

SERAPHINE GROUP PLC

THE SERAPHINE GROUP PLC DEFERRED BONUS SHARE PLAN

Adopted by the board of the Company on 30 June 2021, conditional on Admission

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

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

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

The detailed rules of the Plan are set out overleaf.



CONTENTS

| Rule | Page |
|---|-------------|
| 1. DEFINITIONS AND INTERPRETATION | 3 |
| 2. ELIGIBILITY | 5 |
| 3. GRANT OF AWARDS | 5 |
| 4. LIMITS | 7 |
| 5. VESTING OF AWARDS | 9 |
| 6. CONSEQUENCES OF VESTING | 10 |
| 7. EXERCISE OF OPTIONS | 11 |
| 8. CASH ALTERNATIVE | 12 |
| 9. LAPSE OF AWARDS | 13 |
| 10. LEAVERS | 14 |
| 11. TAKEOVERS AND OTHER CORPORATE EVENTS | 15 |
| 12. ADJUSTMENT OF AWARDS | 16 |
| 13. MALUS & CLAWBACK | 17 |
| 14. ALTERATIONS | 19 |
| 15. MISCELLANEOUS | 20 |
| APPENDIX I - CASH CONDITIONAL AWARDS | 22 |

1. DEFINITIONS AND INTERPRETATION

1.1 In the Plan, unless the context otherwise requires:

"**Admission**" means the admission of the issued ordinary share capital of the Company to the Official List of the FCA and to trading on the London Stock Exchange;

"**Applicable Laws**" means the Listing Rules published by the Financial Conduct Authority, the City Code on Takeovers and Mergers, the Market Abuse Regulation (EU) 596/2014 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;

"**Bonus**" means a bonus payable under a discretionary bonus arrangement operated by a Participating Company and which may be conditionally deferred into an Award under the Plan;

"**Bonus Year**" means the financial year of the Company (or other relevant period) over which the Bonus is earned by reference to performance over that financial year (or other relevant period);

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

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

"**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 that event;

"**Company**" means Seraphine Group plc (registered in England and Wales with registered number 13454003);

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

"**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;

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

"**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 an Option may be exercised subject to lapsing earlier under the Plan;

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

"**Group Member**" means:

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

"Initial LTIP Awards" means the awards included in the first cycle of awards granted under the Seraphine Group plc Long Term Incentive Plan on or within 90 of Admission and as designated as such Initial LTIP Awards by the Committee;

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

"Listing Rules" means the Listing Rules published by the United Kingdom Listing Authority;

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

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

"Normal Vesting Date" means the third anniversary of the Grant Date or such other date as the Committee specifies as the relevant Award's Normal Vesting Date on or prior to its Grant Date;

"Normal Vesting Period" means the period commencing on the Grant Date and expiring on the eve of the Normal Vesting Date;

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

"Option Price" means the nominal amount, if any, determined under Rule 3.2(c) as payable per Share on the exercise of an Option (including any Shares acquired in respect of a Dividend Equivalent), provided that the Committee may reduce or waive this Option Price on or prior to the exercise of the Option;

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

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

"Plan" means the Seraphine Group plc Deferred Bonus Share Plan 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; and
- (b) in relation to a Conditional Award, a Participant becoming entitled to have Shares transferred to them;

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

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

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

1.3 Expressions in italics and headings are for guidance only and do not form part of the Plan.

2. **ELIGIBILITY**

2.1 **General**

An individual is eligible to be granted an Award only if they are an employee (including an Executive Director) of a Participating Company and the Committee has decided that some or all of the employee's Bonus for a Bonus Year shall be deferred into an Award.

2.2 **Communication**

The Committee may inform a participant at any time during or after the relevant Bonus Year that some or all of any Bonus for that Bonus Year shall be deferred into an Award under the Plan.

