|  |  |  |
| --- | --- | --- |
| Headlam Group plc | | |
|  | **HEADLAM MANAGEMENT LONG TERM INCENTIVE PLAN** |  |

Approved by shareholders of the Company on [25 May 2023]

Adopted by the Board on [DATE] May 2023

Part A registered with HMRC under reference [REFERENCE] on [DATE]

The Plan is a discretionary benefit offered by Headlam Group plc (“**Company**”) for the benefit of its 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 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 2023 and the Board of the Company shall have the right to decide, in its sole discretion, whether or not further Options will be granted in the future and to which employees those Options will be granted.

The detailed rules of the Plan are set out overleaf.

**INTRODUCTION**

This Plan is intended to comprise of two separate and independent parts.

Part A is intended to satisfy the qualifying requirements of Schedule 4 to the Income Tax (Earnings and Pensions) Act 2003 and the CSOP Code (as defined in section 521 of that Act).

Part B is not intended to meet the requirements of the CSOP Code and is intended to allow broader participation.

**CONTENTS**

**Rule Page**

Part A 3

1. DEFINITIONS AND INTERPRETATION 3

2. ELIGIBILITY 5

3. GRANT OF OPTIONS 5

4. LIMITS 7

5. VESTING OF OPTIONS 9

6. EXERCISE OF OPTIONS 10

7. LAPSE OF OPTIONS 11

8. LEAVERS 12

9. CORPORATE EVENTS 14

10. MALUS AND CLAWBACK 18

11. ADJUSTMENT OF OPTIONS 20

12. ALTERATIONS 21

13. MISCELLANEOUS 22

PART B 25

# Part A

# DEFINITIONS AND INTERPRETATION

## In the Plan, unless the context otherwise requires:

"**Board**" means the board of directors of the Company or a duly authorised committee of the Board or a duly authorised person or, on and after the occurrence of a corporate event described in Rule 9 (*Corporate events*) or liquidation or the entering into of administration or similar protection from creditors, the Board as constituted immediately before such event occurs;

"**Company**" means Headlam Group plc (registered in England and Wales with company number 00460129);

"**Control**" means control within the meaning of section 719 of ITEPA;

"**Dealing Restriction**" means any restriction on dealing in securities imposed by regulation, statute, order, directive or any code adopted by the Company as varied from time to time;

"**Early Vesting Date**" means the date of an event following which an Option may Vest and be exercised before the Normal Vesting Date, being either:

### the date of cessation of employment of a Participant in the circumstances referred to in Rule 8.1 (*Good leavers*) and where the Board determines that the date of cessation will be an Early Vesting Date; or

### a date of Vesting specified in Rules 9.1 to 9.6 (*Corporate events*);

"**Exercise Price**" means the amount payable in order to exercise an Option, determined in accordance with Rule 3.3 (*Exercise Price*)and subject to adjustment under Rule 11 (*Adjustment of Options*);

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

"**Group Member**" means the Company, any Subsidiary of the 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;

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

"**Listing Rules**" means the listing rules published by the Financial Conduct Authority;

"**London Stock Exchange**" means the London Stock Exchange plc or any successor body thereto;

"**Market Value**" means in relation to a Share on any day:

### if and so long as the Shares are quoted in the London Stock Exchange Daily Official List, an amount equal to the closing middle-market quotation of such Shares (as derived from that List) on the dealing day before the Grant Date or, if the Board so determines, the average of the closing middle-market quotations during a period determined by the Board not exceeding the 5 consecutive dealing days ending with the dealing day before the Grant Date provided that such dealing day(s) do not fall within any period when dealings in Shares are prohibited under any Dealing Restrictions; or

### if the price for Shares is not so quoted, the market value (within the meaning of Part VIII of the Taxation of Chargeable Gains Act 1992) of Shares, as agreed in advance for the purposes of the Plan with HMRC Shares and Assets Valuation;

If Shares are subject to a Restriction, market value shall be determined as if they were not subject to a Restriction.

"**Normal Vesting Date**" means the third anniversary of the Grant Date, or later date specified by the Board at the Grant Date as the normal vesting date;

"**Option**" means a conditional right to acquire Shares granted under this Plan;

"**Participant**" means a person who holds (or has held) an Option including his personal representatives;

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

"**Plan**" means the employee share option plans known as "**Part A**" or "**Part B**" of the Headlam Group Management Long Term Incentive Plan (respectively), as amended from time to time, but unless a distinction is made references in Part A shall be to Part A of the Plan and references in Part B shall be to Part B of the Plan;

"**Restriction**" means a restriction affecting a Share which falls within paragraph 36(3) of Schedule 4;

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

"**Schedule 4**" means Schedule 4 to ITEPA;

"**Shares**" means fully paid ordinary shares in the capital of the Company which satisfy the requirements of paragraphs 16 to 18 and 20 of Schedule 4;

"**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 (including a 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 when an Option becomes exercisable and "**Vesting**", "**Vested**" and "**Unvested**" shall be construed accordingly; and

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

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

## The singular includes references to the plural and vice versa. Words denoting the masculine gender shall include the feminine.

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

## Where any Option has been granted such that parts of the Option are subject to different Performance Conditions and Normal Vesting Dates (or are otherwise subject to different provisions as to Vesting), references in these Rules to the Option shall, where the context so requires, be a reference to a relevant part of the Option.

# ELIGIBILITY

## An Option may only be granted to:

### a director of a Group Member who is required to devote at least 25 hours per week (excluding meal breaks) to his/her duties or to any employee of a Group Member;

### who, in either case, does not either on his own or with his associates fail the material interest test set out in paragraph 9 of Schedule 4.

