability**

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

6. CONSEQUENCES OF VESTING

6.1 Conditional Awards

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

6.2 Options

An Option shall, subject to Rule 7.1 (*Restrictions on the exercise of an Option: regulatory and tax issues*), be exercisable in respect of Vested Shares during the period commencing on the date on which an Option Vests and expiring on the eve of the 10th anniversary of the Award's Grant Date (or such shorter period specified by the Committee on or prior to grant of the Award) subject to it lapsing earlier under Rule 10 (*Leavers*) or Rule 11 (*Takeovers and other corporate events*).

If an Option is not exercised during the last 30 days of the Exercise Period because of any regulatory restrictions referred to in Rule 7.1(a), the Committee may extend the period during which the Option may be exercised so as to permit the Option to be exercised as soon as those restrictions cease to apply for such limited period as the Committee determines appropriate.

6.3 Delivery of Dividend Equivalent

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

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

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

7. EXERCISE OF OPTIONS

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

An Option which has Vested may not be exercised unless the following conditions are satisfied:

- (a) the exercise of the Option and the issue or transfer of Shares after such exercise would be lawful in all relevant jurisdictions and in compliance with the Listing Rules, any relevant share dealing code of the Company, the City Code on Takeovers and Mergers and any other relevant UK or overseas regulation or enactment;
- (b) if, on the exercise of the Option, a Tax Liability would arise by virtue of such exercise and the Board decides that such Tax Liability shall not be satisfied by the sale of Shares pursuant to Rule 7.4 (*Payment of Tax Liability*) then the Participant must have entered into arrangements acceptable to the Board that the relevant Group Member shall receive the amount of such Tax Liability;

- (c) the Participant has entered into such arrangements as the Committee requires (and where permitted in the relevant jurisdiction) to satisfy a Group Member's liability to social security contributions in respect of the exercise of the Option; and
- (d) where the Committee requires, the Participant has entered into, or agreed to enter into, a valid election under Part 7 of ITEPA (*Employment income: elections to disapply tax charge on restricted securities*) or any similar arrangement in any overseas jurisdiction.

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

7.2 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 the Option in respect of such fewer number of Shares as it decides.

7.3 Method of exercise

The exercise of any Option shall be effected in the form and manner prescribed by the Board. Unless the Board, acting fairly and reasonably, determines otherwise, any notice of exercise shall, subject to Rule 7.1 (*Restrictions on the exercise of an Option: regulatory and tax issues*), take effect only when the Company receives it, together with payment of any relevant Option Price (or, if the Board so permits, an undertaking to pay that amount).

7.4 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 Group Member receives the amount required to discharge any Tax Liability which arises on such exercise except to the extent that the Board decides that all or part of the Tax Liability shall be funded in a different manner.

7.5 Transfer or allotment timetable

As soon as reasonably practicable after an Option has been exercised, the Company shall, subject to Rule 7.4 (*Payment of Tax Liability*) and any arrangement made under Rules 7.1(b) and 7.1(c) (*Restrictions on exercise: regulatory and tax issues*), transfer or procure the transfer to them (or a nominee for them) or, if appropriate, allot to them (or a nominee for them) the number of Shares in respect of which the Option has been exercised.

7.6 Lapse of Options

An Option which has become exercisable shall lapse at the end of the Exercise Period to the extent it has not been exercised unless it lapses earlier under Rule 10 (*Leavers*) or Rule 11 (*Takeovers and other corporate events*).

8. CASH ALTERNATIVE

8.1 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 (or their nominee), the Committee may determine that, in substitution for their right to acquire such number of Vested Shares as the Committee may decide (but in full and final satisfaction of their right to acquire those Shares), they shall be paid by way of additional employment income a sum equal to the cash

equivalent (as defined in Rule 8.3 (*Cash equivalent*)) of that number of Shares in accordance with the following provisions of this Rule 8.

