

Adoption draft

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## Rules of the Costain 2022 Sharesave Plan

Adopted by the board of directors on [●]

Approved by shareholders on [●]

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## 1. Definitions and Interpretation

1.1 In this Plan, unless otherwise stated, the words and expressions below have the following meanings:

"**Appropriate Period**" the relevant period referred to in paragraph 38(3) of Schedule 3;

"**Associated Company**" the meaning given by paragraph 47 of Schedule 3, except for the purpose of rules 7.6.5 and 7.10 when that expression will have the meaning given by paragraph 35(4) of Schedule 3;

"**Board**" subject to rule 8.12, the board of the Company or any committee or person duly authorised by the board, or any duly appointed successor body;

"**Bonus**" any sum payable to a Participant by way of a terminal bonus on completion of a Savings Contract which:

- (a) for a three year Savings Contract, is normally payable after completion of 36 Monthly Contributions; and
- (b) for a five year Savings Contract, is normally payable after completion of 60 Monthly Contributions;

"**Bonus Date**" in respect of any Option, the date on which repayments under the related Savings Contract are due;

"**Company**" Costain Group PLC registered in England and Wales under number 01393773;

"**Constituent Company**"

- (a) the Company; and
- (b) any other company which:
  - (i) is a Subsidiary of the Company;
  - (ii) is under the Control of the Company; and
  - (iii) the Board has determined will be a Constituent Company;

"**Control**" the meaning given by section 995 of the Income Tax Act 2007 except for the purposes of rule 7.6.5 where that expression will have the meaning given by sections 450 and 451 of the Corporation Tax Act 2010;

"**Daily Official List**" the daily publication by the London Stock Exchange of official quotations for all securities traded on the London Stock Exchange;

"**Dealing Day**" any day on which the London Stock Exchange is open for business;

"**Dealing Restrictions**" restrictions imposed by the Company's share dealing code, the Listing Rules, the MAR or any other laws or regulations that impose restrictions on share dealing;

**"Eligible Employee"**

- (a) any person who is an employee (but not a director) or a Full-Time Director of a Constituent Company:
  - (i) who has such qualifying period (if any) of continuous service (being a period not exceeding five years prior to the Grant Date) as the Board may in its discretion determine from time to time; and
  - (ii) whose earnings from the office or employment by reason of which the requirements in this paragraph (a) are satisfied are (or would be if there were any) general earnings to which section 15 of ITEPA applies; and
- (b) any other executive director or employee of any Constituent Company whom the Board may in its discretion select from time to time;

**"Exercise Price"** subject to any adjustment pursuant to rule 11, the price per Share, as determined by the Board, at which an Eligible Employee may acquire Shares upon the exercise of an Option which will not be manifestly less than 80 per cent (or such other percentage as may be permitted by paragraph 28(1) of Schedule 3 from time to time) of the Market Value of a Share on the Invitation Date or a date specified in the invitation to apply for an Option (such date being no earlier than the Invitation Date and no later than the Grant Date in accordance with HMRC guidance) provided that, if the Shares may only be subscribed for, such price will not be less than the nominal value of a Share;

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

**"Full Time Director"** an employee who is a director of any Constituent Company and is required under a contract of employment to work for more than 25 hours per week (excluding meal breaks);

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

**"HMRC"** HM Revenue & Customs;

**"Invitation Date"** the date on which the Board invites applications for Options;

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

**"ITTOIA"** the Income Tax (Trading and Other Income) Act 2005;

**"Listing Rules"** the FCA's listing rules, as amended from time to time;

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

**"MAR"** means the EU Market Abuse Regulation 596/2014 and any associated EU Regulation, to the extent each is incorporated into the law of the United Kingdom by virtue of section 3 of the European Union (Withdrawal) Act 2018 and as amended by any instrument related to their incorporation into the law of the United Kingdom;