## For the avoidance of doubt a non-executive director of the Company will not be eligible to be granted an Option.

# GRANT OF OPTIONS

## **Terms of grant**

Subject to Rule 3.5 (*Timing of grant*)*,* Rule 3.6 (*Approvals and consents*) and Rule 4 (*Limits*), the Board may resolve to grant an Option:

### on the terms set out in the Plan; and

### subject to such additional objective terms (whether a Performance Condition and/or any other terms) as the Board may specify,

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

## **Grant of Option**

An Option shall be granted by deed by the Company and evidenced by an Option certificate (or such other documents notifying the terms of the Option).

No payment shall be required from the Participant on the grant of an Option.

An Option certificate shall specify:

### the name of the Participant;

### the number and description of Shares over which the Option is granted;

### the Grant Date;

### the Exercise Price;

### the circumstances in which an Option can be exercised and the circumstances in which the Option can lapse;

### any Restrictions;

### details of any Performance Conditions or any other objective conditions which determine the extent to which the Option becomes exercisable; and/or

### whether employer's social security contributions are to be borne by the Participant.

## **Exercise Price**

The Exercise Price shall be a price per Share determined by the Board on the Grant Date. The price may not be less than the higher of:

### where the Option is to be satisfied by the issue of new Shares, the nominal value of a Share; and

### the Market Value of a Share.

For the purposes of determining the minimum exercise price under this Rule 3.3, any Restrictions applying to the Shares shall be ignored.

## **Method of satisfying Options**

Unless specified to the contrary by the Board on the Grant Date, an Option may be satisfied:

### by the issue of new Shares; and/or

### by the transfer of treasury Shares; and/or

### by the transfer of Shares (other than the transfer of treasury Shares).

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

## **Timing of grant**

Subject to Rule 3.6 (*Approvals and consents*), an Option may only be granted:

### in the 6 weeks beginning with:

#### the dealing day immediately following the date on which the Company announces its results for any period;

#### the dealing day immediately following any annual general meeting of the Company; or

#### the dealing day following the lifting of any Dealing Restrictions that prevented the grant of Options pursuant to Rules 3.5(a)(i) and/or (ii); or

### at any other time when the Board considers that circumstances are sufficiently exceptional to justify its grant,

### but an Option may not be granted after [25 May 2033] (that is, the expiry of the period of 10 years beginning on the date the Plan is approved by shareholders of the Company).

## **Approvals and consents**

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

## **Non-transferability and bankruptcy**

An Option granted to any person:

### shall not be transferred, assigned, charged or otherwise disposed of by him (except on his death to his personal representatives) and any attempt to do so shall result in its lapse; and

### shall lapse immediately if he is declared bankrupt.

# LIMITS

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

An Option shall not be granted if, at the time of its proposed Grant Date, it would cause the number of Shares allocated (as defined in Rule 4.3) in the immediately preceding 10-year period, under the Plan and under any other employees’ share scheme adopted by the Company, to exceed such number as represents 10 per cent. of the ordinary share capital of the Company in issue at that time.

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

An Option shall not be granted at any time if, at the time of its proposed Grant Date, it would cause the number of Shares allocated (as defined in Rule 4.3) in the period of 10 years ending with that date under the Plan and under any other discretionary share plan adopted by the Company or any other company under the Company’s Control to exceed such number as represents 5 per cent. of the ordinary share capital of the Company in issue at that time.

## **Meaning of "allocated"**

## For the purposes of Rules 4.1 and 4.2:

### Shares are allocated:

#### when an option, award or other contractual right to acquire unissued Shares or treasury Shares is granted;

#### 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;

### any Shares which have been issued or which may be issued to any trustees to satisfy the exercise of any option, award or other contractual right granted under any employees’ share scheme shall count as allocated; and

### 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.

## **Post-grant events affecting numbers of "allocated" Shares**

For the purposes of Rule 4.3:

### where:

#### 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

#### after the grant of an option, award or other contractual right the Board determines that:

##### where an amount is normally payable on its exercise it shall be satisfied without such payment but instead by the issue of Shares and/or the transfer of treasury Shares and/or the payment of cash equal to the gain made on its exercise; or

##### it shall be satisfied by the transfer of existing Shares (other than Shares transferred out of treasury) and/ or by settlement in cash,

#### the unissued Shares or treasury Shares which consequently cease to be subject to the option, award or other contractual right from time to time or absolutely (as appropriate) shall not count as allocated; and

### 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.

## **Changes to investor guidelines**

Treasury Shares shall cease to count as allocated Shares for the purposes of Rules 4.1 and 4.2 (*5 per cent. and 10 per cent. in 10 years limits*) if institutional investor guidelines cease to require such Shares to be so counted.

## **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 to the extent that such issue or transfer would cause the number of Shares allocated (as defined in Rule 4.3 and adjusted under Rule 4.4) to exceed the limits in Rules 4.1 and 4.2 (*5 per cent. and 10 per cent. in 10 years limits*).

## **Individual limit**

Subject to Rule 4.8 (*Schedule 4 limit*), the maximum total Market Value of Shares over which Options (including any Options granted under Part A and/or Part B) may be granted to any employee during any financial year of the Company is 50% of his salary (as defined in this Rule), unless the Board decides that exceptional circumstances exist, such as in relation to the recruitment or retention of an eligible employee, in which case the maximum total Market Value of Shares over which Options may be granted to that employee during a financial year of the Company is 100% of his salary (as defined in this Rule).

For the purpose of this Rule 4.7 an employee's "**salary**" shall be taken to be his base salary (excluding benefits in kind), expressed as an annual rate payable by the Group Members to him on the Grant Date (or such earlier date as the Board 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 Board may reasonably select; and

## **Schedule 4 limit**

## No Option shall be granted to any Participant which would cause the total Market Value (at the relevant Grant Date(s)) of:

### Shares subject to all Options granted under Part A held by the Participant (and not exercised, surrendered or lapses); and

### Shares subject to any other options held by the Participant which are required to be taken into account by paragraph 6 of Schedule 4

## to exceed £30,000 (or such other amount specified in paragraph 6 of Schedule 4 at the relevant time). For the purposes of calculating the Market Value of shares subject to any options under this Rule 4.8, any Restriction applying to the shares under option shall be ignored.