8.2 **Limitation on the use of this Rule**

Rule 8.1 (*Committee determination*) shall not apply in relation to an Award made to a Participant in any jurisdiction where the presence of Rule 8.1 (*Committee determination*) would cause:

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

8.3 **Cash equivalent**

For the purpose of this Rule 8, 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;
- (b) in the case of an Option, the market value of a Share on the day when the Option is exercised, reduced by the Option Price 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.

8.4 **Payment of cash equivalent**

As soon as reasonably practicable after the Committee has determined under Rule 8.1 (*Committee determination*) that a Participant shall be paid a sum in substitution for their right to acquire any number of Vested Shares:

- (a) the Company shall pay to them or procure the payment to them of that sum in cash; and
- (b) if they have already paid the Company for those Shares, the Company shall return to them the amount so paid by them.

8.5 **Share alternative**

If the Committee so decides, the whole or any part of the sum payable under Rule 8.4 (*Payment of cash equivalent*) shall, instead of being paid to the Participant in cash, be applied on their behalf:

- (a) in subscribing for Shares at a price equal to the market value by reference to which the cash equivalent is calculated; or
- (b) in purchasing such Shares; or
- (c) partly in one way and partly in the other

and the Company shall allot or transfer to them (or their nominee) or procure the transfer to them (or their nominee) of the Shares so subscribed for or purchased.

8.6 Deductions

There shall be deducted from any payment under this Rule 8 such amounts (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.

9. LAPSE OF AWARDS

An Award shall lapse:

- (a) in accordance with the Rules; or
- (b) to the extent it does not Vest under these Rules.

10. LEAVERS

10.1 Good leavers before the Normal Vesting Date

If a Participant ceases to be a director or employee of a Group Member before the Normal Vesting Date by reason of:

- (a) death,
- (b) injury or disability evidenced to the satisfaction of the Committee;
- (c) retirement with the agreement of their employer;
- (d) their office or employment being with either a company which ceases to be a Group Member or relating to a business or part of a business which is transferred to a person who is not a Group Member; or
- (e) for any other reason, if the Committee so decides,

then:

- (i) subject to Rule 5.4 (*Restrictions on Vesting: regulatory and tax issues*), Rule 10.6 (*Death following cessation of employment*) and Rule 11 (*Takeovers and other corporate events*), their Award shall Vest on the Normal Vesting Date and Rule 10.4 (*Leavers: reduction in number of Vested Shares*) shall apply; unless
- (ii) the Committee decides in exceptional circumstances that, subject to Rule 5.4 (*Restrictions on Vesting: regulatory and tax issues*) and Rule 11 (*Takeovers and other corporate events*), their Award shall Vest on the Early Vesting Date and Rule 10.4 (*Leavers: reduction in number of Vested Shares*) shall apply; and

an Award in the form of an Option which Vests under (i) or (ii) above may, subject to Rule 7.1 (*Restrictions on the exercise of an Option: regulatory and tax issues*) and Rule 11 (*Takeovers and other corporate events*), be exercised in respect of the Vested Shares within the period of 12 months commencing on the date of Vesting (or, if shorter, until the expiry of the Exercise Period) and, to the extent that the Option is not exercised, it shall lapse at the end of that period.

10.2 Good leavers on or after the Normal Vesting Date

If a Participant who holds an Option ceases to be a director or employee of a Group Member on or after the Normal Vesting Date for a reason specified in Rule 10.1 (*Good leavers before the Normal Vesting Date*) then, subject to Rule 7.1 (*Restrictions on the exercise of an Option: regulatory and tax issues*) and Rule 11 (*Takeovers and other corporate events*), that Option shall continue to be exercisable for a period of 12 months commencing on the date of cessation (or, if shorter, until the expiry of the Exercise Period) and, to the extent that the Option is not exercised, it shall lapse at the end of that period.