**"Market Value"** on any day:

- (a) if the Shares are quoted on the Daily Official List, the middle market quotation (as derived from that list) of a Share on the immediately preceding Dealing Day, or if the Board determines, the average of the middle market quotations as so derived of a Share for the three immediately preceding Dealing Days or such other Dealing Days as may be permitted in accordance with Schedule 3 for the purposes of the Plan; and
- (b) if the Shares are not quoted on the Daily Official List of the London Stock Exchange, the market value of a Share as determined in accordance with Part VIII of the Taxation of Chargeable Gains Act 1992 and agreed with HMRC on or before that day for the purposes of the Plan,

provided that, where the Shares are subject to a Restriction, their Market Value will be determined as if they were not subject to such Restriction;

**"Maximum Contribution"** the maximum aggregate Monthly Contributions which a Participant may make under all Savings Contracts linked to options granted to that Participant under the Plan or any other savings-related share option scheme that meets the requirements of Schedule 3, being the lesser of:

- (a) £500 per month or such other maximum amount as may be permitted by paragraph 25(3)(a) of Schedule 3 from time to time; and
- (b) such other maximum Monthly Contributions as may be determined from time to time by the Board;

**"Minimum Contribution"** £5 or such other greater amount as the Board may determine from time to time but not exceeding the minimum monthly contribution permitted by paragraph 25(3)(b) of Schedule 3;

**"Monthly Contribution"** the monthly contribution agreed to be paid by a Participant under the Savings Contract;

**"Non-UK Company Reorganisation Arrangement"** the meaning given by paragraph 47A of Schedule 3;

**"Option"** a right to acquire Shares subject to the terms of the Plan;

**"Participant"** any person who holds an Option or following their death, their personal representatives;

**"Plan"** the Costain 2022 Sharesave Plan as amended from time to time;

**"Plan-Related Employment"** the office or employment by reference to which a Participant is eligible to participate in the Plan within the meaning given by paragraph 10 of Schedule 3;

**"Pricing Period"** the period of 42 days commencing on:

- (a) the day on which the Plan is approved by shareholders of the Company in general meeting;
- (b) the first Dealing Day after the day on which the Company makes an announcement of its results for any period;
- (c) the day on which changes are announced, effected or made to the legislation or regulations affecting share option schemes which are subject to the provisions of Schedule 3;
- (d) any day on which a new Savings Contract prospectus is announced or takes effect for the benefit of Eligible Employees in the United Kingdom; or
- (e) any day on which the Board resolves that exceptional circumstances exist which justify the issue of invitations,

unless the Company is restricted from issuing invitations under the Plan during the periods specified above as a result of any Dealing Restrictions, in which case the relevant period will be 42 days commencing on the Dealing Day after such Dealing Restrictions are lifted;

**"Repayment"** in relation to a Savings Contract, the aggregate of the Monthly Contributions which the Participant has made and, subject to rule 2.4.4, any Bonus payable at the Bonus Date;

**"Restriction"** the meaning given by paragraph 48(3) of Schedule 3;

**"Savings Contract"** a contract under a certified SAYE savings arrangement within the meaning given by section 703(1) of ITTOIA which meets the requirements of Schedule 3;

**"Schedule 3"** Schedule 3 to ITEPA;

**"Share"** a fully paid up, non-redeemable ordinary share in the Company, which, subject to rule 8.11, satisfies the conditions of paragraphs 18 to 20 and 22 of Schedule 3;

**"Subsidiary"** the meaning given by section 1159 of the Companies Act 2006;

**"Trustee"** the trustee or trustees for the time being of any employee benefit trust, the beneficiaries of which include Eligible Employees; and

**"Variation"** any capitalisation issue or offer or invitation made by way of rights relating to, or any subdivision, consolidation, reduction or any other variation of, the share capital of the Company in respect of which Options may be adjusted in accordance with rule 11 and the requirements of Schedule 3.

## 1.2 References in the Plan to:

- 1.2.1 any statutory provisions are to those provisions as amended or re-enacted from time to time;