## **Effect of limits**

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

# VESTING OF OPTIONS

## **Timing of Vesting**

Subject to Rule 5.2 (*Extent of Vesting*), Rule 5.3 (*Restrictions on Vesting*) and Rule 5.4 (*Suspension or investigation for a disciplinary matter*)an Option will Vest on the later of:

### the date on which the Board determines whether or not any applicable Performance Condition and any other condition imposed on the Vesting of the Option has been satisfied (in whole or in part); and

### the Normal Vesting Date,

### except where earlier Vesting occurs on an Early Vesting Date.

## **Extent of Vesting**

The Shares subject to an Option will only become Vested Shares to the extent:

### that any applicable Performance Condition is confirmed by the Board as having been satisfied on or before the Normal Vesting Date or, if appropriate, the Early Vesting Date;

### as permitted by any other term imposed on the Vesting of the Option; and

### in relation to Vesting at an Early Vesting Date, as permitted by Rules 8.4 or 9.7 (*Reduction in number of Vested Shares*).

Where, under Rule 8 (*Leavers*) or Rule 9 (*Corporate events*), a Performance Condition is to be determined before the end of the full period over which it would normally be measured 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 Board on such fair and reasonable basis as it decides.

## **Restrictions on Vesting**

An Option shall not Vest unless the Vesting of the Option would be lawful in all relevant jurisdictions and in compliance with the Listing Rules, any Dealing Restrictions and any other relevant UK or overseas regulation or enactment.

## **Suspension or investigation for a disciplinary matter**

## Notwithstanding any other provision of the Plan, if, at any time before an Option Vests, a Participant is suspended for a disciplinary matter or is the subject of an investigation into a disciplinary matter then the Board in its absolute discretion, acting fairly and reasonably and following consultation with the relevant Group Member, may determine that the Vesting of any Option held by the Participant shall be suspended until such time as the Board lifts such suspension and exercises its discretion to Vest the Option or otherwise reduce the Option (to nil if the Board considers that to be appropriate) to the extent permitted under Rule 8 (*Leavers*).

# EXERCISE OF OPTIONS

## **Period of exercise**

An Option shall, subject to Rule 5.1 (*Timing of Vesting*) and Rule 6.2 (*Restrictions on the exercise of an Option*), be exercisable in respect of Vested Shares in the following periods:

(a) beginning on the Normal Vesting Date and expiring on the day preceding the tenth anniversary of the Grant Date (or such earlier date as the Board determines at the Grant Date) and the Option shall lapse at the end of that period unless it lapses earlier under Rule 8 (*Leavers*), Rule 9 (*Corporate events*) or otherwise under the Plan; or

(b) if there is an Early Vesting Date, in accordance with the provisions of Rule 8.1 (*Good leavers*)or Rule 9 (*Corporate events*) as applicable.

## **Restrictions on the exercise of an Option**

A Vested Option may not be exercised unless the following conditions are satisfied:

### it is permitted by paragraph 9 of Schedule 4;

### 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 and any Dealing Restrictions and any other relevant UK or overseas regulation or enactment;

### if, on the exercise of the Option, a Tax Liability would arise by virtue of such exercise then the Participant must have entered into arrangements (including providing any information necessary to implement such arrangements) acceptable to the Company that the relevant Group Member will receive the amount of such Tax Liability (whether pursuant to Rule 6.6 (*Payment of Tax Liability and tax indemnity*) or otherwise);

### the Participant has entered into such arrangements as the Board requires (and where permitted in the relevant jurisdiction) to satisfy a Group Member’s liability to employer's social security contributions in respect of the exercise of the Option; and

### where the Board requires, the Participant has entered into, or agreed to enter into, a valid election under Part 7 of ITEPA or any similar arrangement in any overseas jurisdiction.

## **Dealing Restrictions**

If, during the period in which an Option may otherwise be exercised under the Plan, the Participant is subject to any Dealing Restrictions, the applicable period shall be suspended until such later date as those Dealing Restrictions lift provided that no Option may be exercised more than 10 years after its Grant Date.

## **Exercise in whole or part**

An Option may be exercised in whole or part and in separate tranches unless, to facilitate the easier administration of the Plan, the Board decides to impose on the Grant Date as specified in the Option certificate a minimum number of Shares over which an Option may be exercised if it is not being exercised to the maximum extent possible and/or a maximum number of tranches in which it may be exercised.

## **Method of exercise**

## The exercise of any Option shall be effected in the form and manner prescribed by the Company. Unless the Company, acting fairly and reasonably determines otherwise, any notice of exercise shall, subject to Rule 6.2 (*Restrictions on the exercise of an Option*), take effect only when the Company receives it, together with payment of any relevant Exercise Price (or, if the Company so permits, an undertaking to pay that amount).

## **Payment of Tax Liability and tax indemnity**

If the Participant does not enter into arrangements acceptable to the Company to discharge the Tax Liability, as a condition of exercise he shall authorise the Company to sell or procure the sale of sufficient Vested Shares on or following exercise of his Option on his behalf to ensure that any relevant Group Member receives the amount required to discharge the Tax Liability which arises on such exercise.

After the exercise of an Option, a Participant remains liable on demand from the Company to pay an amount equal to any Tax Liability to the Company (on trust for the relevant Group Member) which the Company reasonably believes is payable by any Group Member and, without limiting any other rights of recovery, authorises any Group Member to deduct any amount due from any amount owing to the Participant from time to time.

