

BOVIS HOMES GROUP PLC

Long Term Incentive Plan 2020

**Approved by Resolution of Shareholders in General Meeting with effect from
*[insert date of completion]***

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THE BOVIS HOMES GROUP PLC LONG TERM INCENTIVE PLAN 2020

RULES

1. DEFINITIONS

1.1 In this Plan, unless the context otherwise requires, the following words and expressions shall have the following meanings, namely:

Adoption Date means the date on which shareholder approval of the Plan takes effect;

Award means an award granted under rule 2 in the form of an Option, Forfeitable Shares, a Conditional Award or a Phantom Award;

Award Certificate means the notification to a Participant setting out the specific conditions of an Award in such form as the Committee may determine from time to time;

Basic Salary means an Executive's annual gross basic salary in respect of his employment with the Group plus the amount of any Salary Sacrifice Salary Reduction;

Capital Reorganisation means any variation in the share capital or reserves of the Company (including, without limitation, by way of capitalisation issue, rights issue, sub-division, consolidation or reduction);

Cash Amount means, in relation to an Award which has Vested, an amount which, in the opinion of the Committee, is equal to the Market Value on the Vesting Date of the Vested Shares less any amount which the Participant is required to pay under these rules in order to realise the Award;

Committee means the remuneration committee of the board of directors of the Company or a duly authorised person or group of persons;

Company means Bovis Homes Group PLC (incorporated in England and Wales with company number 306718);

Conditional Award means an Award which takes the form of a contingent right to acquire or receive Shares at no or nominal cost;

Control has the meaning given to it by section 995 of the Income Tax Act 2007;

Date of Grant means the date on which the Committee grants an Award;

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

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

Dividend Equivalents means the Shares and/or cash payable pursuant to rule 4;

Employees' Share Scheme has the meaning given by section 1166 of the Companies Act 2006;

Executive means any employee (including an executive director) of any member of the Group;

Exercise Price means, if applicable, an amount payable by a Participant on the exercise of his Option;

Financial Year means an accounting reference period of the Company as determined in accordance with section 391 of the Companies Act 2006;

Forfeitable Shares means Shares which are the subject of an Award of which the Participant has beneficial ownership from the Date of Grant subject to forfeiture or lapse as set out in the agreement referred to in rule 3.1;

Grant Period means the period of 42 days commencing on any of:

- (i) the date on which the approval of the Plan by the shareholders of the Company takes effect ;
- (ii) the day on which the Company makes an announcement of its results for any period;
- (iii) any day on which a proposed Participant commences employment; or
- (iv) any day on which the Committee resolves that exceptional circumstances exist that justify the grant of Awards;

Group means the Company and its Subsidiaries and *member of the Group* shall be construed accordingly;

Holding Period means the period after Vesting during which a Participant is required to retain their Shares or Award as set out in rule 16;

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

Market Value means, in relation to a Share on any day, for so long as such shares are listed on the London Stock Exchange, the mid-market price for that share as quoted in the Daily Official List of the London Stock Exchange on that day and otherwise shall mean the market value as defined by section 272 of the Taxation of Chargeable Gains Act 1992;

Official List means the Official List of the UK Listing Authority;

Option means an Award which takes the form of an option to acquire Shares at no cost or on payment of an Exercise Price following Vesting;

Participant means an Executive who holds a subsisting Award (or, in respect of rule 15.4, any person to whom Shares have been issued or transferred or to whom cash is paid in respect of an Award) or, where appropriate, his legal personal representatives;

the Performance Conditions means the performance conditions to be measured over the Performance Period as determined by the Committee at the Date of Grant;

the Performance Period means a period of three years commencing on the first day of the Financial Year in which the Award is granted or such other period and/or commencement date as the Committee may determine on or before the Date of Grant;

Phantom Award means an Award which takes the form of a right to call for a cash payment calculated by reference to the Market Value of a notional Share and which may take account of a notional Exercise Price payable on exercise;

the Plan means this Long Term Incentive Plan 2020 as amended from time to time;

Salary Sacrifice Arrangement means an arrangement as determined by the Company from time to time, which has the effect of reducing the remuneration of an Executive in exchange for the provision of other benefits;