3. **GRANT OF AWARDS**

3.1 **Terms of grant**

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

- (a) the terms set out in the Plan; and
- (b) any additional terms (if any) that the Committee specifies

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

3.2 **Committee determinations**

On or before the Grant Date, the Committee shall (or may, as appropriate) determine:

- (a) the proportion or amount of any individual's Bonus that is required to be delivered as an Award and the corresponding number of Shares over which the Award is granted, as calculated in accordance with the provisions of Rule 3.9 (*Determining the number of Shares under an Award*);
- (b) whether the Award shall be an Option or a Conditional Award, provided that if no determination is made it shall be an Option;

- (c) if an Award is an Option, the Option Price (if any), provided that if no determination is made it shall have a nil Option Price;
- (d) if an Award is an Option, the date at the end of which the Exercise Period shall (subject to the term of the Plan) expire, provided that if no such determination is made that day shall be the day immediately preceding the 10th anniversary of the Grant Date;
- (e) the Normal Vesting Date of the Award which shall be the second anniversary of the Grant Date unless the Committee specifies otherwise;
- (f) whether the relevant Participant shall be entitled to a Dividend Equivalent or increase in the number of Shares comprised within their Award pursuant to Rule 3.4 (*Treatment of Dividends*); and
- (g) any other terms or conditions applicable to the Award.

Awards shall comprise a single part unless the Committee determines that an Award shall comprise a number of distinct parts in which case each part shall be treated as if it were a separate Award for the purposes of the Plan and in respect of which the relevant determination for Awards as noted above shall each apply.

3.3 Method of grant

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

3.4 Treatment of dividends

The Committee may decide:

- (a) on or before the grant of an Award or at any time prior to the Vesting of an Award that a Participant shall be entitled to receive a benefit determined by reference to the value of the dividends that would have been paid on the Vested Shares in respect of dividend record dates occurring during the period between the Grant Date and the date of Vesting. The Committee shall decide the basis on which the value of such dividends shall be calculated (which may assume the reinvestment of dividends). The Committee may also decide at this time whether such Dividend Equivalent shall be provided to the Participant in the form of cash and/or Shares. Such Dividend Equivalent shall be provided in accordance with Rule 6.3 (*Delivery of dividend equivalent*); or
- (b) on or before the grant of an Award or at any time prior to the next occurring dividend record date, a term of the Award includes that 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 as the Committee shall decide.

As to whether either of the above apply is at the discretion of the Committee.

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 an Option or a Conditional Award may be satisfied after it has been granted, having regard to the provisions of Rule 4 (*Limits*).

3.6 **Timing of grant**

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

- (a) within the period of 6 weeks beginning with the dealing day after the date on which the Company announces its results for any period; or
- (b) 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 the expiry of the period of 10 years beginning with the date of Admission.

3.7 **Approvals and consents**

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

3.8 **Non-transferability and bankruptcy**

An Award granted to any person:

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

3.9 **Determining the number of Shares under an Award**

On the Grant Date, the Committee shall determine the number of Shares under an Award which shall ordinarily be the result of:

- (a) determining the sterling value of the portion of the Bonus that the Committee requires to be deferred under the Plan (to the exclusion of the award/payment of such portion in cash); and
- (b) dividing such value as determined in (a) above by the market value of Shares.

For the purposes of this Rule 3.9(b) **market value** shall ordinarily 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 up to 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 Applicable Laws or the Company's share dealing code.

4. **LIMITS**

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

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

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

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

4.3 **Meaning of "allocated"**

For the purpose of Rules 4.1 (*5 per cent. in 10 years limit*) and 4.2 (*10 per cent. in 10 years limit*) the Initial LTIP Awards shall be disregarded and:

- (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; and
- (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.

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; 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 them to be so counted.

4.6 **Individual limit**

An Award shall not be granted in any financial year if the market value of the Shares under the proposed Award together with any Awards received in that financial year would exceed 100% of the Bonus being deferred under the Plan.

For the purposes of this Rule 4.4, and unless the Committee determines otherwise, 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 up to 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 Applicable Laws or the Company's share dealing code.