## **Transfer or allotment timetable**

As soon as reasonably practicable after an Option has been exercised (but no later than 30 days after that date), the Company shall, subject to Rule 6.6 (*Payment of Tax Liability and tax indemnity*), any arrangement made under Rules 6.2(c) and/or 6.2(d) (*Restrictions on the exercise of an Option*), transfer or procure the transfer to him (or a nominee for him) or allot to him (or a nominee for him) the number of Shares in respect of which the Option has been exercised.

# LAPSE OF OPTIONS

## **General**

## An Option will lapse:

### in accordance with the Rules; or

### to the extent it is no longer capable of Vesting under these Rules.

## **Death**

Notwithstanding any other provision of these Rules, a Participant’s personal representatives may exercise his Option following his death, in accordance with these Rules.

An Option shall only lapse 12 months after the death of a Participant who was an employee or director of a Group Member at the date of death, other than on the winding-up of the Company.

# LEAVERS

## **Good leavers – before 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:

### death;

### injury or disability (in each case evidenced to the Board’s satisfaction);

### redundancy (as defined in the Employment Rights Act 1996);

### retirement;

### a relevant transfer within the meaning of the Transfer of Undertakings (Protection of Employment) Regulations 2006;

### his office or employment being with either a company which ceases to be a Group Member; or

### for any other reason, if the Board, acting fairly and reasonably, so decides,

then (other than in the case of death in which case only (ii) shall apply):

#### the Option shall be retained until the Normal Vesting Date and the Board shall apply Rule 8.4 (*Leavers: reduction in number of Vested Shares*) to determine the number of Vested Shares, following which it may Vest and be exercised in respect of the number of Vested Shares so determined (subject to Rule 5.3 (*Restrictions on Vesting*)), and the period for exercise will be 12 months from the Normal Vesting Date and (subject to earlier lapse under Rule 9 (*Corporate events*)) the Option will lapse at the end of that period; **UNLESS**

#### the Board decides that the date of cessation will be an Early Vesting Date in which case Rule 8.4 (*Leavers: reduction in number of Vested Shares*) shall apply to determine the number of Vested Shares in respect of which the Option shall Vest and may be exercised, and the period of exercise for such Option will be 6 months from the Early Vesting Date (subject to earlier lapse under Rule 9 (*Corporate events*)) or, in the case of death, 12 months from the Early Vesting Date, and the Option will lapse at the end of that period.

## **Cessation of employment in other circumstances – before the Normal Vesting Date**

If a Participant ceases to be a director or employee of a Group Member before the Normal Vesting Date for any reason other than those specified in Rule 8.1 (*Good leavers*) then any Option held by him shall lapse immediately on such cessation.

If an individual ceases to be a director or employee of a Group Member before the Normal Vesting Date in accordance with this Rule 8.2 but after an event mentioned in Rule 9 (*Corporate events*), then (unless the reason for leaving is the individual’s misconduct) the Option shall not lapse and the provisions of Rule 9 (*Corporate events*) shall take precedence over this Rule 8.2.

## **Cessation of employment after Normal Vesting Date**

Where a Participant ceases to be a director or employee of a Group Member on or after the Normal Vesting Date and he holds an unexercised Option, then subject to Rule 8.3(a) (and to earlier lapse under Rule 6.1 (*Period of exercise*) or Rule 9 (*Corporate events*)):

### if the reason for such cessation is the Participant’s misconduct (as reasonably determined by the Board), his Option shall lapse immediately on such cessation; and

### in any other circumstances the Option may be exercised within 12 months of the later date of the date of Vesting and the date of such cessation, and thereafter the Option will lapse to the extent it remains unexercised.

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

### Where an Option is retained by a Participant in accordance with Rule 8.1 (*Good leavers*) after his ceasing to be a director or employee of a Group Member, the Board shall determine the number of Vested Shares of that Option by the following steps:

### applying any Performance Condition and/or any other condition imposed on the Vesting of the Option; and

### applying a pro rata reduction to the number of Vested Shares determined under Rule 8.4(a) based on the period of time after the Grant Date and ending on the date of cessation of employment relative to the period commencing on the Grant Date and ending on the Normal Vesting Date,

### **UNLESS** the Board, acting fairly and reasonably, decides that the reduction in the number of Vested Shares under Rule 8.4(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 8.4(a).

### If an Option Vests under Rule 9 (*Corporate events)* when the holder of that Option has ceased to be a director or employee of a Group Member but that individual’s Option has been retained in accordance with Rule 8.1, then this Rule 8.4 shall take precedence over Rule 9.7 (*Corporate events: reduction in number of Vested Share*s) in applying any pro rata reductions in calculating the number of Vested Shares.

### If an individual ceases to be a director or employee of a Group Member after an event mentioned in Rule 9, then Rule 9.7 shall take precedence over this Rule 8.4 in applying any pro rata reductions in calculating the number of Vested Shares.

## **Meaning of ceasing employment**

### Subject to Rules 8.5(b) and 8.5(c), a Participant shall be treated for the purposes of this Rule 8 as ceasing to be a director or employee of a Group Member at such time as he is no longer a director or employee of any Group Member.

### The Board may decide that a Participant shall be treated as ceasing to be a director or employee of a Group Member on such earlier date as it shall select being not earlier than the date on which a Participant gives or receives notice of termination of his employment with a Group Member (whether or not such termination is lawful) unless the reason for giving or receiving notice is one listed in Rule 8.1 (*Good leavers*).

### If any Participant ceases to be a director or employee of a Group Member before the Vesting of his Option in circumstances where he retains a statutory right to return to work then he shall be treated as not having ceased to be such a director or employee until such time (if at all) as he ceases to have such a right to return to work while not acting as an employee or director.

## **Death following cessation of employment**

If a Participant dies following cessation of employment in circumstances where his Option did not lapse but it has not Vested by the time of his death, it may Vest on his death to the extent determined at the time of cessation in accordance with Rule 8.1.