Salary Sacrifice Salary Reduction means any amount by which an Executive's basic annual cash salary has been reduced in accordance with a Salary Sacrifice Arrangement;

Share means a fully paid ordinary share in the capital of the Company or any other shares representing those Shares following any Capital Reorganisation and in the case of a Phantom Award any reference to a Share shall be to a reference to a notional Share;

Subsidiary means any company which is a subsidiary of the Company within the meaning of section 1159 of the Companies Act 2006;

Termination Date means the date on which a Participant ceases to be employed by the Group;

Trust means the Bovis Homes Group Employee Trust or any other trust for the benefit of the employees of the Group;

Trustees means the trustees or trustee for the time being of the Bovis Homes Group Employee Trust;

UK Listing Authority means the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000;

Vested Shares means Shares the subject of Awards in respect of which the Vesting Date has passed, and **Vest** and **Vesting** shall be construed accordingly;

Vesting Adjustment means a downward adjustment to the extent an Award would otherwise Vest pursuant to rule 7.1;

Vesting Date means in relation to an Award or any part of an Award the later of (i) the date on which the Committee has determined the Performance Conditions relating to the Award or a part of an Award have been satisfied, and (ii) subject to rules 8.2, 8.3, 8.4, 11, 12 and 13, the last day of the Vesting Period, provided that, if the Vesting Date would otherwise fall on a date when the Company and/or the Participant would be subject to any Dealing Restriction, it shall be such later date as that Dealing Restriction first ceases to apply; and

Vesting Period means the period beginning on the Date of Grant and ending on the third anniversary of the Date of Grant or such other date as the Committee may determine on or before the Date of Grant.

1.2 References to any statute or statutory instrument or to any part or parts thereof include any modification, amendment or re-enactment thereof for the time being in force.

1.3 Words of the masculine gender shall include the feminine and vice versa and words in the singular shall include the plural and vice versa unless in either case the context otherwise requires or is otherwise stated.

2. GRANT OF AWARDS

2.1 Subject to the provisions contained in these rules, the Committee may, during a Grant Period, in its discretion, grant Awards to any Executives selected for participation by the Committee.

2.2 When the Committee grants an Award, it shall decide whether the Award will take the form of an Option, Forfeitable Shares, a Conditional Award or a Phantom Award. An Executive may be granted any form of Award or any combination of Awards. References to “realise”, “realised” or “realisable” shall, in the case of an Award which is granted in the form of an Option, be construed as “call for”, “called for” or “may be called for” respectively and in the case of an Award which is granted in the form of Forfeitable Shares, be construed as “cease to be subject to forfeiture”, “ceased to be subject to forfeiture” or “ceases to be subject to forfeiture” respectively.

2.3 When the Committee grants an Award, it may determine that it will require a Participant to enter into an agreement by which he shall agree not to sell, transfer, assign, charge or otherwise alienate a specified proportion of any Vested Shares and Dividend Shares that he may acquire from the Award for a minimum period of time after the realisation of the Award.

2.4 Each Award shall be evidenced by an Award Certificate issued by the Company and shall be subject to such terms and conditions consistent with the Plan as the Committee may determine in its sole discretion. The Award Certificate shall state:

- (a) whether the Award will take the form of an Option, Forfeitable Shares, a Conditional Award or a Phantom Award;
 - (b) the Date of Grant;
 - (c) the number of Shares (or in the case of an Award granted in the form of a Phantom Award, notional Shares) comprised in an Award and if relevant the number or percentage of Shares into which an Award may be divided to create different parts of an Award;
 - (d) the Performance Conditions that must be satisfied and the Performance Period over which they will be measured in order for the Award or any part of an Award to Vest;
 - (e) the Vesting Period or Periods that apply to the Award or any part of an Award;
 - (f) whether the provisions of Rule 15 will not apply to the Award;
 - (g) whether Dividend Equivalents will be added to any Vested Shares;
 - (h) in relation to an Award or any part of an Award that will be subject to a Holding Period or Periods, the duration of such Holding Period or Periods; and
 - (i) whether any Vested Shares and Dividend Shares will be subject to the restrictions mentioned in rule 2.3 above and if so, the proportion of Shares that will be affected and the period for which the restrictions will apply.
- 2.5 The Award will be evidenced by a deed and, in relation to an Award which takes the form of Forfeitable Shares, will be evidenced by the agreement mentioned in rule 3.1.
- 2.6 No Award shall be granted under the Plan more than ten years after the Adoption Date.
- 2.7 For the avoidance of doubt, no payment by the Participant shall be required on the grant of an Award.
- 2.8 Every Award granted under this Plan shall be personal to the Participant to whom it is granted and, except to the extent necessary to enable a personal representative to realise the Award following the death of a Participant or the Committee so consents, neither the Award nor the benefit thereof may be transferred, assigned, charged or otherwise alienated. Any transfer of an Award otherwise than as permitted by this rule 2.8 shall cause an Award to lapse.
- 2.9 The grant of any Award shall be subject to any applicable Dealing Restrictions and to obtaining any approval or consent required under the provisions of the Listing Rules published by the UK Listing Authority or the City Code on Takeovers and Mergers or of any regulation or enactment applicable to such grant.

3. AWARDS WHICH TAKE THE FORM OF FORFEITABLE SHARES

- 3.1 If an Award takes the form of Forfeitable Shares, the Executive shall, before the Date of Grant, enter into an irrevocable agreement with the Company and, if different, the Executive's employing company, in such form as the Company may prescribe which shall include an agreement by the Executive:
- (a) not to transfer, assign, sell, pledge, charge or otherwise dispose of any Shares subject to the Award except to the extent that the Award has Vested;
 - (b) to transfer (or procure the transfer) to or to the order of the Company, for a total of one penny, all the Shares in respect of which the Award lapses under the Plan; and
 - (c) if so required by the Company, to pay to or to the order of the Company, any dividends received in respect of any Shares in respect of which the Award lapses under the Plan.
- 3.2 If an Award takes the form of Forfeitable Shares the Executive shall, before the Date of Grant, enter into a joint election under Section 431 of the Income Tax (Earnings and Pensions) Act 2003 with the relevant member of the Group relating to the acquisition of the Forfeitable Shares.
- 3.3 If the Executive does not enter into the agreement referred to in rule 3.1 or the election referred to in rule 3.2, before the Date of Grant, the Award shall not be granted.
- 3.4 In the case of an Award which takes the form of Forfeitable Shares, the Company shall (or the relevant employing company shall procure that the Company shall) issue or transfer the number of Shares subject to the Award to the Participant or to another person to hold the Shares as trustee or nominee for the Participant subject to the terms of the Plan.
- 3.5 In the case of an Award which takes the form of Forfeitable Shares, the agreement referred to in rule 3.1 shall cease to have effect when and to the extent that the Forfeitable Shares which are subject to it, Vest.
- 3.6 The agreement referred to in rule 3.1 shall make such provision relating to the receipt and re-payment of dividends in respect of the Forfeitable Shares as the Committee may determine.

4. DIVIDEND EQUIVALENTS

- 4.1 Subject to rule 4.3, an Award which is granted in the form of an Option, a Conditional Award or a Phantom Award, may be granted on terms that the number of Vested Shares subject to the Award shall be treated as increased by such number of Shares (*Dividend Shares*) as could have been acquired with the amount of each cash dividend paid on the Vested Shares for which the dividend record date falls between the Date of Grant and the Vesting Date (or in the case of an Option subject to a Holding Period, between the Date of

Grant and the first date on which the Option becomes exercisable) calculated using the Market Value of a share on the day the Shares are first quoted ex-dividend in respect of that dividend. . This rule 4.1 shall not apply in respect of *dividends in specie*, such other dividends for which an adjustment is made under rule 18 and any other dividend as the Committee may decide. In the case of a Phantom Award, the value of the Dividend Shares will be paid in cash.

- 4.2 The number of Dividend Shares shall be calculated on a cumulative basis up to the relevant Vesting Date, so that (for calculation purposes only, and without creating an interest in Shares prior to the relevant Vesting Date), Dividend Shares shall be notionally attributed to Vested Shares as at each dividend payment date.
- 4.3 The Committee may decide to use a different basis to calculate the Dividend Equivalents provided such decision is made on or before the Date of Grant of an Award. The Committee may decide to pay the value of a Dividend Equivalent in cash.

