



**De La Rue**

---

**RULES**

**of the DE LA RUE**

**PERFORMANCE SHARE PLAN**

---

Established by the Board on 22 July 2010  
pursuant to shareholders' approval  
on 22 July 2010

Amended by the Board on 9 July  
2012

Amended by the Board on 21 May 2014  
and 27 April 2017 and by the  
Remuneration Committee on 24 May 2021

**Rules applying to grants made on or after 27 April 2017**

## CONTENTS

1.	INTERPRETATION AND CONSTRUCTION .....	1
2.	PLAN LIMITS .....	5
3.	AWARDS.....	6
4.	TERMS SPECIFIC TO FORFEITABLE SHARE AWARDS .....	7
5.	PERFORMANCE TARGET .....	7
6.	FORFEITURE .....	8
7.	VESTING.....	9
8.	EXERCISE OF NIL-COST OPTIONS .....	10
9.	DIVIDEND EQUIVALENT .....	11
9A.	CLAW-BACK.....	11
10.	PAYE DEDUCTION.....	12
11.	VARIATION OF CAPITAL.....	14
12.	REORGANISATION .....	14
13.	REGULATORY MATTERS.....	14
14.	ADMINISTRATION AND AMENDMENT .....	15
15.	GENERAL .....	16
	US ADDENDUM.....	19

**RULES OF THE DE LA RUE**  
**PERFORMANCE SHARE PLAN**

**1. INTERPRETATION AND CONSTRUCTION**

- 1.1 For the purposes of the Plan, the following terms shall have the meaning indicated below unless the context clearly indicates otherwise:

**"Award"** means either a Conditional Allocation, a Forfeitable Share Award or a Nil-cost Option granted under the Plan, either in a single Tranche or multiple Tranches, by the Board (and the term "awarded" shall be construed accordingly);

**"Award Certificate"** means a certificate or statement in such form as the Board shall determine (which may include electronic form), but containing the information specified in Rule 3.10;

**"Award Date"** means the date on which the Board grants an Award;

**"Award Period"** means the period of 42 days commencing on either of the following:

- (A) the day on which the Plan is approved by shareholders of the Company in general meeting; and
- (B) the Dealing Day immediately following the day on which the Company makes an announcement of its results for the last preceding financial year, half-year or other period;

**"Board"** means the board of directors of the Company or committee duly authorised by the board of directors or, following any Corporate Action, shall be the Board or duly authorised committee as constituted immediately prior to the Corporate Action;

**"Claw-back"** means an obligation to repay (whether by transfer of Shares or a cash amount) and/or an ability for the Board to reduce any Outstanding Awards and/or Future Awards by the amount of all or part of the excess value which the Board determines has been received by a Participant (or his personal representatives) following a reassessment of performance (as referred to in Rule 9A.2.1), or due to misconduct (as referred to in Rule 9A.2.2);

**"Company"** means De La Rue plc (registered in England and Wales under No. 3834125);

**"Conditional Allocation"** means a conditional right to receive Shares under the Plan which are automatically issued to or transferred into the name of the Participant following the Vesting Date(s) in accordance with Rule 7.2;

**"Control"** has the meaning given by Section 995 of the Income Tax Act 2007;

**"Corporate Action"** means any of the following:

- (A) a person obtaining Control of the Company as a result of making a general offer to acquire Shares;
- (B) a person, having or having obtained Control of the Company, making a general offer to acquire Shares;

- (C) the Court sanctioning a compromise or arrangement under Section 899 of the Companies Act 2006 SAVE, unless the Board determines otherwise, where the purpose and effect of the compromise or arrangement is a reconstruction whereby the Company becomes a subsidiary of another company, such other company having substantially the same shareholders and approximate shareholdings as those of the Company immediately prior to the compromise or arrangement taking effect;
- (D) the passing of a resolution for the voluntary winding up of the Company; or
- (E) if the Board so determines, the announcement of the terms of a demerger of a substantial part of the Group's business, special dividend or similar event affecting the value of Shares subject to Awards;

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

**"Dealing Restrictions"** means any internal or external restrictions on dealings or transactions in securities;

**"Dividend Equivalent"** has the meaning set out in Rule 9;

**"Dividend Record Date"** means the date on which the holder of a Share must be entered on the register of members of the Company in order to receive any dividend declared by the Company in relation to its Shares;

**"Eligible Employee"** means an employee (including an executive director) of the Company or of any Subsidiary;

**"Employees' Share Scheme"** has the meaning given by Section 1166 of the Companies Act 2006;

**"Employing Company"** means the Member of the Group which employs the Participant;

**"Exchange Rate"** means, in relation to a currency other than pounds sterling on any day, the pound spot closing mid-point for the currency as published in the Financial Times on the relevant date (or, if not published on that date, the last preceding date of publication);

**"Exercise Period"** means, in relation to a Nil-cost Option, such period as the Board shall determine on the Award Date during which the Nil-cost Option may be exercised following Vesting, but shall not extend to later than the conclusion of the day on the tenth anniversary of the Award Date;

**"Financial Year"** means the financial year of the Company within the meaning of Section 390 of the Companies Act 2006;

**"Forfeitable Share Award"** means an award of Shares granted to a Participant but subject to restrictions and a risk of forfeiture in accordance with the Plan, and which cease to be subject to such restrictions on, and legal title to which may be transferred into the name of the Participant following, the Vesting Date(s) in accordance with Rule 7.2;