## **Delayed exercise due to Dealing Restrictions**

If an unexercised Option which is Vested is not exercised by a Participant during the last 30 days prior to the expiry of the relevant exercise period referred to in Rules 8.1 or Rule 8.3 as a result of any Dealing Restrictions, the Board may permit the Option to be retained by the Participant and to be exercised in a period of 30 days commencing on the day when the Board determines that those Dealing Restrictions cease to apply, but to the extent that the 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.

# CORPORATE EVENTS

## **General offer**

If any person obtains Control of the Company as a result of:

### making a general offer to acquire the whole of the issued ordinary share capital of the Company (other than any share capital already held by that person or any person connected with that person) which is made on condition that, if it is satisfied, the person making the offer will have Control of the Company; or

### making a general offer to acquire all the shares in the Company (other than any share capital already held by that person or any person connected with that person) which are of the same class as the Shares

and any condition subject to which the offer is made has been satisfied, the Board shall (subject to Rule 9.8 (*Internal reorganisations*)) notify every Participant that:

(i) subject to Rule 5.3 (*Restrictions on Vesting*), Options shall Vest on the date Control was obtained, if they have not then Vested, and Rule 9.7 (*Corporate events: reduction in number of Vested Shares*) shall apply; and

(ii) any Option may be exercised in respect of Vested Shares within 6 months of the date on which Control was obtained, and to the extent that an Option is not exercised within that period, that Option shall (regardless of any other provision of the Plan, other than earlier lapse under Rule 6.1 (*Period of exercise*) or Rule 8 (*Leavers*)) lapse at the end of that period.

For the purposes of this Rule 9.1 it does not matter if the general offer is made to different shareholders by different means.

## **Compulsory acquisition**

If under Sections 979 to 982 or 983 to 985 of the Companies Act 2006 any person becomes bound or entitled to acquire shares of a class over which the Options have been granted, the Board shall (subject to Rule 9.8 (*Internal reorganisations*)) notify every Participant that:

(i) subject to Rule 5.3 (*Restrictions on Vesting*), Options shall Vest on the date on which such person became bound or entitled, if they have not then Vested, and Rule 9.7 (*Corporate events: reduction in number of Vested Shares*) shall apply; and

(ii) any Option may be exercised in respect of Vested Shares at any time during the period when such person is so bound or entitled, but to the extent that an Option is not exercised within that period, that Option shall (regardless of any other provision of the Plan, other than earlier lapse under Rule 6.1 (*Period of exercise*) or Rule 8 (*Leavers*)) lapse at the end of that period.

## **Scheme of arrangement**

If under sections 899 or 901F of the Companies Act 2006 the Court sanctions a compromise or an arrangement in connection with or for the purposes of a change in Control of the Company applicable to or affecting:

### all the ordinary share capital of the Company or all the shares of the same class as the shares to which the Options relate; or

### all the Shares or all the shares of that same class which are held by a class of shareholders identified otherwise than by reference to their employment or directorships or their participation in a Schedule 4 scheme,

the Board shall (subject to Rule 9.8 (*Internal reorganisations*)) notify every Participant that:

(i) subject to Rule 5.3 (*Restrictions on Vesting*), Options shall Vest on the date of the Court order, if they have not then Vested, and Rule 9.7 (*Corporate events: reduction in number of Vested Shares*) shall apply; and

(ii) any Option may be exercised in respect of Vested Shares before the date on which the Court order becomes effective (or such longer period as the Board shall allow), but to the extent that an Option is not exercised within that period, that Option shall (regardless of any other provision of the Plan, other than earlier lapse under Rule 6.1 (*Period of exercise*) or Rule 8 (*Leavers*)) lapse at the end of that period.

## **Non-UK reorganisation**

If any person obtains Control of the Company as a result of a Non-UK Company Reorganisation Arrangement (as defined by paragraph 35ZA of Schedule 4) which has become binding on the shareholders covered by it (both within the meaning of Schedule 4), the Board shall (subject to Rule 9.8 (*Internal reorganisations*)) notify every Participant that:

(i) subject to Rule 5.3 (*Restrictions on Vesting*), Options shall Vest on the date of the relevant event, if they have not then Vested, and Rule 9.7 (*Corporate events: reduction in number of Vested Shares*) shall apply; and

(ii) any Option may be exercised in respect of Vested Shares within 6 months of the date on which the relevant event occurs (or such longer period as the Board shall allow), but to the extent that an Option is not exercised within that period, that Option shall (regardless of any other provision of the Plan, other than earlier lapse under Rule 6.1 (*Period of exercise*) or Rule 8 (*Leavers*)) lapse at the end of that period.

## **Voluntary winding-up**

If notice is duly given to members of a resolution for the voluntary winding-up of the Company, the Board shall notify every Participant that:

(i) subject to Rule 5.3 (*Restrictions on Vesting*), Options shall Vest on the date of the notice given to members, if they have not then Vested, and Rule 9.7 (*Corporate events: reduction in number of Vested Shares*) shall apply; and

(ii) any Option may be exercised in respect of Vested Shares before the date on which the resolution is passed, conditional on the resolution being passed, but to the extent that an Option is not exercised within that period, that Option shall (regardless of any other provision of the Plan, other than earlier lapse under Rule 6.1 (*Period of exercise*) or Rule 8 (*Leavers*)) lapse at the end of that period.

## **Demerger and similar events**

Without prejudice to Rule 11 (*Adjustment of Options*), if a demerger, special dividend or other similar event, including a takeover event other than as specified in Rule 9 (each an "**Additional** **Event**") is proposed which, in the opinion of the Board, would affect the market price of Options to a material extent, then the Board may, at its discretion (acting fairly and reasonably), decide that the following provisions will apply:

### the Board shall, as soon as reasonably practicable after deciding to apply these provisions, notify a Participant that, subject to earlier lapse under Rule 8 (*Leavers*), his Option Vests and may be exercised in relation to Vested Shares on such terms as the Board may determine on or immediately before the Additional Event but to the extent that an Option is not exercised it shall (regardless of any other provision of the Plan, other than earlier lapse under Rule 6.1 (*Period of exercise*) or Rule 8 (*Leavers*)) lapse at the end of that period; and

### if the Board decides that an Option Vests under this Rule 9.6 then the date of that Vesting shall be an Early Vesting Date and the provisions of Rule 9.7 (*Corporate events: reduction in number of Vested Shares*) shall apply.