5. PERFORMANCE CONDITIONS

- 5.1 Each Award will be subject to objective Performance Conditions which shall be determined by the Committee at the Date of Grant. The Committee may determine that an Award should be subject to multiple Performance Conditions or that an Award should be sub-divided and that each part be subject to a different Performance Condition and/or a different Vesting Period.
- 5.2 An Award or, if relevant, a part of an Award, will, subject to any Vesting Adjustment, Vest as to the percentage of Shares determined in accordance with the Performance Conditions.
- 5.3 If an event or transaction occurs which causes the Committee to consider that the Performance Conditions subject to which a subsisting Award has been granted are no longer appropriate, the Committee may substitute or vary the Performance Conditions in such manner (and make such consequential amendments to the rules); as:
- (a) is reasonable in the circumstances; and
 - (b) produces a fairer measure of performance and is neither materially more nor less difficult to satisfy.

The subsisting Award shall then take effect subject to the Performance Conditions as so substituted or varied.

- 5.4 The Committee shall, as soon as reasonably practicable, notify a Participant of any determination made under rule 5.3.
- 5.5 An Award shall lapse to the extent the Performance Conditions are not met.

- 5.6 Different Performance Conditions may be applied to Awards granted in different years.

6. LIMITS

Individual Limits

- 6.1 Save as provided in rule 6.3 below, no Executive shall be granted an Award in any Financial Year which would cause the aggregate of (i) the Market Value of the Shares which he may acquire on the Vesting of that Award (as determined at the proposed Date of Grant and excluding any Dividend Shares which may be acquired as a result of the operation of rule 4.1), and (ii) the aggregate of the Market Value of the Shares which he may acquire on Vesting of all other subsisting Awards granted to him under the Plan in the same Financial Year (such values to be determined as at the respective dates of grant of the relevant Awards), to exceed 200 per cent of his Basic Salary.
- 6.2 If the grant of any Award would have the result of breaching the limit in rule 6.1 that Award shall be treated as taking effect over the maximum number of Shares over which it could have been granted without breaching such limit.

Plan Limits

- 6.3 No Award shall be granted under the Plan to the extent that the result of that grant would be that the aggregate number of Shares that could be issued on the realisation of that Award and any other Award granted at the same time, when added to the number of Shares that:
- (a) could be issued on the realisation of any subsisting awards or options granted during the preceding ten years under the Plan or any other Employees' Share Scheme established by the Company or any other company under the Company's Control; and
 - (b) have been issued on the realisation of any awards or options granted during the preceding ten years under the Plan or any other Employees' Share Scheme established by the Company or any other company under the Company's Control,

would exceed 10 per cent of the ordinary share capital of the Company for the time being in issue.

- 6.4 No Award shall be granted under the Plan to the extent that the result of that grant would be that the aggregate number of Shares that could be issued on the realisation of that Award and any other Award granted at the same time, when added to the number of Shares that:
- (a) could be issued on the realisation of any subsisting awards or options granted during the preceding ten years under the Plan or any other discretionary share

plans adopted by the Company or any other company under the Company's Control; and

- (b) have been issued on the realisation of any awards or options granted during the preceding ten years under the Plan or any other discretionary share plans adopted by the Company or any other company under the Company's Control, would exceed 5 per cent of the ordinary share capital of the Company for the time being in issue.

6.5 Reference in this rule 6 to the issue of Shares shall, for the avoidance of doubt, mean the issue and allotment (but not transfer) of Shares (other than where a trustee transfers Shares to a Participant which the trustee has previously had issued to it). Where Shares are transferred or to be transferred from treasury under this Plan or any other Employees' Share Scheme established by the Company such Shares shall be treated, for the purpose of this Rule 6, as Shares that are issued or issuable but only for so long as (and to the extent that) the guidelines issued by the Association of British Insurers for share incentive schemes recommend that treasury shares should be so included.

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

- (a) any Shares attributable to an Award which was released, lapsed, forfeited or otherwise became incapable of release; and
- (b) any Dividend Shares which may be acquired pursuant to any Award as a result of the operation of rule 4.1.