10.3 Cessation of employment in other circumstances

If a Participant ceases to be a director or employee of a Group Member for any reason other than those specified in Rules 10.1 (*Good leavers before the Normal Vesting Date*) then any Award held by them shall lapse immediately on such cessation.

10.4 Leavers: reduction in number of Vested Shares

Where an Award Vests on or after a Participant ceasing to be a director or employee of a Group Member, the Committee shall determine the number of Vested Shares of that Award by the following steps:

- (a) applying any Performance Condition and any other term or condition imposed on the Vesting of the Award; and
- (b) applying a pro rata reduction to the number of Shares determined under 10.4(a) based on the period of time after the Grant Date and ending on the date of cessation relative to the period of 3 years,

unless the Committee, acting fairly and reasonably, decides that the reduction in the number of Vested Shares under Rule 10.4(b) is inappropriate in any particular case when it shall 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 10.4(a).

If an Award Vests under any of Rules 11.1 (*General offers*) to 11.3 (*Demergers and similar events*) when the holder of that Award has ceased to be a director or employee of a Group Member then this Rule 10.4 shall take precedence over Rule 11.5 (*Corporate events: reduction in the number of Vested Shares*).

10.5 Meaning of ceasing employment

A Participant shall not be treated for the purposes of this Rule 10 as ceasing to be a director or employee of a Group Member until such time as they are no longer a director or employee of any Group Member. If any Participant ceases to be such a director or employee before the Vesting of their Award in circumstances where they retain a statutory right to return to work then they shall be treated as not having ceased to be such a director or employee until such time (if at all) as they cease to have such a right to return to work while not acting as an employee or director.

The reason for the termination of office or employment of a Participant shall be determined by reference to Rules 10.1 (*Good leavers before the Normal Vesting Date*) to 10.5 (*Meaning of ceasing employment*) regardless of whether such termination was lawful or unlawful.

10.6 **Death following cessation of employment**

If a Participant dies following cessation of employment in circumstances where their Award did not lapse but it has not Vested by the time of their death, it shall Vest immediately on their death to the extent determined by reference to the time of cessation in accordance with Rule 10.1(ii).

An Award in the form of an Option that Vests under this Rule 10.6 may, subject to Rule 7.1 (*Restrictions on the exercise of an Option: regulatory and tax issues*) and Rule 11 (*Takeovers and other corporate events*), be exercised in respect of the Vested Shares within the period of 12 months commencing on the date of Vesting (or, if shorter, until the expiry of the Exercise Period) and, to the extent that the Option is not exercised, it shall lapse at the end of that period.

11. **TAKEOVERS AND OTHER CORPORATE EVENTS**

11.1 **General offers**

In the event that 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 the Board shall, within 7 days of becoming aware of that event, notify every Participant of it and, subject to Rule 11.4 (*Internal reorganisations*), the following provisions shall apply:

- (i) subject to Rule 5.4 (*Restrictions on Vesting: regulatory and tax issues*), all Awards shall Vest on the date of such event if they have not then Vested and Rule 11.5 (*Corporate events: reduction in number of Vested Shares*) shall apply; and
- (ii) any Option may, subject to Rule 7.1 (*Restrictions on the exercise of an Option: regulatory and tax issues*), be exercised within one month of the date of such notification, but to the extent that an Option is not exercised within that period, that Option shall (regardless of any other provision of the Plan) lapse at the end of that period.

11.2 **Schemes of arrangement and winding up**

In the event that:

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

all Awards shall, subject to Rule 5.4 (*Restrictions on Vesting: regulatory and tax issues*) and Rule 11.4 (*Internal reorganisations*), Vest on the date of such event if they have not then Vested and Rule 11.5 (*Corporate events: reduction in number of Vested Shares*) shall apply.

If an event as described in this Rule occurs then an Option may, subject to Rule 7.1 (*Restrictions on the exercise of an Option: regulatory and tax issues*) and Rule 11.4 (*Internal reorganisations*), be exercised within one month of such 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 (regardless of any other provision of the Plan) lapse at the end of that period.