**"Future Awards"** means, for the purposes of a Claw-back, any Award under the Plan, any award or option under any other Employees' Share Scheme operated from time to time by the Company or any Subsidiary (other than any schemes approved by HM Revenue & Customs), or any bonus award under any bonus scheme

operated from time to time by the Company or any Subsidiary, in each case which may be granted to the Participant at any time following a determination to operate Claw-back;

**"Group"** means the Company and its Subsidiaries from time to time, and the expression **"Member of the Group"** shall be construed accordingly;

**"London Stock Exchange"** means London Stock Exchange plc;

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

- (A) if and so long as the Shares are admitted to listing by the UK Listing Authority and traded on the London Stock Exchange, its middle market quotation on that day; or
- (B) subject to (A) above, its market value, determined in accordance with Part VIII of the Taxation of Chargeable Gains Act 1992;

**"Nil-cost Option"** means a right to acquire Shares under the Plan, which may be exercised by the Participant following the Vesting Date(s) in accordance with Rule 7.2;

**"Option Price"** shall be nil unless the Board determines that the Participant shall be required to make a payment to acquire Shares upon the exercise of a Nil-cost Option, in which case shall be such amount as the Board shall determine at the Award Date (provided always that the Board may, at its discretion, reduce or waive such amount at any time prior to the exercise of the Nil-Cost Option);

**"Outstanding Awards"** means, for the purposes of a Claw-back, the relevant Award (to the extent that Shares have not yet been transferred), any other Award under the Plan, any award or option under any other Employees' Share Scheme operated from time to time by the Company or any Subsidiary (other than any schemes approved by HM Revenue & Customs), or any bonus award under any bonus scheme operated from time to time by the Company or any Subsidiary, in each case which are held by the Participant or his personal representatives at the time of a determination to operate Claw-back;

**"Participant"** means an Eligible Employee who has received an Award to the extent it has not been renounced or forfeited;

**"Performance Target"** means the performance target set out in a Participant's Award Certificates, as determined by the Board from time to time;

**"Plan"** means this De La Rue Performance Share Plan, as amended from time to time;

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

**"Salary"** means, in relation to an Eligible Employee, his annual rate of basic salary excluding any bonuses or pension contributions (and in the case of an employee working overseas, such annual basic rate of salary as may be converted into pounds sterling at the Exchange Rate on the Award Date);

**"Share"** means a fully paid ordinary share in the capital of the Company or any share representing the same after any takeover or reconstruction or any other variation of the share capital of the Company;

**"Subsidiary"** means a company which is a subsidiary of the Company within the meaning of Section 1159 and Schedule 6 of the Companies Act 2006;

**"Tranche"** means a portion, up to and including all, of an Award granted under this Plan;

**"Treasury Shares"** means Shares to which Sections 724 to 732 of the Companies Act 2006 apply;

**"Trustee"** means the trustee or trustees of any employees' share trust from time to time established by the Company and designated as trustee for the purposes of the Plan;

**"UK Listing Authority"** means the Financial Services Authority as the competent authority for listing in the United Kingdom under Part VI of the Financial Services and Markets Act 2000;

**"Vesting"** means the fulfilment of all of the terms relating to an Award, including reaching the Vesting Date, which allows for:

(A) Shares comprised in the relevant Tranche of a Conditional Allocation to be transferred automatically into the name of the Participant;

(B) Shares subject to the relevant Tranche of a Forfeitable Share Award to cease to be subject to restrictions and a risk of forfeiture; and

(C) the relevant Tranche of a Nil-cost Option to become

exercisable, (and the term "vest" and "vested" shall be construed

accordingly); and

**"Vesting Date"** means, save where Rule 7.5 applies, the earlier of:

(A) the date or, if not a Dealing Day, then the next Dealing Day, set out on an Award Certificate, in respect of each Tranche of an Award, pursuant to Rule 3.4 but subject to Rule 3.5; and

(B) the date of a Corporate Action.

1.2 In this Plan unless the context requires otherwise:

1.2.1 the headings are inserted for convenience only and do not affect the interpretation of any Rule;

1.2.2 a reference to a statute or statutory provision includes a reference:

(A) to that statute or provision as from time to time consolidated, modified, re-enacted or replaced by any statute or statutory provision;

(B) to any repealed statute or statutory provision which it re-enacts (with or without modification); and

(C) to any subordinate legislation made under it;

1.2.3 words in the singular include the plural, and vice versa;

1.2.4 a reference to the masculine shall be treated as a reference to the feminine and vice versa; and

1.2.5 a reference to a person shall include a reference to a body corporate.

## **2. PLAN LIMITS**

2.1 The maximum number of Shares which may be allocated under the Plan on any day shall not, when added to the aggregate of the number of Shares which have been allocated in the previous 10 years under the Plan and under any other discretionary Employees' Share Scheme adopted by the Company, exceed such number as represents 5 per cent of the ordinary share capital of the Company in issue immediately prior to that day.

2.2 The maximum number of Shares which may be allocated under the Plan on any day shall not, when added to the aggregate of the number of Shares which have been allocated in the previous 10 years under the Plan and under any other Employees' Share Scheme adopted by the Company, exceed such number as represents 10 per cent of the ordinary share capital of the Company in issue immediately prior to that day.