4.7 **Effect of limits**

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

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

No Shares may be issued or treasury Shares transferred to satisfy the exercise of any Option or the Vesting of any Conditional Award to the extent that such issue or transfer would cause the number of Shares allocated (as defined in Rule 4.3 (*Meaning of "allocated"*) and adjusted under Rule 4.4 (*Post-grant events affecting numbers of "allocated" Shares*)) to exceed the limits in Rules 4.1 and 4.2 (*10 per cent. and 5 per cent in 10 years limits*) 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 and extent of Vesting**

Subject to Rule 5.2 (*Restrictions on Vesting: regulatory and tax issues*) and the terms of the Plan, an Award shall Vest on its Normal Vesting Date except where earlier Vesting occurs under Rule 10 (*Leavers*) or Rule 11 (*Takeovers and other corporate events*) and provided that, if the Vesting of the Award under this Rule 5 would otherwise occur on a day which is not a Dealing Day, the Award will Vest on the first Dealing Day immediately following such date unless otherwise determined by the Committee.

5.2 **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, transfer or sale of Shares on (or shortly after) Vesting, would be lawful and comply with Applicable Laws and any share dealing code of the Company;
- (b) if a Tax Liability would arise by virtue of such Vesting and the Board decides that such Tax Liability shall not (or cannot) be satisfied by the sale of Shares pursuant to Rule 5.4 (*Payment of Tax Liability*), then the Participant must have entered into arrangements acceptable to the Board that the relevant Group Member will receive the amount of such Tax Liability;
- (c) to the extent required by the Committee on or prior to the Grant Date, 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 5.2, references to Group Member include any former Group Member.

5.3 Tax liability before Vesting

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

For the purposes of this Rule 5.3, references to a Group Member include any former Group Member.

5.4 Payment of Tax Liability

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

6. CONSEQUENCES OF VESTING

6.1 Options

- (a) 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 Exercise Period unless it lapses earlier under Rule 10 (*Leavers*) or Rule 11 (*Corporate events*).
- (b) 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 Exercise Period for such limited period as the Committee 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 6.1(b)), an Option remains unexercised and would otherwise lapse under Rule 7.6 (*Lapse of Options*) the Committee may determine that the Option shall be treated as having been exercised on the last Dealing Day falling within the Exercise Period (or extended Exercise Period, if applicable) during which exercise would be permitted under Rule 7.1 (*Restrictions on the exercise of an Option: regulatory and tax issues*).

6.2 Conditional Awards

On or as soon as reasonably practicable after the Vesting of a Conditional Award, the Board shall, subject to Rule 5.4 (*Payment of Tax Liability*) and any arrangement made under Rules 5.2 (b) and 5.2(c) (*Restrictions on Vesting: regulatory and tax issues*), transfer or procure the transfer of the Vested Shares to the Participant.

6.3 Delivery of Dividend Equivalent

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

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

The provision of the Dividend Equivalent to the Participant shall be made as soon as practicable after the 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;
- (b) in the case of a provision of Shares, Rule 5.2 (*Restrictions on Vesting: regulatory and tax issues*) and Rule 5.4 (*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

A Vested Option may not be exercised unless:

- (a) the exercise of the Option 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 the exercise of the Option, a Tax Liability would arise and the Board decides that it shall not (or cannot) be satisfied by selling 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 that Tax Liability;
- (c) to the extent determined by the Committee on or prior to grant the Participant has entered into such arrangements as the Committee requires (and where permitted in the relevant jurisdiction) to satisfy a Group Member's liability to social security contributions in respect of the exercise of the Option; and

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

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

7.2 **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**

An Option shall be exercised in the form and manner prescribed by the Board. Unless the Board, acting fairly and reasonably determines otherwise, any notice of exercise shall, subject to Rule 7.1 (*Restrictions on the exercise of an Option: regulatory and tax issues*), take effect only when the Company receives it, together with payment of any 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 if appropriate, allot to 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 (*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, the Committee may determine that, in substitution for their right to acquire any number of Vested Shares as the Committee decides (but in full and final satisfaction of their right to acquire those Shares), they shall be paid as additional employment income a sum equal to the cash equivalent (defined in Rule 8.3 (*Cash equivalent*)) of that number of Shares in accordance with this Rule 8.