- 1.2.2 the singular include the plural and vice versa; and
- 1.2.3 the masculine includes the feminine and vice versa.
- 1.3 Headings do not form part of the Plan.
- 1.4 Terms not otherwise defined in the Plan will have the same meanings as are set out for them in Schedule 3.
- 2. Application for Options**
- 2.1 Subject to rules 2.2 and 2.3, the Board may at any time invite Eligible Employees to apply for Options on similar terms (within the meaning given by paragraph 7 of Schedule 3).
- 2.2 If, at the time that an invitation to apply for Options is issued, the Shares are quoted on the Daily Official List, the Board will calculate the Exercise Price only by reference to Dealing Days in a Pricing Period.
- 2.3 The issue of invitations to apply for an Option will be subject to obtaining any approval required by the FCA (or other relevant authority), any Dealing Restrictions and any other laws or regulations (whether in the UK or overseas).
- 2.4 Subject to rule 2.5, any invitation to apply for Options will be sent in writing or in electronic format to all Eligible Employees and will include details of:
  - 2.4.1 the Exercise Price or the mechanism by which the Exercise Price will be determined (which may be different in respect of three and five year Savings Contracts);
  - 2.4.2 the Maximum Contribution payable and the maximum Monthly Contribution payable in respect of that invitation;
  - 2.4.3 the Minimum Contribution payable;
  - 2.4.4 whether, for the purpose of determining the number of Shares over which an Option is to be granted, the Repayment under the Savings Contract is to be taken as including any Bonus or not;
  - 2.4.5 the date by which applications must be received (being not earlier than 14 days after the Invitation Date); and
  - 2.4.6 whether the Eligible Employees may elect for a three or five year Savings Contract, and the Board may determine a maximum number of Shares over which applications for Options are to be invited and if it does so will confirm in the invitations that it has done so.

- 2.5 The Board may exclude from an invitation any person who is under notice of dismissal or who will have ceased to hold Plan Related Employment at the anticipated Grant Date, provided that any such exclusion is in line with HMRC guidance.<sup>1</sup>
- 2.6 Applications for Options must incorporate or be accompanied by an application for a Savings Contract.
- 2.7 An application for an Option will be in writing or in electronic format and in such form as the Board may determine from time to time, provided that the applicant will be required to state:
- 2.7.1 the Monthly Contribution (being a multiple of £1 and not less than the Minimum Contribution) which the Participant wishes to make under the Savings Contract to be made in connection with the Option for which an application is made;
- 2.7.2 that the Participant's proposed Monthly Contribution in respect of that invitation:
- (a) when taken together with any monthly contribution the Participant makes under any other Savings Contract whether entered into in connection with the grant of an Option under the Plan or in connection with the grant of an option under any other scheme that meets the requirements of Schedule 3 will not exceed the Maximum Contribution; and
- (b) will not exceed the maximum Monthly Contribution for that invitation; and
- 2.7.3 if the Eligible Employee may elect for a three or five year Savings Contract, the Eligible Employee's election in that respect
- 2.8 In the event of excess applications, each application will be deemed to have been modified or withdrawn in accordance with the steps taken by the Board to scale down applications pursuant to rule 3.
- 2.9 If an Eligible Employee's application for an Option specifies a proposed Monthly Contribution which:
- 2.9.1 when taken together with any monthly contribution the Eligible Employee makes under any other Savings Contract whether entered into in connection with the grant of an Option or in connection with the grant of an option under any other scheme that meets the requirements of Schedule 3, exceeds the Maximum Contribution; or
- 2.9.2 exceeds the maximum Monthly Contribution for that invitation, the Board will be authorised to reduce the Eligible Employee's Monthly Contribution for that invitation

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<sup>1</sup> The ability to exclude in these circumstances is referenced in HMRC's guidance, albeit the exclusion cannot be applied to those reaching retirement. However, HMRC's then current guidance should be considered if the exclusion is ever to be applied in practice.



so as to comply with the Maximum Contribution and/or the maximum Monthly Contribution payable in respect of that invitation.

- 2.10 Each application will be deemed to be for an Option over the largest whole number of Shares which can be acquired at the Exercise Price with the expected Repayment at the Bonus Date under the Savings Contract entered into in connection with the Option.