2.3 References in this Rule 2 to the "allocation" of Shares shall mean:

2.3.1 in the case of any option (including a Nil-cost Option under the Plan), conditional share award (including a Conditional Allocation under the Plan) or other similar award pursuant to which Shares may be acquired:

(A) the grant (whether by the Company, the Trustee or otherwise) of the option, conditional share award or other similar award to acquire Shares, pursuant to which Shares may be issued; and

(B) in so far as not previously taken into account under (A) above from the date of grant, any subscription for Shares which are issued for the purpose of satisfying any option, conditional share award or other similar award to acquire Shares; and

2.3.2 in relation to Forfeitable Share Awards under the Plan and other types of Employees' Share Scheme, the issue and allotment of Shares,

and references to "allocated" in this Rule 2 shall be construed accordingly.

2.4 In determining the above limits no account shall be taken of:

2.4.1 any allocation (or part thereof) where the option, conditional share award or other similar award to acquire Shares was released, lapsed or otherwise became incapable of vesting;

2.4.2 any allocation (or part thereof) in respect of which the Board or the Trustee has determined shall be satisfied otherwise than by the issue of Shares; and

2.4.3 such number of additional Shares as would otherwise have been issued on the exercise of an option for monetary consideration (*the exercise price*) but in respect of which the exercise price is not paid, in substitution for the issue of such lesser number of shares as have a market value equal only to the gain which the optionholder would have made on exercise (*equity-settled SAR alternative*).

2.5 References to the issue and allotment of Shares shall include the transfer of Treasury Shares, but only until such time as the guidelines issued by institutional investor bodies cease to provide that they need to be so included.

### 3. AWARDS

3.1 The Board may resolve in its absolute discretion to grant Awards to such Eligible Employees as it may determine:

3.1.1 at any time during an Award Period; or

3.1.2 at any time where it considers that exceptional circumstances exist which justify the making of an Award.

3.2 Where the Board resolves that an Award should be granted to an Eligible Employee it shall also determine whether that Award should take the form of a Conditional Allocation, Forfeitable Share Award or Nil-cost Option.

3.3 The maximum number of Shares which may be subject to an Award granted to an Eligible Employee in any Financial Year shall be the number resulting from the following formula (unless the Board determines otherwise in exceptional circumstances):

$$\frac{V}{ASP}$$

Where:

*V* is an amount equal to such percentage, not exceeding 100 per cent., of the Eligible Employee's Salary as at the Award Date as may be determined by the Board; and

*ASP* is the middle market quotation for a Share on the Dealing Day (or averaged over up to five Dealing Days, if the Board so determines) immediately preceding the Award Date, each of such days being days within the Award Period unless the Board considers that there are exceptional circumstances which justify the making of Awards outside of an Award Period.

3.4 The Board shall determine whether the Award shall comprise of one or more Tranches, and it shall be within the Board's absolute discretion to determine the number of Shares comprised in each Tranche and the Vesting Date of each of those Tranches.

3.5 No Award or Tranche of an Award may be granted with a Vesting Date earlier than the third anniversary of the Award Date.

3.6 The Board may resolve in its absolute discretion that additional conditions shall apply to the vesting of an Award or any Tranche.

3.7 No payment for an Award shall be made by the Participant.

3.8 An Award which takes the form of a Nil-cost Option shall be granted under seal or in such other manner as to take effect in law as a deed.

3.9 An Award shall be evidenced by an Award Certificate which shall be issued to the Participant by the Board within 30 days of the Award Date.

3.10 The Award Certificate shall specify:

- 3.10.1 the Award Date;
- 3.10.2 the number and class of Shares which are subject to the Award;
- 3.10.3 whether the Award takes the form of a Conditional Allocation, Forfeitable Share Award or Nil-cost Option;
- 3.10.4 in relation to a Nil-cost Option, whether the Participant is required to pay an Option Price on exercise and, if so, the amount which constitutes the Option Price;
- 3.10.5 whether the Award shall vest in Tranches;
- 3.10.6 if the Award is separated into Tranches, the number of Shares comprised in each Tranche;
- 3.10.7 the Vesting Date(s);
- 3.10.8 the period of time over which the Performance Target will be measured if longer than three years;
- 3.10.9 any additional conditions that apply to the Award or any Tranche pursuant to Rule 3.6;
- 3.10.10 the terms of the Dividend Equivalent; and
- 3.10.11 the full terms of the Performance Target (if applicable), together with a statement that the extent to which the Award shall vest is subject to the achievement of such Performance Target.
- 3.11 The interest of a Participant in an Award may not be transferred, assigned, pledged, charged or otherwise disposed of by a Participant.
- 3.12 A Participant may renounce an Award (in whole but not in part) by written notice to the Board to take effect from the date of receipt of such notice by the Board.

#### **4. TERMS SPECIFIC TO FORFEITABLE SHARE AWARDS**

- 4.1 Where an Award takes the form of a Forfeitable Share Award, the Shares comprised in that Award shall on, or as soon as practicable following, the Award Date be issued or transferred to the Trustee to hold on behalf of the Participant until the relevant Vesting Date or such earlier date on which the Award is forfeit.
- 4.2 Until such date(s) as the Forfeitable Share Award vests, the Participant shall be the beneficial owner of the Shares comprised in that Award but shall not be entitled to call for the legal title to such Shares nor transfer, assign, pledge, charge or otherwise dispose of the Shares or any interest in the Shares.
- 4.3 By participating in the Plan, unless the Board determines otherwise (and, in which case, Rule 9 shall not apply), the Participant waives all rights to cash and scrip dividends on the Shares comprised in the Forfeitable Share Award until such Award vests.
- 4.4 The Participant may direct the Trustee to vote the Shares comprised in his Forfeitable Share Award but the Trustee shall be under no obligation to seek such direction and, in the absence of such direction, shall take no action.