11.3 Demergers and similar events

If a demerger, special dividend or other similar event (the “**Relevant Event**”) is proposed which, in the opinion of the Committee, would affect the market price of Shares to a material extent, then the Committee may, at its discretion, decide that 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 10 (*Leavers*), their Award Vests and, if relevant, their Option may, subject to Rule 7.6 (*Lapse of Options*) and Rule 10 (*Leavers*), be exercised on such terms as the Committee may determine and during such period preceding the Relevant Event or on the Relevant Event as the Committee may determine and 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 Relevant 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 the Committee decides that an Award Vests under this Rule 11.3 then the date of that Vesting shall be the Early Vesting Date and the provisions of Rule 11.5 (*Corporate events: reduction in number of Vested Shares*) shall apply.

11.4 Internal reorganisations

In the event that:

- (a) a company (the “**Acquiring Company**”) is expected to obtain Control of the Company as a result of an offer referred to in Rule 11.1 (*General offers*) or a compromise or arrangement referred to in Rule 11.2(a); and
- (b) at least 75% of the shares in the Acquiring Company are expected to be held by substantially the same persons who immediately before the obtaining of Control of the Company were shareholders in the Company

then the Committee, with the consent of the Acquiring Company, may decide before the obtaining of such Control that an Award shall not Vest under Rule 11.1 (*General offers*) or Rule 11.2 (*Schemes of arrangement and winding up*) but shall be automatically surrendered in consideration for the grant of a new award which the Committee determines is equivalent to the Award (including as to any Performance Condition and any other term or condition imposed on the Vesting of the Award) it replaces except that it will be over shares in the Acquiring Company or some other company.

The Rules will apply to any new award granted under this Rule 11.4 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.

11.5 Corporate events: reduction in number of Vested Shares

If an Award Vests under any of Rules 11.1 (*General offers*) to 11.3 (*Demergers and similar events*), the Committee shall determine the number of Vested Shares of that Award by the following steps:

- (a) applying any Performance Condition and any other term or condition imposed on the Vesting of the Award; and
- (b) subject to Rule 10.4 (*Leavers: reduction in number of Vested Shares*), by applying a pro rata reduction to the number of Shares determined under Rule 11.5(a) based on the period of time after the Grant Date and ending on the Early Vesting Date relative to the period of 3 years,

unless the Committee, acting fairly and reasonably, decides that the reduction in the number of Vested Shares under Rule 11.5(b) is inappropriate in any particular case when it shall increase the number of Vested Shares to such higher number as it decides provided that number does not exceed the number of Shares determined under Rule 11.5(a).

If an Award Vests under any of Rules 11.1 (*General offers*) to 11.3 (*Demergers and similar events*) after the holder of that Award has ceased to be an employee or director of a Group Member then Rule 10.4 (*Leavers: reduction in the number of Vested Shares*) shall take precedence over this Rule 11.5.

12. ADJUSTMENT OF AWARDS

12.1 General rule

In the event of:

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

the Committee may make such adjustments as it considers appropriate under Rule 12.2 (*Method of adjustment*).

12.2 Method of adjustment

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

- (a) the number of Shares comprised in an Award;
- (b) subject to Rule 12.3 (*Adjustment below nominal value*), 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.

12.3 Adjustment below nominal value

An adjustment under Rule 12.2 (*Method of adjustment*) may have the effect of reducing 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 such amount on such Shares,

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

13. CLAWBACK

13.1 Applicability of Clawback

This Rule 13 shall apply to Awards regardless of any other provisions of the Plan.