## **Corporate events: reduction in number of Vested Shares**

Where any of Rules 9.1 to 9.6 apply, the Board shall determine the number of Vested Shares for an Option that has not then Vested (which for this purpose shall not include an Option which has already had its Performance Condition applied and either failed in full or in part to meet those conditions) by the following steps:

(a) applying any Performance Condition to determine the number of Vested Shares; and

(b) by applying a pro rata reduction to the number of Vested Shares determined under Rule 9.7(a) based on the period of time after the Grant Date and ending on the Early Vesting Date relative to the period after the Grant Date and ending on the Normal Vesting Date,

**UNLESS** the Board, acting fairly and reasonably, decides that the reduction in the number of Vested Shares under Rule 9.7(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 originally subject to the Option (subject to adjustment under Rule 11 (*Adjustment of Options*)).

## **Internal reorganisations**

In the event that:

### a company (the “**Acquiring Company**”) is expected to obtain Control of the Company as a result of an offer or arrangement referred to in Rules 9.1, 9.3 and 9.4;

### 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; and

### the Acquiring Company makes an offer to exchange Options under Rule 9.9 (*Exchange of Options*)

then the Board, with the consent of the Acquiring Company, may decide before the obtaining of such Control that an Option shall not Vest under Rules 9.1, 9.3 or 9.4 and shall (to the extent not exchanged) lapse at the end of the period for exchange of the Option.

## **Exchange of Options**

If there is a relevant event as set out within paragraph 26(2) of Schedule 4, then each Participant may, by agreement with the acquiring company as defined for the purposes of that paragraph, release each Option (the "**Old Option**") for a replacement option (the "**New Option**"). The release and replacement may occur during the period during which Options may be exchanged for options over shares in another company under paragraph 26(3) of Schedule 4 or such shorter period as the acquiring company may specify.

If the acquiring company makes an offer to exchange an Option under this Rule 9.9 and the Participant does not release the Option within the relevant period referred to in this Rule 9.9, the Option shall (to the extent not exchanged) lapse at the expiry of such relevant period.

The Company will remain the scheme organiser of the Plan (as defined in paragraph 2(2) of Schedule 4) following the release of Old Options and the grant of New Options under this Rule 9.9.

## **Terms of New Options**

A New Option shall:

### be over shares that satisfy the requirements of paragraphs 16 to 18 and 20 of Schedule 4 in the acquiring company (or some other company falling within paragraph 27(2)(b) of Schedule 4);

### be a right to acquire such number of those shares as have, immediately after grant of the New Option, a total Market Value substantially the same as the total Market Value of the shares subject to the Old Option immediately before its release;

### have an exercise price per share such that the total price payable on complete exercise of the New Option is substantially the same as the total price that would have been payable on complete exercise of the Old Option; and

### so far as practicable, be on terms otherwise identical to the Old Option immediately before the Old Option's release.

## **Concert parties**

For the purposes of this Rule 9, a person shall be deemed to have Control of the Company where he and any others "**acting in concert**" (as defined in the City Code on Takeovers and Mergers) with him together have Control of the Company.

## **20 day rule after a Relevant Event**

If in consequence of any of the events set out in Rule 9 (other than Rules 9.5 or 9.6) (a "**Relevant Event**"), Shares no longer meet the requirements of Schedule 4, the Board may in its discretion (acting fairly and reasonably) permit Options to be exercised pursuant to the relevant Rule no later than 20 days after the date on which the Relevant Event occurs, notwithstanding that the Shares no longer meet the requirements of Schedule 4.

## **20 day rule before a Relevant Event**

If the Board reasonably expects a Relevant Event (as defined in Rule 9.12) to occur, it may in its discretion (acting fairly and reasonably) permit Options to be exercised during the period of 20 days ending with the date on which the Relevant Event occurs, in which case it will be treated as having been exercised under Rule 9, provided that where the Relevant Event does not occur within the period of 20 days beginning with the date on which the Option is exercised, the exercise of the Option is to be treated as having had no effect.

# MALUS AND CLAWBACK

## **Circumstances and period for Malus and Clawback**

## The Board may decide:

## at any time prior to the date on which an Option Vests that an Unvested Option shall be subject to Malus; and/or

## at any time prior to the fifth anniversary of the Grant Date, that the individual to whom the Option was granted (the "**relevant individual**") shall be subject to Clawback,

## if both:

## after due consideration, the Board forms the view that one or more of the circumstances envisaged in (a) to (c) below applies; and

## such Malus and/ or Clawback is, in the Board’s opinion, appropriate.

## The Board shall not be obliged to prefer the application of Malus over Clawback or vice versa.

## The circumstances which may give rise to the application of this Rule 10 are:

1. there has been a material misstatement of the Company’s financial results (excluding, for the avoidance of doubt, any change to financial accounts resulting from a change in accounting standards or similar) in respect of any period in which the relevant individual was a Participant and that misstatement would result or resulted, either directly or indirectly, in the Option being granted or Vesting to a greater extent than would have been the case had that misstatement not been made; or
2. the relevant individual committed one or more acts of misconduct which, in the reasonable opinion of the Board, are sufficiently serious to justify the application of this Rule 10; or
3. the Company becomes insolvent, enters into administration or similar protection from creditors or otherwise suffers a corporate failure and the Board determines that such circumstances arose from events occurring (in whole or substantial part) during any period in which the relevant individual was a Participant and, in determining whether to apply this Rule 10.1(c), the Board shall have regard to the extent to which it considers that such the relevant individual was involved (directly or through oversight) in such events.