#### **5. PERFORMANCE TARGET**

- 5.1 Whether and, if so, the extent to which an Award shall vest under the Plan shall be determined by reference to the Performance Target (unless the Board determines that there are exceptional circumstances which justify the making of an Award to an Eligible Employee who is not a member of the Board which is not subject to the Performance Target).
- 5.2 If events happen following the Award Date which cause the Board to consider that the Performance Target is no longer a fair measure of the Company's performance, the Board may alter the terms of the Performance Target as it considers appropriate but not so that the revised target is materially less challenging than the target as originally set.
- 5.3 The Performance Target shall be measured over a period of not less than three years ending not later than the third anniversary of the Award Date.

## **6. FORFEITURE**

- 6.1 An Award shall be forfeit:

- 6.1.1 to the extent that, at the expiry of such period over which performance is measured, the Performance Target has not been satisfied;
- 6.1.2 immediately upon the Participant ceasing to be an employee of any Member of the Group by reason of dismissal for misconduct;
- 6.1.3 should the Participant purport to assign, pledge, charge or otherwise dispose of his interest in an Award contrary to Rule 3.11 or Rule 4.2; and
- 6.1.4 should the Participant become bankrupt, unless or to the extent otherwise determined by the Board.
- 6.1.5 to the extent that the Board determines, prior to the relevant Vesting Date, that:
  - (A) the financial accounts of the Company for any of the Financial Years taken into account in assessing the extent to which the Performance Measures in relation to the grant of the Share Award were satisfied were materially misstated (excluding, for the avoidance of doubt, any change to financial accounts resulting from a change in accounting standards or similar), or the Board determines that any other information relied on in making such assessment proves to have been incorrect; or
  - (B) the Participant has committed an act of (or omission that constitutes) gross misconduct or any act or omission which has brought the business of any Member of the Group into disrepute or damages the reputation of any Member of the Group;

- 6.2 At any time prior to the Vesting Date, an Award, or a Tranche of an Award, shall be forfeit immediately upon the Participant ceasing to be an employee of any Member of the Group for any reason other than those specified in Rule 6.3;

- 6.3 A Participant's Award or relevant Tranche shall not be forfeit pursuant to Rule 6.2 if he has ceased to be an employee of any Member of the Group as a result

of:

6.3.1 death;

6.3.2 injury, disability or ill-health;

6.3.3 redundancy (within the meaning of the Employment Rights Act 1996);

6.3.4 retirement;

6.3.5 the sale of the Subsidiary which is the Participant's Employing Company, or the sale of the business for which he works, outside of the Group; or

6.3.6 any reason, other than those specified in sub-rules 6.3.1 to 6.3.5, as determined by the Board.

6.4 The effect of the forfeiture of an Award shall be:

6.4.1 in the case of a Conditional Allocation, the Participant ceasing to be eligible to receive Shares subject to the Conditional Allocation;

6.4.2 in the case of a Forfeitable Share Award, the Participant ceasing to be beneficially entitled to the Shares underlying the Forfeitable Share Award, with such beneficial interest automatically resulting to the Trustee; and

6.4.3 in the case of a Nil-cost Option, the automatic lapse of the right to acquire Shares.

## **7. VESTING**

7.1 Subject to the forfeiture of the whole or any part of an Award under Rules 6.1, 7.3, 7.4, 8.2 or 8.3, an Award or the relevant Tranche of an Award shall not be forfeit at any time on or after the relevant Vesting Date.

7.2 The effect of the vesting of an Award or a Tranche of an Award is that:

7.2.1 in the case of a Conditional Allocation, Shares comprised in that Tranche of the Conditional Allocation shall be issued or transferred to, or to the order of, the Participant, or to his personal representatives, on or as soon as practicable following, if and to the extent that the Performance Target has been met, the Vesting Date (and, until such transfer has been effected, neither the Participant nor his personal representatives, shall have any beneficial interest in the Shares comprised in that Conditional Allocation);

7.2.2 in the case of a Forfeitable Share Award, the Shares underlying that Tranche of the Forfeitable Share Award shall automatically cease to be subject to all restrictions and the risk of forfeiture, if and to the extent that the Performance Target has been met, and legal title to such Shares shall be transferred to, or to the order of, the Participant, or to his personal representatives, on or as soon as practicable following the Vesting Date; and

7.2.3 in the case of a Nil-cost Option, that Tranche of the Option shall become exercisable in accordance with Rule 8 below, if and to the extent that the Performance Target has been met.

7.3 Where the Participant has ceased to be an employee of any Member of the Group

for a reason specified in Rule 6.3, the proportion of an Award (or each Tranche) which shall vest shall be limited (unless the Board determines otherwise) to a pro rata proportion on the basis of the number of whole months which have elapsed from the Award Date to the date the Participant ceased to be an employee of any Member of the Group as compared to the number of whole months from the Award Date to the first Vesting Date. Any remainder of the Award shall be forfeit.

- 7.4 In the event of a Corporate Action, the proportion of an Award which shall vest shall be limited (unless the Board determines otherwise) to a pro rata proportion on the basis of the number of whole months which have elapsed from the Award Date to the date of the Corporate Action as compared to the number of whole months from the Award Date to the first Vesting Date. Any remainder of the Award shall be forfeit.
- 7.5 Where a Participant ceases to be an employee of any Member of the Group for a reason specified in Rule 6.3, the Board may determine that the Vesting Date in relation to an Award granted to that Participant shall be the date of cessation of employment or any date thereafter.
- 7.6 An Award (or relevant Tranche) shall not vest unless and until the Board is satisfied that the Vesting and (if appropriate) the issue or transfer of Shares at that time would be lawful in the jurisdiction in which the Participant resides and is in compliance with the Company's share dealing code and any other relevant code, regulation or enactment governing dealings in shares.