### **3. Scaling Down**

- 3.1 If valid applications are received for a total number of Shares in excess of any maximum number of Shares determined by the Board in accordance with rule 2.4 or any limitation under rule 6, the Board will (having regard to paragraphs 7 and 8 of Schedule 3) scale down applications by taking the following steps until the number of Shares available equals or exceeds such total number of Shares applied for provided always that, in reducing the number of Shares applied for, any adjustments will ensure that an Eligible Employee's Monthly Contribution remains a multiple of £1:

3.1.1 by excluding the Bonus (if any) from the amount of each Repayment;

3.1.2 by treating any elections for a five year Savings Contract as elections for a three year Savings Contract;

3.1.3 by reducing the proposed Monthly Contribution pro rata to the excess over the amount the Board determines for this purpose, provided that this amount is not less than the Minimum Contribution; and/or

3.1.4 so far as necessary, selecting applications by lot, each based on a Monthly Contribution equal to the Minimum Contribution and no Bonus in the Repayment.

- 3.2 If the number of Shares available is insufficient to enable an Option (based on Monthly Contributions of such amount as the Board may determine) to be granted to each Eligible Employee making a valid application, the Board may, as an alternative to selecting by lot, determine in its discretion that no Options will be granted in respect of that invitation.

- 3.3 If the Board so determines, the provisions in rule 3.1 may be modified or applied in any manner as may be permitted in accordance with Schedule 3 and HMRC guidance.

### **4. Grant of Options**

- 4.1 Subject to the other provisions of this rule 4, within 30 days, or if rule 3 applies, 42 days, of the earliest date by reference to which the Exercise Price is determined, the Board will grant to each Eligible Employee who has submitted a valid application (within any applicable time limit) an Option over the largest whole number of Shares which can be acquired at the Exercise Price with the expected Repayment under that Eligible Employee's Savings Contract at the applicable Bonus Date.

- 4.2 No Option will be granted to any person if at the Grant Date that person has ceased to be an Eligible Employee.

- 4.3 No Eligible Employee will be granted an Option to the extent it would at the proposed Grant Date cause the aggregate amount of such Eligible Employee's contributions under all Savings Contracts to exceed the Maximum Contribution.
- 4.4 No amount will be paid in respect of the grant of an Option.
- 4.5 The grant of an Option will be subject to obtaining any approval required by the FCA (or other relevant authority), any Dealing Restrictions and any other laws or regulations (whether in the UK or overseas).
- 4.6 A Participant will be notified, in the manner specified by the Board, of the grant of an Option and the following terms of the Option:
- 4.6.1 the number of Shares subject to the Option;
  - 4.6.2 the Exercise Price and the Grant Date of the Option;
  - 4.6.3 the Bonus and Bonus Date applicable to the Option; and
  - 4.6.4 whether or not the Shares subject to the Option are subject to Restrictions and if so, the details of those Restrictions.
- 4.7 No Options may be granted unless and until the Plan meets the requirements of Schedule 3.
- 4.8 No Options may be granted under the Plan after the tenth anniversary of the date on which the Plan was approved by the shareholders of the Company in general meeting.

## **5. Restrictions on Transfer and Bankruptcy**

- 5.1 An Option must not be transferred, assigned, charged or otherwise disposed of in any way (except in the event of the Participant's death, to the Participant's personal representatives) and will lapse immediately on any attempt to do so.
- 5.2 An Option will lapse immediately if the Participant is declared bankrupt or, if the Participant is outside the UK, any analogous event occurs.

## **6. Plan Limit**

- 6.1 An Option 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 6.2) in the period of 10 calendar years ending with that year under the Plan and under any other employee share plan 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.
- 6.2 For the purposes of rule 6.1:
- 6.2.1 Shares are allocated:
    - (a) when an option, award or other contractual right to acquire unissued Shares or treasury Shares is granted;

- (b) 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;

6.2.2 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.

6.3 For the purposes of rule 6.2:

6.3.1 where:

- (a) 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
- (b) after the grant of an option, award or other contractual right the Board determines that:
  - (i) it shall be satisfied wholly or partly by the payment of cash on its vesting or exercise; or
  - (ii) 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

6.3.2 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.

6.4 Treasury Shares shall cease to count as allocated Shares for the purposes of rule 6.1 if institutional investor guidelines cease to require such Shares to be so counted.

## **7. Rights to Exercise Options**

7.1 Subject to rules 7.5 to 7.7 and 8, an Option may not be exercised earlier than the Bonus Date under the relevant Savings Contract.

7.2 Subject to rule 7.5, an Option may not be exercised later than six months after the Bonus Date under the relevant Savings Contract, at which time it will lapse.