13.2 Events that lead to Clawback

The Committee may decide at any time before the later of: (i) the third anniversary of the date on which an Award Vests; and (ii) publication of the Company's third set of audited accounts following the date on which an Award Vests (the "**Discovery Period**"), that the individual to whom the Award was granted (the "**Relevant Individual**") shall be subject to an obligation to repay the amounts referred to in Rule 13.3 ("**Clawback**") if:

- (a) the Company materially misstated its financial results for whatever reason either directly or indirectly and that such misstatement resulted either directly or indirectly in that Award being granted over a greater number of Shares or Vesting to a greater degree than would have been the case had that misstatement not been made;
- (b) the Committee forms the view that in assessing any Performance Condition and/or any other term or condition imposed on the Award such assessment was based on an error, or on inaccurate or misleading information or assumptions and that such error, information or assumptions resulted either directly or indirectly in that Award being granted over a greater number of Shares or Vesting to a greater degree than would have been the case had that error not been made;
- (c) the Committee forms the view that there has been a substantial failure of risk control in relation to the Company;
- (d) it is determined that the Relevant Individual committed serious misconduct that could have warranted their summary dismissal and consequently could have resulted in the Award lapsing in part or in full;
- (e) in respect of Awards granted on or after 19 June 2019 only, the Company has suffered corporate failure which has resulted in the appointment of a liquidator or administrator or the Company entering into a compromise arrangement with its creditors;
- (f) in respect of Awards granted on or after 19 June 2019 only, the Company or the relevant business unit for which the Relevant Individual works suffers a material downturn in its financial or operational performance which, in the determination of the Committee, is at least partly due to a material failure in the management of the Company or relevant business unit and to which the Relevant Individual made a material contribution;
- (g) in respect of Awards granted on or after 19 June 2019 only, the Company or the relevant business unit for which the Relevant Individual works (or worked) suffers serious damage to its reputation [which, in the determination of the Committee, is at least partly due to a [material] failure in the management of the Company or relevant business unit and to which the Relevant Individual made a material contribution; or
- (h) in other exceptional circumstances (as determined by the Committee).

The Discovery Period may be extended by the Committee for an additional period of two years, being therefore a total period of five years from the date on which an Award Vests or the

publication of the Company's third set of audited accounts following the date on which an Award Vests, if an event occurs which the Committee determines could result in the operation of Clawback under (a) to (h) above and there is an ongoing investigation into the circumstances of such event. The Committee will notify any individuals to whom this may apply.

13.3 Amount to be subject to Clawback

Where Rules 13.2(a), (b) and/or (c) above apply, the Committee shall decide on the amount to be subject to Clawback which shall be all or part of the additional value which the Committee considers has been granted to, Vested and/or received by the Relevant Individual as referred to in those Rules, but if the Relevant Individual is required to repay all or part of such additional value pursuant to Rule 13.4(b) below then the Committee may consider whether that amount should take into account any income tax and national insurance contributions paid by the Relevant Individual and any possibility of them reclaiming such income tax and national insurance contributions.

Where Rules 13.2(d) and/or (h) above applies, the amount to be subject to Clawback shall be such amount as the Committee decides is appropriate.

13.4 Satisfaction of the Clawback

The Clawback shall be satisfied as set out in Rules 13.4(a) and/or 13.4(b).

- (a) The Committee may reduce (including, if appropriate, reducing to zero) any of the following elements of the remuneration of the Relevant Individual:
 - (i) the amount of any future bonus which would, but for the operation of the Clawback, be payable to the Relevant Individual in respect of the 2016 financial year onwards under any bonus plan operated by any Group Member; and/or
 - (ii) the number of Shares subject to any subsisting award (either unvested or vested but unexercised, as relevant) held by the Relevant Individual under any deferred bonus plan operated by any Group Member; and/or
 - (iii) the number of Shares subject to any subsisting Award and/or other award (either unvested or vested but unexercised, as relevant) held by the Relevant Individual under the Plan or any other employees' share plan or share award arrangement (except for any award which is tax-advantaged pursuant to Schedules 2 to 5 inclusive of ITEPA or any deferred bonus plan which is not approved by shareholders in general meeting) notwithstanding the extent to which any performance condition and/or any other condition imposed on any such Award and/or other award (as relevant) has been satisfied; and/or
- (b) the Committee may require the relevant individual to pay to such Group Member as the Committee may direct, and on such terms as the Committee may direct (including, but without limitation to, on terms that the relevant amount is to be deducted or withheld from the Relevant Individual's salary or from any other payment to be made to the Relevant Individual by any Group Member), such amount as is required for the Clawback to be satisfied in full.