## **8. EXERCISE OF NIL-COST OPTIONS**

- 8.1 Where any Tranche of an Award granted as a Nil-cost Option vests, the Nil-cost Option may (subject to Dealing Restrictions) be exercised as to that Tranche, in whole but not in part, during the Exercise Period by giving notice to the Company, or its duly appointed agent, in the manner decided by the Board (together with payment of the Option Price (if any) or arrangements acceptable to the Board to make that payment).
- 8.2 To the extent that a Nil-cost Option is not exercised during the Exercise Period it shall be forfeit immediately thereafter.
- 8.3 In the event that the Participant ceases to be an employee of any Member of the Group, the Exercise Period shall be curtailed to the later of the conclusion of the day six months from:
- 8.3.1 the last Vesting Date; and
- 8.3.2 the date on which the Participant ceases to be an employee of any Member of the Group,
- and to the extent not exercised shall be forfeit immediately thereafter.
- 8.4 In the event of a Corporate Action, all Nil-cost Options shall be deemed to be immediately exercised.
- 8.5 As soon as reasonably practicable following the exercise of a Nil-cost Option the Company shall transfer, procure the transfer or issue to, or to the order of, the Participant (or to his personal representatives) the Shares in respect of which that Nil-cost Option has been exercised.
- 8.6 A Nil-cost Option may not be exercised unless and until the Board is satisfied that the exercise and the issue or transfer of Shares at that time would be lawful in the

jurisdiction in which the Participant resides and is in compliance with the Company's share dealing code and any other relevant code, regulation or enactment governing dealings in shares.

## **9. DIVIDEND EQUIVALENT**

- 9.1 At the same time that a transfer or issue of Shares is made to the Participant (or to his personal representatives) following the Vesting of an Award (or any Tranche) or the exercise of a Nil-cost Option, the Board may, at its discretion, determine that the Company shall transfer, procure the transfer or issue to the Participant (or to his personal representatives) such number of additional Shares, not exceeding such number as could have been acquired at Market Value (over the period from the Award Date to the relevant Vesting Date or, in the case of a Nil-cost Option, to the date on which Shares are issued or transferred following the exercise of the Nil-cost Option) on each Dividend Record Date with the amount of dividends that the Participant would have received in respect of the Shares so issued or transferred had the Participant been the full legal and beneficial owner of such Shares on each such Dividend Record Date.
- 9.2 No additional Shares shall be issued or transferred under Rule 9.1 in relation to dividends that the Participant would have received in respect of the Shares, had he been the full legal and beneficial owner of such Shares, comprised in the whole or any part of an Award which is forfeit.

## **9A. CLAW-BACK**

- 9A.1 This Rule 9A shall apply where, at any time within three years following the date that an Award vests (or the date on which the last Tranche of an Award vests) the Board determines that a Claw-back should apply in respect of such Award.
- 9A.2 The Board may apply a Claw-back where:
- 9A.2.1 the Board determines that the financial accounts of the Company for any of the Financial Years taken into account in assessing the extent to which the Performance Target in relation to the Award was satisfied were materially misstated (excluding, for the avoidance of doubt, any change to financial accounts resulting from a change in accounting standards or similar), or the Board determines that any other information relied on in making such assessment proves to have been incorrect; and, in either case, the Award vested in respect of a greater number of Shares than would have been the case had there not been such a misstatement or reliance on incorrect information; or
- 9A.2.2 prior to the date on which the Award vested, the Participant committed an act of (or omission that constitutes) gross misconduct or any act or omission which has brought the business of any Member of the Group into disrepute or damaged the reputation of any Member of the Group at any time prior to the date that the Award vested.
- 9A.3 Where the Board imposes a Claw-back in respect of an Award, the Board shall determine:
- 9A.3.1 the excess number of Shares in respect of which the Award vested (such amount being the gross amount, ignoring the effect of any Tax Liability that arises on the vesting or exercise of an Award) (the "**Excess Shares**"); and
- 9A.3.2 the Market Value of such Excess Shares on (i) the date on which the Award

vested; or (ii) where such Excess Shares were comprised in a Nil-cost Option which has been exercised, the Market Value of such Shares on the date of exercise (in either case, the **"Cash Equivalent"**).

9A.4 A Claw-back may be effected in such manner as may be determined by the Board, and notified to the Participant, including by any one or more of the following:

9A.4.1 by reducing, by the number of Excess Shares and/or the Cash Equivalent, the number of Shares and/or amount of cash in respect of which an Outstanding Award or Future Award vests or may vest (or has vested, in respect of which no Shares have yet been transferred or cash payment made), whether before or after the assessment of performance conditions in respect of such Outstanding Award or Future Award;

9A.4.2 by reducing, by the number of Excess Shares, the number of Shares subject to an unexercised Nil-cost Option;

9A.4.3 by setting-off against any amounts payable by the Company or any Subsidiary to the Participant or his personal representatives, an amount equal to the Cash Equivalent (including from any bonus payment which may otherwise become payable to the Participant or his personal representatives); and/or

9A.4.4 by requiring the Participant, or his personal representatives, to immediately transfer to the Company, or as the Company may direct, a number of Shares equal to the Excess Shares or an amount equal to the Cash Equivalent (which shall be an immediately payable debt due to the Company), provided that the Board may reduce the number of Excess Shares or Cash Equivalent subject to the Claw-back in order to take account of any amount of taxation or social security which arose on the Excess Shares (howsoever delivered to the Participant).