7.3 An Option may be exercised in whole or in part. However, if partial exercise occurs, the unexercised part of the Option will lapse at the date of exercise.

7.4 Subject to rules 7.5 to 7.7 and 7.9, a Participant may exercise an Option only while the Participant continues to hold Plan-Related Employment.

- 7.5 The personal representatives of a deceased Participant may exercise the Participant's Option within:
- 7.5.1 one year following the date of the Participant's death, if death occurs before the Bonus Date; or
  - 7.5.2 one year following the Bonus Date, if death occurs on or within six months of the Bonus Date, after which time it will lapse.
- 7.6 If a Participant ceases to hold Plan-Related Employment because of:
- 7.6.1 injury or disability;
  - 7.6.2 redundancy within the meaning of the Employment Rights Act 1996;
  - 7.6.3 retirement;
  - 7.6.4 a relevant transfer within the meaning of the Transfer of Undertakings (Protection of Employment) Regulations 2006;
  - 7.6.5 the company in which the Participant holds office or by which the Participant is employed ceasing to be an Associated Company of the Company by reason of a change of Control; or
  - 7.6.6 the transfer or sale of the business or part-business in which the Participant holds office or by which the Participant is employed to a person who is not an Associated Company of the Company where the transfer is not a relevant transfer within the meaning of the Transfer of Undertakings (Protection of Employment) Regulations 2006,
- the Participant may, subject to rules 7.2 and 8, exercise the Option within six months of the date of such cessation after which time, subject to rule 7.5, it will lapse.
- 7.7 If a Participant ceases to hold Plan-Related Employment after the third anniversary of the Grant Date other than as a result of death or a reason referred to in rule 7.6 or the Participant's dismissal for misconduct, the Participant may, subject to rules 7.2 and 8, exercise the Option within six months of the date of such cessation after which time, subject to rule 7.5, it will lapse.
- 7.8 If a Participant ceases to hold Plan-Related Employment in any circumstances where none of rules 7.5, 7.6 or 7.7 apply, the Participant's Option will lapse at that time (regardless of whether such cessation is lawful or unlawful).
- 7.9 If a Participant ceases to be a director or employee of a Constituent Company but on the Bonus Date is an employee or director of an Associated Company of the Company, the Participant may, subject to rule 8 exercise the Option within six months of that date, after which time, subject to rule 7.5, it will lapse.

- 7.10 No person will be treated for the purposes of this rule 7 as ceasing to hold Plan-Related Employment until that person ceases to hold any office or employment with the Company or any company which is an Associated Company of the Company.
- 7.11 A Participant who ceases to hold Plan-Related Employment because of maternity, paternity or parental leave will cease to hold Plan-Related Employment on the date on which they indicate either that they do not intend to return to work or that they will not be returning to work. If the Participant gives no indication, they will cease Plan-Related Employment on the day after the date on which their statutory right to return to work expires under the applicable legislation, or if later, any other date specified in the terms of their employment if they have not then returned to work.
- 7.12 Notwithstanding any other rule of the Plan, the Option will lapse on the date on which the Participant gives notice or is deemed to give notice under the Savings Contract that they intend to stop paying contributions under the Savings Contract or apply for their savings to be repaid.

## **8. Corporate Events**

- 8.1 Where any of the events described in rule 8.2 occur, then subject to rules 8.3, 8.5 and 8.9, any Option may, subject to it lapsing under rule 7, be exercised within a period of one month (or such longer period as the Board may determine not exceeding six months) of the date on which the event occurs, after which time it will (unless rule 7.5 applies) lapse.
- 8.2 The events referred to in rule 8.1 are:

### **General offer**

- 8.2.1 If any person (either alone or together with any person acting in concert with that person):

- (a) obtains Control of the Company as a result of making:
- (i) a general offer to acquire the whole of the issued ordinary share capital of the Company (other than that which is already owned by that person and persons connected with that person) which is made on a condition such that if it is satisfied the person making the offer will have Control of the Company; or
  - (ii) a general offer to acquire all the shares in the Company which are of the same class as the Shares (other than those which are already owned by that person and persons connected with that person); or

(notwithstanding that such offer may be made to different shareholders by different means) and such offer becomes wholly unconditional.