## **Application of Malus**

### If the Board decides to apply Malus, it may lapse any Unvested Options in whole or part. If the Board concludes (acting fairly and reasonably) that there may be circumstances existing which may lead to this provision being applied, it may delay the Vesting of an Option while the position is investigated and the Board considers whether to invoke this provision.

## **Amount Subject to Clawback**

## The amount which may be subject to Clawback on any occasion will be such proportion of the Pre-Clawback Vesting Amount as the Board considers to be fair and reasonable having regard to all the circumstances.

## **Method of Clawback**

In order to ensure that the Clawback is satisfied:

### the Board may reduce (including, if appropriate, reducing to zero) the amount of any annual incentive or bonus (if any) which would, but for the operation of this Rule 10, be payable to the relevant individual under any annual incentive or bonus plan operated by any Group Member; and/or

### the Board may reduce (including, if appropriate, reducing to zero):

#### the extent to which any subsisting Options held by the relevant individual Vest notwithstanding the extent to which any Performance Condition and/or any other condition imposed on such Options has been satisfied; and/or

#### the extent to which any rights to acquire Shares granted to the relevant individual under any employees’ share scheme (other than the Plan and/or any plan with tax-advantaged status under Schedules 2 or 3 of ITEPA) operated by any Group Member vest or become exercisable notwithstanding the extent to which any conditions imposed on such rights to acquire Shares have been satisfied; and/or

#### the number of Shares subject to any Vested but unexercised Option; and/or

#### the number of Shares subject to any vested but unexercised right to acquire Shares granted to the relevant individual under any employees’ share scheme (other than the Plan and/or any plan with tax-advantaged status under Schedules 2 or 3 of ITEPA) operated by any Group Member

and any reduction made pursuant to Rule 10.4(b)(i) and/or Rule 10.4(b)(ii) shall take effect immediately prior to the Option Vesting or the right vesting or becoming exercisable (as applicable) (or at such other time as the Board decides) and any reduction made pursuant to Rule 10.4(b)(iii) and/or Rule 10.4(b)(iv) shall take effect at such time as the Board decides; and/or

### the Board may require the relevant individual to pay to such Group Member as the Board may direct, and on such terms as the Board may direct (including, but without limitation to, on terms that the relevant amount is to be deducted 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.

The ability to make any reduction pursuant to Rule 10.4(b)(ii) and/or Rule 10.4(b)(iv) shall be subject to terms of the clawback provision in the relevant employees’ share scheme.

## **Reduction in Options to give effect to clawback provisions in other plans**

## The Board may decide at any time to reduce the number of Shares subject to an Option (including, if appropriate, reducing to zero) to give effect to a clawback provision of any form contained in any incentive plan (other than the Plan) or an annual incentive or bonus plan operated by any Group Member. The value of the reduction shall be in accordance with the terms of the clawback provision in the relevant plan or, in the absence of any such term, on such basis as the Board decides is appropriate.

## **General**

### For the avoidance of doubt, Rule 10 can apply even if the Participant was not responsible for the event in question or if it took place before the Vesting or grant of the Option.

### This Rule 10 may be applied in different ways for different Participants in relation to the same or different events.

### The Board will notify the Participant of any adjustment under this Rule 10.

### Without limiting Rule 13.1, the Participant will not be entitled to any compensation in respect of the operation or purported operation of this Rule 10.

## **Participant acceptance**

## The Participant by participating in the Plan, accepts that this Rule 10 is a fair, reasonable and not excessive means of aligning his interests with those of shareholders.

# ADJUSTMENT OF OPTIONS

## **Variation of capital**

## Subject to Rules 11.2 and 11.3, if a variation of the capital of the Company (whether by way of capitalisation or bonus issue, rights issue, or a reduction, sub-division, consolidation or other variation) takes place then the Board may adjust the Exercise Price and/or the number of Shares subject to an Option (including, where any Option has been exercised but no Shares have been transferred or allotted after such exercise, the number of Shares which may be so transferred or allotted and (if relevant) the price at which they may be acquired) and/or the Performance Conditions in accordance with Rule 12.6 (*Alterations to Performance Conditions*) in such manner as the Board in its discretion determines to be appropriate acting fairly and reasonably.

## **Adjustment which may be made**

## An adjustment may only be made under Rule 11.1 provided that:

### any adjustment that requires the prior approval of HMRC is not made without such prior approval being received;

### adjustments to the Exercise Price and number of Shares may only be made in accordance with the provisions of paragraph 22 of Schedule 4;

### the total Market Value of the Shares subject to the Option is, immediately after the variation of share capital, substantially the same as immediately before the variation of share capital; and

### the total amount payable on exercise of an Option immediately after the variation of share capital must be substantially the same as immediately before the variation of share capital.

## **Adjustment below nominal value**

An adjustment under Rule 11.1 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:

### 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

### 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.

# ALTERATIONS

## **General rule on alterations**

Except as described in Rule 12.2 (*Alteration to a key feature*), Rule 12.3 (*Shareholder approval*), Rule 12.5 (*Alterations to the disadvantage of Participants*) and Rule 12.6 (*Alterations to Performance Conditions*) the Board may at any time alter the Plan or the terms of any Option granted under it.

## **Alteration to a key feature**

No alteration may be made under Rule 12.1 to any provision of the Plan that is necessary to meet the requirements of Schedule 4.