Any reduction made pursuant to Rule 13.4(a)(ii) and/or (iii) shall be made at such time or times as the Committee determines appropriate and which, in the case of unvested awards, shall be at the time they would otherwise ordinarily vest unless the Committee decides otherwise.

13.5 **Reduction in Awards to give effect to clawback provisions in other plans**

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

14. **ALTERATIONS**

14.1 **General rule on alterations**

Except as described in Rule 14.2 (*Shareholder approval*) and Rule 14.4 (*Alterations to disadvantage of Participants*) the Committee may at any time alter the Plan or the terms of any Award.

14.2 **Shareholder approval**

Except as described in Rule 14.3 (*Exceptions to shareholder approval*), no alteration to the advantage of an individual to whom an Award has been or may be granted shall be made under Rule 14.1 (*General rule of alterations*) to the provisions concerning:

- (a) eligibility;
- (b) the individual limits on participation;
- (c) the overall limits 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 14.2,

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

14.3 **Exceptions to shareholder approval**

Rule 14.2 (*Shareholder approval*) shall not apply to:

- (a) any minor alteration to benefit the administration of the Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for Participants or any Group Member; or
- (b) any alteration ~~relating to the Performance Condition~~ made under Rule 14.5 (*Alterations to a Performance Condition or to any other term or condition imposed on the Vesting of an Award*).

14.4 **Alterations to disadvantage of Participants**

No alteration to the material disadvantage of Participants (other than a change to any Performance Condition or to any other term or condition imposed on the Vesting of an Award) shall be made under Rule 14.1 (*General rule on alterations*) unless:

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

14.5 **Alterations to a Performance Condition or to any other term or condition imposed on the Vesting of an Award**

The Committee may amend any Performance Condition or any other term or condition imposed on the Vesting of an Award 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 or other term or condition;
- (b) the altered Performance Condition or other term or condition will, in the reasonable opinion of the Committee, be not materially less difficult to satisfy than the unaltered Performance Condition or other term or condition as the case may be would have been but for the event in question; and
- (c) the Committee shall act fairly and reasonably in making the alteration.

15. **MISCELLANEOUS**

15.1 **Employment**

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

15.2 **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.

15.3 **Exercise of powers and discretions**

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.

15.4 **Share rights**

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

Where Vested Shares are transferred to Participants (or their nominee), Participants shall be entitled to all rights attaching to such Shares by reference to a record date on or after the date of such transfer or release of such restrictions.

15.5 **Notices**

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

- (a) by personal delivery or by internal or ordinary post, in the case of a company to the company secretary at its registered office or to such other address as may from time to time be notified to an individual, and in the case of an individual to their last known address, or, where they are a director or employee of a Group Member, either to their last known address or to the address of the place of business at which they perform 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.

Where a notice or document is sent to an eligible employee or Participant by ordinary or internal post, it shall be treated as being received 72 hours after it was put into the post properly addressed and, where relevant, stamped. In all other cases, the notice or document shall be treated as received when it is given. A notice or document sent to the Company shall only be effective once it is received by the Company, unless otherwise agreed by the Company. All notices and documents given or sent to the Company shall be given or sent at the risk of the sender.

15.6 **Third parties**

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

15.7 **Benefits not pensionable**

Benefits provided under the Plan shall not be pensionable.