### **Scheme of arrangement**

- 8.2.2 A compromise or arrangement in accordance with section 899 or 901F of the Companies Act 2006 applicable to or affecting:

- (a) all the ordinary share capital of the Company or all of the shares as are of the same class as the Shares to which the Options relate; or
- (b) all the shares, or all of 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 plan that meets the requirements of Schedule 3,

being sanctioned by the Court.

#### **Non-UK Company Reorganisation Arrangement**

8.2.3 A Non-UK Company Reorganisation Arrangement applicable to or affecting:

- (a) all the ordinary share capital of the Company or all of the shares as are of the same class as the Shares to which the Options relate; or
- (b) all the shares, or all of 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 plan that meets the requirements of Schedule 3,

becoming binding on the shareholders covered by it.

#### **Squeeze-out and sell-out**

8.3 Subject to rules 8.5 and 8.9, if any person becomes bound or entitled to acquire Shares under sections 979 to 982 or 983 to 985 of the Companies Act 2006, an Option may, subject to it lapsing under rule 7, be exercised while that person remains so bound or entitled, after which time it will (unless rule 7.5 applies) lapse.

#### **Winding-up**

8.4 If the Company passes a resolution for voluntary winding-up, an Option may, subject to it lapsing under rule 7, be exercised within six months of the passing of the resolution, after which time it will lapse.

#### **Exchange**

8.5 An Option will not become exercisable under rules 8.2 or 8.3 but may, with the agreement of the Participant, be exchanged on the terms set out in rule 8.6 to the extent that:

- 8.5.1 the relevant event is part of an offer, scheme, compromise or arrangement whereby Control of the Company is to be obtained by another company (the "**New Company**");
- 8.5.2 immediately after the New Company obtains Control of the Company, all or substantially all of the issued share capital of the New Company will be owned directly or indirectly by the persons who were shareholders in the Company immediately before the change of Control; and

- 8.5.3 the New Company agrees to grant New Options in accordance with rule 8.6 in consideration for the release of any Options which have not lapsed,
- and any Option which is not so exchanged will, subject to rule 7.5, lapse at the end of the Appropriate Period.
- 8.6 If any company (the "**Acquiring Company**"):
- 8.6.1 obtains Control of the Company as a result of one of the events described in rule 8.2; or
- 8.6.2 becomes bound or entitled to acquire Shares in accordance with rule 8.3,
- any Participant may, at any time within the Appropriate Period, by agreement with the Acquiring Company, release any Option which has not lapsed (the "**Old Option**") in consideration of the grant to the Participant of an option (the "**New Option**") which is equivalent to the Old Option but relates to shares in a different company falling within paragraph 18(b) or (c) of Schedule 3 (whether the Acquiring Company or some other company).
- 8.7 The New Option will not be regarded for the purposes of rule 8.6 as equivalent to the Old Option unless the conditions set out in paragraph 39(4) of Schedule 3 are satisfied. For the purposes of the New Option, the provisions of the Plan will be construed as if:
- 8.7.1 the New Option is an option granted at the same time as the Old Option;
- 8.7.2 the Savings Contract applicable to the Old Option applies to the New Option; and
- 8.7.3 except for the purposes of the definitions of "**Constituent Company**" and "**Subsidiary**" in rule 1.1, the reference to Costain Group PLC in the definition of "the Company" in rule 1.1 were a reference to the different company referred to in rule 8.6.
- 8.8 Following the grant of any New Option in accordance with rule 8.6, no other Options may be granted under the Plan apart from New Options.

**Exercise in advance of but conditional upon the events in rules 8.2 or 8.3**

- 8.9 The Board may in its discretion allow Options to be exercised during the period of 20 days ending on:
- 8.9.1 where rule 8.2 applies, the date of the relevant event; and
- 8.9.2 where rule 8.3 applies, the date on which the person becomes bound or entitled to acquire Shares under sections 979 to 982 or 983 to 985 of the Companies Act 2006.
- 8.10 Where Options are exercised pursuant to rule 8.9, if the event referred to in rule 8.2 or 8.3 does not occur, the exercise of those Options will be of no effect.