9A.5 Where the Board determines that a Claw-back shall apply in respect of an Award which has vested and/or Nil-cost Option which has been exercised, any additional Shares issued or transferred to the Participant under Rule 9 in respect of such Award shall be subject to Claw-back in accordance with the terms of this Rule 9A to the extent that the Board determines that such additional Shares relate to the Claw-back Shares.

9A.6 The Participant acknowledges that the Board may forfeit any Awards held by a Participant to such extent necessary (including in full) in order to give effect to a claw-back under the terms of any other Employees' Share Scheme or bonus scheme operated from time to time by the Company or any Subsidiary.

## **10. PAYE DEDUCTION**

10.1 If, on the Vesting or exercise of an Award (or any Tranche), a Tax Liability (as defined in Rule 10.4.3) arises, then unless:

- (A) the Participant has agreed that he will make a payment to the Company, or his employer or former employer, of an amount equal to the Tax Liability; and
- (B) the Participant makes such payment within 7 days of being notified by the Company, or his employer or former employer, of the amount of the Tax Liability,

the Company shall only be obliged to deliver (or procure the delivery of) legal title to such proportion of the Shares in respect of which that Award (or relevant Tranche) vests or is exercised as shall be determined as follows (notwithstanding that beneficial title shall otherwise pass):

$$\frac{A-B}{A}$$

A

Where:

*A* is the aggregate Relevant Value of the Shares comprised in the Award in respect of which Shares are to be issued or transferred or, in respect of a Forfeitable Share Award, cease to be subject to restrictions and a risk of forfeiture (together with any additional Shares to be issued or transferred pursuant to Rule 9); and

*B* is the aggregate amount of the Tax Liability which arises as a result of the delivery of such Shares to the Participant or such Shares ceasing to be subject to restrictions and a risk of forfeiture (together with any associated dealing costs arising as a result of the sale of Shares pursuant to this Rule 10).

10.2 The Participant authorises the Company to sell, or procure the sale of, such proportion of the Shares, legal title to which it is not obliged to deliver to the Participant (the "Retained Shares"), on the date on which those Shares would otherwise be delivered to the Participant and to remit the proceeds of sale of the Retained Shares either to the appropriate authorities of the jurisdiction in which the Participant is subject to tax or to the Employing Company in order to reimburse it for any Tax Liability arising upon the delivery of the Shares to the Participant or Shares ceasing to be subject to restrictions and a risk of forfeiture.

10.3 The Participant authorises the Employing Company to make any further adjustments through payroll to ensure that the correct amount is remitted to the appropriate authorities of the jurisdiction to which the Participant is subject to tax in respect of the Tax Liability arising upon the delivery of the Shares to the Participant or Shares ceasing to be subject to restrictions and a risk of forfeiture.

10.4 For the purposes of this Rule 10:

10.4.1 all fractions of a Share shall be ignored;

10.4.2 "**Relevant Value**" shall mean the market value of a Share determined in accordance with Part VIII of the Taxation of Chargeable Gains Act 1992; and

10.4.3 references to "**Tax Liability**" shall include any amount of tax and/or social security (or similar) contributions which the Company or the Employing Company becomes liable on behalf of the Participant to pay to the appropriate authorities in any jurisdiction together with all or such proportion (if any) of employer's social security contributions which would otherwise be payable by the Company or the Participant's employer as is determined to be recoverable from the Participant (to the extent permitted by law by the Board, save to the extent that such employer's social security contributions are subject to recovery pursuant to an election to which paragraph 3B of Schedule 1 to the Social Security Contributions and Benefits Act 1992 applies.

## **11. VARIATION OF CAPITAL**

- 11.1 In the event of a variation of the share capital of the Company by way of a capitalisation, rights issue, consolidation, sub-division, split, reclassification or reduction of Shares or other reorganisation of the share capital of the Company, the Board may make such adjustments to Conditional Allocations and Nil-cost Options as it may determine to be appropriate.
- 11.2 In the event of the demerger of a substantial part of the Group's business, a special dividend or similar event affecting the value of Shares subject to Conditional Allocations and Nil-cost Options to a material extent, where the Board does not determine that such event shall be a Corporate Action, the Board may make such adjustments to Conditional Allocations and Nil-cost Options as it may determine to be appropriate.
- 11.3 In the event of the demerger of a substantial part of the Group's business, a special dividend or similar event affecting the value of Shares to a material extent, where the Board does not determine that such event shall be a Corporate Action, or upon the occurrence of a variation of share capital, where the Trustee receives the proceeds from such an event in respect of any Shares comprised in a Forfeitable Share Award, whether in cash or securities of any nature, the Trustee shall hold such proceeds on the same terms as the Forfeitable Share Award to which those proceeds relate and references to the Forfeitable Share Award shall be read to include such proceeds.
- 11.4 In the event of the receipt by the Trustee, on behalf of a Participant, of any rights to acquire shares, securities or rights of any description in respect of Shares comprised in a Forfeitable Share Award, the Trustee shall sell such rights nil paid to the extent necessary to take up the remaining rights and shall hold the resulting proceeds from such an event on the same terms as the Forfeitable Share Award to which those proceeds relate and references to the Forfeitable Share Award shall be read to include such proceeds.
- 11.5 The Board may take such steps as it may consider necessary to notify Participants of any adjustment made under this Rule 11 and/or any additional proceeds received by the Trustee on behalf of the Participant.