15.8 **Data Protection**

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

15.9 **Governing law**

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

SCHEDULE I

CASH CONDITIONAL AWARDS

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

1. The Committee may grant or procure the grant of a Cash Conditional Award.
2. Each Cash Conditional Award shall relate to a given number of notional Shares.
3. On the Vesting of the Cash Conditional Award the holder of that Award shall be entitled to a cash sum which shall be equal to the "**Cash Value**" of the notional Vested Shares, where the Cash Value of a notional Share is the market value of a Share on the date of Vesting of the Cash Conditional Award. For the purposes of this Schedule, the market value of a Share on any day shall be determined in accordance with Rule 8.3 (*Cash equivalent*).
4. The cash sum payable under paragraph 3 above shall be paid by the employer of the Participant as soon as practicable after the Vesting of the Cash Conditional Award, net of any deductions (on account of tax or similar liabilities) as may be required by law.
5. For the avoidance of doubt, a Cash Conditional Award shall not confer any right on the holder of such an Award to receive Shares or any interest in Shares.

SCHEDULE II

HOLDING PERIOD

The provisions of this Schedule II shall apply to Shares acquired or delivered on the Vesting or exercise of an Award granted on or after 19 June 2019 to an executive director (including a former executive director) of the Company and to any other individual that the Committee determines before the Grant Date of their Award.

1. DEFINITIONS

In this Schedule II, unless otherwise stated, the words and expressions below have the following meanings:

"Holding Period" means the period starting on the date on which an Award Vests and ending on the earliest of the dates specified in paragraph 4 (*Expiry of the Holding Period*) of this Schedule II during which a Participant is required not to sell, transfer, assign or dispose of their Net Vested Shares in accordance with this Schedule II; and

"Net Vested Shares" means the Shares which Vest in connection with an Award and which are acquired or received by a Participant on Vesting of a Conditional Award or on exercise of an Option, in each case during the Holding Period, less: (a) a number of Shares with an aggregate market value on the date of Vesting (in the case of Conditional Awards) or exercise (in the case of Options) equal to the Participant's Tax Liability arising on that event; or (b) if the Shares which Vest are sold to satisfy that Tax Liability, the number of Shares sold.

2. RESTRICTIONS ON SALE, TRANSFER, DISPOSAL OR ASSIGNMENT OF NET VESTED SHARES

Subject to paragraph 3 (*Permitted transfers during the Holding Period*) of this Schedule II, a Participant to which this Schedule II applies is required:

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

For the avoidance of doubt, Net Vested Shares shall not be subject to any risk of forfeiture during the Holding Period other than to satisfy Clawback under Rule 13 (Clawback).;

~~(i) Net Vested Shares shall not be subject to any risk of forfeiture during the Holding Period other than to satisfy Clawback under Rule 13 (Clawback); and~~

~~(ii) any Shares delivered in connection with a Dividend Equivalent shall not be subject to the Holding Period.~~

3. **PERMITTED TRANSFERS DURING THE HOLDING PERIOD**

Subject to the prior approval of the Board, the Participant may, during the Holding Period, transfer or assign some or all of their Net Vested Shares to any other person approved by the Board (the "**transferee**"), provided that the transferee has agreed to comply with this Schedule II, any other terms and conditions imposed by the Board and the decisions of the Board and the transferee agrees not to sell, transfer, assign or dispose of those Net Vested Shares until the expiry of the Holding Period.

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

4. **EXPIRY OF THE HOLDING PERIOD**

The Holding Period shall expire on the earliest of:

- (a) the fifth anniversary of the Grant Date;
- (b) the date of a general offer or scheme of arrangement under Rule 11.1 (*General offers*) or 11.2 (*Schemes of arrangement and winding-up*) (except where Awards are exchanged under Rule 11.4 (*Internal reorganisations*));
- (c) the death of the Participant; and
- (d) any other date determined by the Board.

Net Vested Shares shall cease to be subject to any restrictions under this Schedule 4 once the Holding Period has expired.

5. **INTERACTION WITH THE COMPANY'S SHARE OWNERSHIP GUIDELINES**

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