### **Shares ceasing to satisfy the requirements of Schedule 3**

- 8.11 If as a result of an event referred to in rules 8.2 to 8.4 pursuant to which a person obtains Control of the Company shares in the Company cease to satisfy the requirements of paragraph 18 to 20 and 22 of Schedule 3, an Option may be exercised under and in accordance with rule 8.2, 8.3, or 8.4 no later than 20 days from the relevant event notwithstanding that the Shares no longer meet those requirements.

### **Meaning of Board**

- 8.12 Any reference to the Board in this rule 8 means the members of the Board immediately prior to the relevant event.

### **9. Manner of Exercise**

- 9.1 An Option may only be exercised during the periods specified in rules 7 and 8 and only with monies not exceeding the amount of the Repayment under the Savings Contract as at the date of such exercise.
- 9.2 An Option may be exercised, in whole or in part, subject to rule 10.2, by the Participant giving notice in writing or in electronic format and in such form as the Board may from time to time prescribe, to the company secretary of the Company or a duly appointed agent. Any notice of exercise will only take effect on receipt along with the relevant Exercise Price or an instruction to withdraw and apply monies from the Savings Contract equal to the aggregate Exercise Price.

### **10. Issue or Transfer of Shares**

- 10.1 Subject to rule 10.2, the number of Shares in respect of which the Option has been exercised will be issued or transferred (as applicable) to the Participant within 30 days of such exercise.
- 10.2 The exercise of the Option and the issue or transfer of Shares under the Plan will be subject to obtaining any approval or consent required by the FCA, any Dealing Restrictions or any other applicable laws or regulations (whether in the UK or overseas).

### **11. Adjustments**

- 11.1 The number and/or the description of Shares subject to an Option and/or the Exercise Price of an Option may be adjusted in such manner as the Board determines in the event of any Variation, provided that no such adjustment will be made that does not meet the requirements of paragraph 28 of Schedule 3.
- 11.2 Apart from under this rule 11.2 no adjustment under rule 11.1 can reduce the Exercise Price to less than the nominal value of a Share. Where Options relate only to issued Shares, the Exercise Price may be reduced below the nominal value of a Share. Where Options relate to both issued and unissued Shares, an adjustment under rule 11.1 above may only be made if the reduction of the Exercise Price in respect of both the issued and the unissued Shares can be made to the same extent. Any adjustment made to the Exercise Price of Options over unissued Shares to less than the nominal value of a Share will only be made if and to the extent that the Board is authorised to:



11.2.1 capitalise from the reserves of the Company a sum equal to the amount by which the nominal value of the Shares subject to an Option exceeds the adjusted Exercise Price of that Option; and

11.2.2 apply that sum in paying up that amount on such Shares,

so that on exercise of the Option the Board will capitalise that sum and apply it in paying up that amount.

## **12. Amendments**

12.1 Except as described in this rule 12, the Board may at any time amend the rules of the Plan or the terms of any Option. If any such amendment would result in the Plan ceasing to meet the requirements of Schedule 3, the amendment will not have effect unless and until the Board has determined that the amendment will take effect even if this causes the Plan to cease to meet the requirements of Schedule 3.

12.2 Subject to rule 12.3, no amendment to the material advantage of Eligible Employees and/or Participants will be made under this rule 12 to the provisions relating to:

12.2.1 the persons to whom, or for whom, Shares are provided under the Plan;

12.2.2 limitations on the number or amount of Shares subject to the Plan;

12.2.3 the maximum entitlement for any one Participant;

12.2.4 the basis for determining a Participant's entitlement to, and the terms of, Shares to be provided under the Plan;

12.2.5 the adjustments that may be made in the event of a Variation; and

12.2.6 the terms of this rule 12.2,

without the prior approval of the members of the Company in general meeting.

12.3 Rule 12.2 will not apply to any minor amendment which is to benefit the administration of the Plan or is necessary or desirable to take account of any change in legislation or to obtain or maintain favourable taxation, exchange control or regulatory treatment for the Company or any Associated Company of the Company or Participant.