## **12. REORGANISATION**

- 12.1 In the event of a change of Control of the Company or other event affecting Shares, other than where such event constitutes a Corporate Action, any outstanding Awards shall continue to subsist, but subject to such adjustments to the Performance Target as the Board shall determine pursuant to Rule 5.2.

## **13. REGULATORY MATTERS**

- 13.1 Any issue or transfer of Shares to the Participant, or to his personal representative(s), under the Plan shall be subject to such consent, if any, of any authorities wherever situate, as may from time to time be required and the Participant, or his personal representative(s), shall be responsible for complying with the requirements of or to obtain or obviate the necessity for such consents.
- 13.2 Where the issue or transfer of Shares is prohibited pursuant to Rule 13.1, or

where Rule 7.6 applies, such issue or transfer of Shares shall be delayed until the issue or transfer is no longer prohibited.

#### **14. ADMINISTRATION AND AMENDMENT**

- 14.1 The Board may at any time add to or alter the Plan or any Award granted thereunder, in any respect.
- 14.2 Subject to Rule 14.3, no addition or alteration to the advantage of present or future Participants relating to eligibility, the 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, or the terms of, Shares provided pursuant to the Plan and the provisions for adjustments on a variation of share capital shall be made without the prior approval by ordinary resolution of the shareholders of the Company in general meeting.
- 14.3 Rule 14.2 shall not apply to any alteration or addition which is necessary or desirable in order to comply with or take account of the provisions of any proposed or existing legislation, law or other regulatory requirements or to take advantage of any changes to the legislation, law or other regulatory requirements, or to obtain or maintain favourable taxation, exchange control or regulatory treatment of the Company, any Subsidiary or any Participant or to make minor amendments to benefit the administration of the Plan.
- 14.4 No alteration or addition shall be made under Rule 14.1 which would abrogate or adversely affect the subsisting rights of a Participant unless it is made:
- 14.4.1 with the consent in writing of the Participant;
- 14.4.2 with the consent in writing of such number of Participants as hold Awards under the Plan in relation to 75 per cent. of the Shares comprised in all Awards under the Plan; or
- 14.4.3 by a resolution at a meeting of Participants passed by not less than 75 per cent. of the Participants who attend and vote either in person or by proxy,
- and for the purpose of this Rule 14.4 the Participants shall be treated as the holders of a separate class of share capital and the provisions of the Articles of Association of the Company relating to class meetings shall apply mutatis mutandis.
- 14.5 The Board may take such steps as it may consider necessary to notify Participants of any alteration or addition made under this Rule 14 and to call in, cancel, endorse, issue or reissue any Award Certificate subsequent upon such alteration or addition.
- 14.6 The Board may, in respect of Eligible Employees who are or who may become subject to taxation outside the United Kingdom on their remuneration, establish such plans or sub-plans based on the Plan but subject to such modifications as the Board considers necessary or desirable to take account of or to mitigate or to comply with relevant overseas taxation, securities or exchange control laws, provided that the terms of awards granted under such plans or sub-plans are not overall more favourable than the terms of Awards granted under the Plan and that awards granted, and shares issued, pursuant to such plans or sub-plans shall count towards the limits set out in Rules 2 and 3.3.

## 15. GENERAL

- 15.1 The Plan shall terminate on the tenth anniversary of its approval by shareholders in general meeting or at any earlier time by the passing of a resolution by the Board or an ordinary resolution of the shareholders in general meeting. Following such termination no further Awards shall be granted, but such termination shall be without prejudice to the subsisting rights of Participants.
- 15.2 The Company and any Subsidiary of the Company may provide money to the trustees of any trust or any other person to enable them or him to acquire Shares to be held for the purposes of the Plan, or enter into any guarantee or indemnity for these purposes, to the extent that such is not prohibited by Chapter 2 of Part 18 of the Companies Act 2006.
- 15.3 Save as otherwise provided under the Plan:
- 15.3.1 Shares issued and allotted pursuant to the Plan will rank *pari passu* in all respects with the Shares then in issue at the date of such allotment, except that they will not rank for any rights attaching to Shares by reference to a record date preceding the date of allotment; and
- 15.3.2 Shares to be transferred pursuant to the Plan (including on the transfer of legal title to Shares comprised in a Forfeitable Share Award) will be transferred free of all liens, charges and encumbrances and together with all rights attaching thereto, except they will not rank for any rights attaching to Shares by reference to a record date preceding the date of transfer.
- 15.4 If and so long as the Shares are admitted to listing by the UK Listing Authority and traded on the London Stock Exchange or are admitted to trading on any stock exchange, stock market or other recognised exchange (the "**Relevant Exchange**"), the Company shall apply for any Shares issued and allotted pursuant to the Plan to be admitted to listing by the UK Listing Authority, or to be listed or traded on the Relevant Exchange, as soon as practicable after the allotment thereof.
- 15.5 Shares acquired pursuant to an Award shall be subject to the Company's Articles of Association as amended from time to time.
- 15.6 Save as otherwise provided in the Plan, Participants shall not be entitled to:
- 15.6.1 receive copies of accounts or notices sent to holders of Shares;
- 15.6.2 exercise voting rights; or
- 15.6.3 receive dividends,
- in respect of Shares which have not been issued or transferred (including where legal title to Shares comprised in a Forfeitable Share Award has not been transferred) to such Participants pursuant to the Plan.
- 15.7 Any notice or other communication required under this Plan will be given in writing, which may include electronic means.
- 15.8 Any notice or other communication to be given to Participants may be delivered by electronic means (including by email, through the Group's intranet or a share plan portal), personally delivered or sent by ordinary post to such address as the Board reasonably considers appropriate.