## **Shareholder approval**

Except as described in Rule 12.4 (*Exceptions to shareholder approval*), no alteration to the advantage of an individual to whom an Option has been or may be granted shall be made under Rule 12.1 to the provisions concerning:

### eligibility;

### the individual limits on participation;

### the overall limits on the issue of Shares or the transfer of treasury Shares;

### the basis for determining a Participant’s entitlement to, and the terms of, Shares or cash provided under the Plan;

### the adjustments that may be made in the event of any variation of capital; and

### the terms of this Rule 12.3 or Rule 12.4

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

## **Exceptions to shareholder approval**

Rule 12.3 (*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; or

### any alteration relating to the Performance Condition made under Rule 12.6.

## **Alterations to the disadvantage of Participants**

No alteration may be made to the material disadvantage of Participants unless:

### the Board shall have invited every relevant Participant to indicate whether or not he approves the alteration; and

### the alteration is approved by a majority of those Participants who have given such an indication.

## **Alterations to Performance Conditions**

The Board may alter a Performance Condition or other objective condition imposed on grant under Rule 3.2(g) (*Grant of Option*) if:

### an event has occurred which causes the Board to consider reasonably that it would be appropriate to alter the Performance Condition or other condition;

### the altered Performance Condition will, in the reasonable opinion of the Board, be not materially less or more difficult to satisfy than the unaltered Performance Condition or other condition would have been but for the event in question; and

### the Board shall act fairly and reasonably in making the alteration.

# MISCELLANEOUS

## **Employment**

The rights and obligations of any individual under the terms of his office or employment with any Group Member shall not be affected by his participation in the Plan or any right which he 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 his office or employment for any reason whatsoever (and whether or not such termination is lawful or unlawful) insofar as those rights arise or may arise from him ceasing to have rights under an Option 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 Option does not imply that any further Option will be granted nor that a Participant has any right to receive any further Option.

## **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 Board shall be final and binding upon all persons.

## **Exercise of powers and discretions**

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

The existence of any Options shall not affect in any way the right or power of the Company or its shareholders to make or authorise any or all adjustments, recapitalisations, reorganisations or other changes in the Company’s capital structure, or any merger or consolidation of the Company, or any issue of shares, bonds, debentures, preferred or prior preference stocks ahead of, or convertible into, or otherwise affecting the Shares or the rights thereof, or the dissolution or liquidation of the Company or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

In exercising any discretion under the Plan, the Board shall act fairly and reasonably and in good faith, but may exercise their discretion differently for groups of Participants or individual Participants.

## **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 and shall be subject to the articles of association of the Company from time to time.

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

## **Notices**

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

### by personal delivery or by first class post, in the case of a company to its registered office, and in the case of an individual to his last known address, or, where he is a director or employee of a Group Member, either to his last known address or to the address of the place of business at which he performs the whole or substantially the whole of the duties of his office or employment;

### in an electronic communication to a person’s usual business address or such other address for the time being notified for that purpose to the person giving the notice; or

### by such other method as the Board determines.

In the case of service by post, the day of service will be 48 hours after posting and in the case of electronic communication the day of service will be the day of transmission by the sender.

The Company is not required to send to Participants (other than those who hold Shares) copies of any documents or notices normally sent to the holders of its Shares.

## **Termination**

The Board may at any time resolve to terminate the Plan in which event no further Options shall be granted but the provisions of the Plan shall, in relation to the Options then subsisting, continue in full force and effect.

## **Third parties**

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

## **Benefits not pensionable**

Benefits provided under the Plan shall not be pensionable.

## **Data protection**

The basis for any processing of personal information about the Participant under data protection legislation (including the UK General Data Protection Regulation and the Data Protection Act 2018 or any successor laws) is set out in the employee privacy notice which is available on the Company intranet.

The employee privacy notice also contains details about how the Participant’s personal information is processed and the Participant’s rights in relation to that information. The Participant has a right to view the employee privacy notice.

For the purpose of this Rule 13.9, ‘Participant’ shall also include any employee eligible to be granted an Option, under Rule 2 (*Eligibility*).

## **Governing law**

The Plan and all Options 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.

# PART B

This Part B of the Plan is not intended to meet the requirement of Schedule 4 of the Income Tax (Earnings and Pensions) Act 2003 and is separate and independent from Part A.

The rules of Part B shall be the same as the rules of Part A with the following adjustments and such other adjustments as the Board in their discretion may from time to time determine to be appropriate.

1. Any Rule requiring compliance with Schedule 4 shall be treated as not requiring compliance in respect of Options granted under Part B, and where relevant may be disapplied by the Board.
2. The following variations to the definitions in Rule 1 shall apply to Part B:

"**Market Value**" means in relation to a Share on any day:

### if Shares are quoted in the London Stock Exchange Daily Official List, an amount equal to the closing middle-market quotation of such Shares (as derived from that List) on the dealing day before the Grant Date or, if the Board so determines, the average of the closing middle-market quotations during a period determined by the Board not exceeding the 5 consecutive dealing days ending with the dealing day before the Grant Date provided that such dealing day(s) do not fall within any period when dealings in Shares are prohibited under any Dealing Restrictions; or

### if the price for Shares is not so quoted, the market value of the Shares as determined by the Board on such basis as Committee decides is appropriate; and

"**Normal Vesting Date**" means the third anniversary of the Grant Date, or any other date specified by the Board at the Grant Date as the normal vesting date.

1. Rule 2 (*Eligibility*) shall be deleted and replaced with the following:

"An individual is eligible to be granted an Option only if he is an employee of the Company or any Subsidiary of the Company."

1. The following rules and any reference to them shall have no effect:

#### Rule 4.8 (*Schedule 4 limit*);

#### Rule 6.2(a) (*Restrictions on the exercise of an Option*);

#### Rule 9.10(a) (*Terms of New Options*);

#### Rule 9.12 (*20 day rule after a Relevant Event*);

#### Rule 11.2(a) and (b) (*Adjustment which may be made*); and

#### Rule 12.2 (*Alterations to a key feature*).

-------------------------- **END** --------------------------