12.4 No amendment to the material disadvantage of the existing rights of Participants will be made under rule 12.1 unless:

12.4.1 every Participant who may be affected by such amendment has been invited to indicate whether or not the Participant approves the amendment; and

12.4.2 the amendment is approved by a majority of those Participants who have so indicated.

12.5 No amendment will be made under this rule 12 if it would prevent the Plan from being an employees' share scheme within the meaning given by section 1166 of the Companies Act 2006.

### **13. Legal Entitlement**

13.1 This rule 13 applies during a Participant's employment with the Company or any Associated Company of the Company and after the termination of such employment, whether or not the termination is lawful.

13.2 Nothing in the Plan or its operation forms part of the terms of employment of a Participant and the rights and obligations arising from a Participant's employment with the Company or any Associated Company of the Company are separate from, and are not affected by, their participation in the Plan. Participation in the Plan does not create any right to continued employment for any Participant.

13.3 The grant of any Option to a Participant does not create any right for that Participant to be granted any further Options or to be granted Options on any particular terms, including the number of Shares to which Options relate.

13.4 By participating in the Plan, a Participant waives all rights to compensation for any loss in relation to the Plan, including:

13.4.1 any loss or reduction of any rights or expectations under the Plan in any circumstances or for any reason (including lawful or unlawful termination of the Participant's employment); or

13.4.2 the operation, suspension, termination or amendment of the Plan.

### **14. General**

14.1 The Plan will terminate on the date referred to in rule 4.8 or at any earlier time by the passing of a resolution by the Board or an ordinary resolution of the Company in general meeting. Termination of the Plan will be without prejudice to the existing rights of Participants.

14.2 Shares issued or transferred from treasury under the Plan will rank equally in all respects with the Shares then in issue, except that they will not rank for any voting, dividend or other rights attaching to Shares by reference to a record date preceding the date of issue or transfer from treasury.

14.3 If it is found following a Grant Date that as a result of an error or omission:

14.3.1 an Eligible Employee has not been given the opportunity to participate in the Plan in respect of any invitation to apply for an Option; or

14.3.2 the number of Shares over which an Option was expressed to be granted to any Eligible Employee is incorrect, any Option expressed to have been granted in respect of more than the correct number of Shares will be void as to the excess and any Option expressed to have been granted in respect of fewer than the correct number of Shares will relate to the correct number of Shares and the Company and any

relevant Associated Company of the Company may do all acts and things as may be agreed with HMRC to rectify such error or omission notwithstanding that such acts and things may not otherwise be in accordance with the rules of the Plan.

- 14.4 The personal data of any Eligible Employee, Participant or former Participant may be processed in connection with the operation of the Plan in accordance with the group's prevailing data protection policy and as notified to Eligible Employees pursuant to a privacy notice or otherwise. If an Eligible Employee, Participant, or former Participant is employed outside the European Economic Area and outside the United Kingdom and consent is needed for the processing of their personal data in connection with the operation of the Plan, by participating in the Plan, they consent to such processing of their personal data.
- 14.5 The Plan will be administered by the Board. The Board will have full authority, consistent with the Plan, to administer the Plan, including authority to interpret and construe any provision of the Plan and to adopt regulations for administering the Plan. Decisions of the Board will be final and binding on all parties.
- 14.6 Subject to rule 9.2, any notice or other communication in connection with the Plan may be delivered personally or sent by electronic means or post, in the case of a company to its registered office (for the attention of the company secretary), and in the case of an individual to the individual's last known address, or, where the individual is a director or employee of the Company or an Associated Company of the Company, either to the individual's last known address or to the address of the place of business at which the individual performs the whole or substantially the whole of the duties of the individual's office or employment. Subject to rule 9.2, where a notice or other communication is given by post, it will be deemed to have been received 72 hours after it was put into the post properly addressed and stamped, and if by electronic means, when the sender receives electronic confirmation of delivery or, if not available, 24 hours after sending the notice.
- 14.7 No benefits received under the Plan will be pensionable.
- 14.8 No third party other than an Associated Company of the Company will have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Plan (without prejudice to any right of a third party which exists other than under that Act).
- 14.9 The rules of the Plan will be governed by and construed in accordance with the laws of England and Wales. Any person referred to in the Plan submits to the exclusive jurisdiction of the Courts of England and Wales.