15.9 Any notice or other communication to be given to the Company or its agents may be delivered or sent to its registered office or such other place and by such means as the Board or the Company's agents may specify and notify to Participants.

15.10 Notices:

15.10.1 sent electronically will be deemed to have been received immediately (if sent during usual business hours) or at the opening of business on the next Dealing Day (if sent outside usual business hours);

15.10.2 that are personally delivered will be deemed to have been received when left at the relevant address (if left during usual business hours) or at the opening of business on the next Dealing Day (if left outside usual business hours); and

15.10.3 sent by post will be deemed to have been received 24 hours after posting to a UK address or 3 days after posting to an address outside the UK, unless there is evidence to the contrary.

15.11 All notices or communications to be given to Participants are given and sent at the risk of the addressee. No Member of the Group has any liability in respect of any notice or communication given or sent, nor need they be concerned to see that the addressee actually receives it.

15.12 Nothing in the Plan shall in any way be construed as imposing upon any Member of the Group a contractual obligation as between the Member of the Group and an employee to contribute or to continue to contribute to the Plan.

15.13 The rights and obligations of any individual under the terms of his office or employment with the Company or any past or present Subsidiary shall not be affected by his participation in the Plan and the Plan shall not form part of any contract of employment between the individual and any such company.

15.14 An Eligible Employee shall have no right to receive an Award under the Plan.

15.15 By participating in the Plan, the Participant waives all and any rights to compensation or damages in consequence of the termination of his office or employment with the Company or any past or present Subsidiary for any reason whatsoever, whether lawfully or otherwise, insofar as those rights arise or may arise from his ceasing to have rights under the Plan as a result of such termination, or from the loss or diminution in value of such rights or entitlements, including by reason of the operation of the terms of the Plan, any determination by the Board pursuant to a discretion contained in the Plan or the provisions of any statute or law relating to taxation.

15.16 Benefits under the Plan shall not form part of a Participant's remuneration for any purpose and shall not be pensionable.

15.17 Participation in the Plan will be subject to:

15.17.1 any data protection policies applicable to any relevant Member of the Group;  
and

15.17.2 any applicable privacy notices.

15.18 Each person will have regard to Dealing Restrictions when operating, interpreting, administering, participating in and/or taking any other action in relation to the Plan.

- 15.19 Any disputes regarding the interpretation of the Rules or the terms of any Award shall be determined by the Board (upon such advice as it shall consider necessary) and any decision in relation thereto shall be final and binding.
- 15.20 The invalidity or non-enforceability of any provision or Rule of the Plan shall not affect the validity or enforceability of the remaining provisions and Rules of the Plan which shall continue in full force and effect.
- 15.21 These Rules shall be governed by and construed in accordance with English Law and the English courts shall have exclusive jurisdiction to determine any dispute which may arise out of, or in connection with, the Plan.

## US ADDENDUM

The following provisions shall apply to any Participant who is subject to United States income tax (a **"US Participant"**):

1. A US Participant shall be eligible to receive only a Conditional Allocation or a Forfeitable Share Award under the Plan.
2. Subject to paragraph 3 below, Shares comprised in a Conditional Allocation granted to a US Participant, together with any additional Shares to be issued or transferred pursuant to Rule 9 of the Plan (*Dividend Equivalent*), shall be issued or transferred to the US Participant, or to his personal representatives, on the fifth Dealing Day following, if and to the extent that the Performance Target has been met, the relevant Vesting Date.
3. Pursuant to Rule 7.5 of the Plan, Shares comprised in a Conditional Allocation granted to a US Participant, together with any additional Shares to be issued or transferred pursuant to Rule 9 of the Plan (*Dividend Equivalent*), shall be issued or transferred to the US Participant, or to his personal representatives, on the date of the US Participant's separation from service with the Company and its affiliates within the meaning of U.S. Treasury Regulation §1.409A-1(h) or any successor thereto, except as provided in paragraph 4 below.
4. In the event a US Participant is a "specified employee" within the meaning of §409A(a)(2)(B)(i) of the US Internal Revenue Code of 1986, as amended (the **"Code"**), and an amount becomes payable or Shares become issuable or transferable upon the US Participant's separation from service (as defined above), no payment shall be made nor Shares issued or transferred to the US Participant, or to his personal representatives, prior to the earlier of (i) the date which is six months after such separation from service; and (ii) the date of the US Participant's death.
5. In relation to an Award granted to a US Participant, for the purposes of the definition of Vesting Date in Rule 1.1 a Corporate Action shall only be deemed to have occurred where there is a "change in control event" as defined in U.S. Treasury Regulations or other guidance issued pursuant to Code §409A.
6. For purposes of the foregoing, Shares shall be treated as issued or transferred as of a specified date if the Shares are actually issued or transferred no later than the later of (i) 31 December in the calendar year including such specified date; or (ii) the 15<sup>th</sup> day of the third calendar month following the month including such specified date, provided that the Participant shall have no right to designate the taxable year in which the Shares are issued or transferred.
7. The foregoing provisions are intended to comply with the requirements of Code §409A and shall be construed and interpreted in accordance therewith in order to avoid the imposition of additional tax thereunder. Forfeitable Share Awards are intended to be taxed in accordance with Code §83.