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

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

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

provided that this Rule 8.2 shall only apply if its application would prevent the occurrence of a consequence referred to in (a) or (b) above.

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; 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:

- (i) 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
- (ii) 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 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.

8.5 **Deductions**

There shall be deducted from any payment under this Rule 8 any amounts (on account of tax or similar liabilities) 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.

10. LEAVERS

10.1 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 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
- (f) in any other circumstances where the Committee determines that this Rule 10.1 shall apply in relation to the Award,

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

In either case, Vesting may be subject to any additional conditions that the Committee specifies and Rule 10.4 (*Leavers: reduction in number of Vested Shares*) shall apply.

Where the relevant Award is an Option then, subject to Rule 6.1 (*Options*), Rule 7 (*Exercise of options*) and Rule 11 (*Takeovers and other corporate events*), that Option shall continue to be exercisable for a 12 month period commencing on the date on which the Award Vests under this Rule 10.1 (or, if shorter, until the expiry of the Exercise Period) or such other period that the Committee specifies and, to the extent that the Option is not exercised, it shall lapse at the end of that period.

10.2 Leavers on or after the Normal Vesting Date

If a Cessation occurs on or after the Normal Vesting Date for any reason other than as a result of the relevant Participant's dismissal for misconduct (as to which see Rule 10.3 (*Leavers by reason of dismissal for misconduct*)) and that Participant holds a Vested but unexercised Option then, subject to subject to Rule 6.1 (*Options*), Rule 7 (*Exercise of options*) 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 Leavers by reason of dismissal for misconduct

If a Cessation occurs as a result of the Participant's dismissal for misconduct, or in circumstances where (in the determination of the Committee) such Group Member would have been entitled to dismiss them for misconduct, then any Award (including any Vested but unexercised Option) held by such Participant shall lapse immediately on such cessation and will not be capable of Vesting and/or exercise.

10.4 **Leavers: reduction in number of Vested Shares**

Where this Rule 10.4 applies, the Committee may (at its discretion) scale-back the extent to which an Award would otherwise Vest by applying a pro rata reduction to the number of Shares under the Award based on the period starting on the Grant Date and ending on the date of Cessation relative to the Normal Vesting Period (or by applying a lesser reduction on such other basis as the Committee determines). To the extent that an Award is reduced in accordance with this Rule 10.4, it will lapse and become incapable of Vesting in respect of the number of Shares by which it is reduced.

10.5 **Impact of notice**

The Committee may decide that a Cessation for the purposes of the Plan shall be taken to occur on the date the Participant gives or receives notice of termination of their employment with a Group Member (whether or not such termination is lawful) unless the notice relates to one of the reasons listed in Rule 11.1(a) to (e) inclusive.

11. **TAKEOVERS AND OTHER CORPORATE EVENTS**

11.1 **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:

- (i) subject to Rule 6.2 (*Restrictions on Vesting: regulatory and tax issues*), all Awards shall Vest on the date of that event if they have not then Vested; and
- (ii) any Option may, subject to Rule 7.1 (*Restrictions on exercise: regulatory and tax issues*), be exercised within one month of the date of that event (or, if shorter, until the expiry of the Exercise Period), but to the extent that an Option has not been exercised at the end of that period it shall lapse (regardless of any other provision of the Plan).

11.2 **Schemes of arrangement and winding up**

If:

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

all Awards shall, subject to Rule 5.2 (*Restrictions on Vesting: regulatory and tax issues*) and Rule 11.4 (*Internal reorganisations*), Vest on the date of such event.

If an event as described in this Rule occurs then an Option may, subject to Rule 7.1 (*Restrictions on exercise*) and Rule 11.4 (*Internal reorganisations*), be exercised within one month of that event (or, if shorter, until the expiry of the Exercise Period), but to the extent that the Option is not exercised within that period, it shall lapse (regardless of any other provision of the Plan).

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 to adjust Awards in such manner as it considers appropriate or 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 if it has not already Vested and/or, if relevant, their Option may, subject to Rule 7.6 (*Lapse of Options*), 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, 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; and
- (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.

11.4 Internal reorganisations

If:

- (a) a company (for the purposes of this Rule 11.4 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) (*Schemes of arrangement and winding up*); 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 an Award shall not Vest under Rule 11.1 or Rule 11.2 but shall be automatically surrendered in consideration for the grant of a new award which the Committee determines is equivalent to the Award it replaces except that it will be over shares in the Acquiring Company or some other company.

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

12. ADJUSTMENT OF AWARDS

12.1 General rule

In the event of:

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

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

12.2 Method of adjustment

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

- (a) the number of Shares comprised in an Award;
- (b) 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 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.

13. MALUS & CLAWBACK

13.1 Applicability of Malus & Clawback

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

13.2 Events that lead to Malus & Clawback

The Committee may decide at any time prior to the third anniversary of the Date of Grant (the "**Discovery Period**") that the individual to whom the Award was granted (the "**Relevant Individual**") shall be subject to Malus & Clawback if:

- (a) there was a material misstatement of the Company's or a Group Member's financial results and that misstatement resulted, either directly or indirectly, in that Award Vesting to a greater degree (or being granted over more Shares) than would otherwise have been the case;
- (b) any calculation in connection with the Award or any assessment of any Performance Condition and/or any other condition imposed on the Award was based on an error, or on inaccurate or misleading information or assumptions and that such error, information or assumptions resulted, either directly or indirectly, in that Award Vesting to a greater degree (or being granted over more Shares) than would otherwise have been the case;
- (c) it is determined that the Relevant Individual committed serious misconduct on or prior to the date of Vesting of the Award (and/or on or prior to its exercise if it is an Option) that could have warranted their dismissal from employment;

- (d) the Company has suffered corporate failure which has resulted in the appointment of a liquidator or administrator; or
- (e) there are circumstances which in the Committee's opinion have (or would have if made public) a material impact on the reputation of the Company or of any Group Member to justify the application of this Rule 13.

13.3 Amount to be subject to Malus & Clawback

The Committee shall determine the amount to be subject to Malus & Clawback which:

- (a) where Rule 13.2(a) and/or (b) applies, shall be all or part of the additional value which the Committee considers has Vested to and/or was otherwise received by the Relevant Individual in the circumstances referred to in those Rules; and
- (b) where any of Rule 13.2(c)-(e) applies, shall be all or part of such value which the Committee determines would have not Vested and/or would have not otherwise been received had the Award lapsed in full in connection with the relevant event, or had the relevant event been known when the Award was granted.

Any determinations under this Rule 13.3 shall be on such basis as the Committee reasonably decides.

13.4 Satisfaction of the Malus & Clawback

In order to satisfy the Malus & Clawback, the Committee may:

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

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

13.9 Reduction in Awards to give effect to malus & clawback provisions in other plans

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

14. ALTERATIONS

14.1 General rule on alterations

Except as described in Rule 14.2 (*Shareholder approval*) and 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 on 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 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.

14.4 Alterations to disadvantage of Participants

No alteration to the material disadvantage of Participants 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.

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 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.

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 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.

15.5 Notices

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

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

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 **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.

15.10 **Governing law**

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

APPENDIX I - 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 I as if it was a Conditional Award, except as modified by the terms set out in this Appendix I. Where there is any conflict between the Rules and this Appendix I, the terms of this Appendix 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 Cash Conditional Award shall be entitled to a cash sum which shall be equal to the "**Cash Value**" of the notional Vested Shares, where the Cash Value of a notional Share is the market value of a Share on the date of Vesting of the Cash Conditional Award. For the purposes of this Appendix I, the market value of a Share on any day shall be determined in accordance with Rule 8.3 (*Cash Alternative*).
4. Rule 8.5 (*Deductions*) shall apply to any sum payable under paragraph 3 above.
5. For the avoidance of doubt, a Cash Conditional Award shall not confer any right on its holder to receive Shares or any interest in Shares.