7. VESTING OF AWARDS

7.1 Before the Vesting of an Award in any circumstances, the Committee may adjust downwards the extent the Award would otherwise Vest if it considers such an adjustment is justified based on: (a) the performance of the Company, any business area or business team in the Group; (b) the conduct, capability or performance of the Participant; or (c) the occurrence of unforeseen events or of events outside of the control of the Group and/or the Participant.

7.2 Save as otherwise permitted in these rules an Award or part of an Award may only be realised:

- (a) to the extent the Award or relevant part has Vested; and
- (b) by a Participant who has remained an Executive during the Vesting Period.

7.3 Vested Shares under Conditional Awards will be released to Participants automatically within 30 days of the Vesting Date. A Participant need take no action to realise a Conditional Award.

7.4 Vested Options are exercisable up until the tenth anniversary of the Date of Grant after which they will lapse. Where an Award is granted in the form of

an Option, a Participant may exercise a Vested Option by written notice to the Company in the form required by the Company together with arrangements for the payment of any Exercise Price at any time during the period of 10 years following the Date of Grant **SAVE THAT** where the Vested Shares may be called for as a result of a relevant event occurring under rules 11, 12 or 13, the Participant shall be deemed to have called for such Vested Shares on the occurrence of the relevant event.

- 7.5 Vested Forfeitable Shares will cease to be subject to the risk of forfeiture on Vesting.
- 7.6 Vested Phantom Awards shall be satisfied by the payment of a cash sum equal to the Market Value of the Vested Shares under the Phantom Award on the Vesting Date less any Exercise Price payable which shall be paid through the next available payroll following the Vesting Date subject to such deductions as are required by law.

8. LEAVERS

- 8.1 If the Participant ceases to be an Executive at any time before the Vesting Date applicable to an Award for any reason other than one stated in Rule 8.2 below (whether lawfully or unlawfully), an Award shall lapse automatically and unvested Forfeitable Shares shall be forfeited irrespective of whether the Award has become capable of release.
- 8.2 Notwithstanding Rule 8.1 above if the Participant ceases to be an employee of the Group before a relevant Vesting Date by reason of:
- (a) death;
 - (b) injury, disability or ill-health (as agreed by the Committee);
 - (c) redundancy (within the meaning of the Employment Rights Act 1996);
 - (d) retirement (as determined by the Committee);
 - (e) his or her employing company ceasing to be a member of the Group;
 - (f) the business (or part of the business) in which he or she is employed being transferred to a transferee which is not a member of the Group; or
 - (g) any reason other than one stated in this Rule 8.2 in the absolute discretion of the Committee

his Award shall continue, and will Vest and be realisable at the end of the Vesting Period subject to the achievement of the Performance Conditions and any Vesting Adjustment at that time **PROVIDED THAT** in all cases where the Termination Date occurs before the expiry of any relevant Vesting Period and Awards are realised pursuant to this rule 8.2, the number of Shares in respect of which an Award may be realised shall be such number of Vested Shares as

is determined in accordance with the Performance Condition (subject to any Vesting Adjustment and any adjustments under rule 18) multiplied by the fraction A/B (where A is that part of the Vesting Period measured in complete months from the start of the Vesting Period to the Termination Date and B is the number of months comprised in the Vesting Period) SAVE THAT:

- (i) the Committee may at its discretion, in exceptional circumstances and having regard to such factors as the Committee considers appropriate, including but not limited to the Participant's performance and conduct, determine that Awards may be realised immediately and within such period not exceeding 6 months after the Termination Date as the Committee may decide in accordance with rule 8.4; and
- (ii) if the Participant ceases to be an Executive and his Award is preserved under rule 8.2, the Committee may, in its absolute discretion, disapply or alter the fraction stated above to release a greater number of Shares.

Failing any such realisation the Awards shall lapse automatically.

8.3 In the event of a Participant's death, an Award may be released to or exercised by their personal representatives within twelve months of such event.

8.4 Where the Committee determines that an Award may be realised immediately under rule 8.2(i), the number of Shares in respect of which the Award Vests shall be determined by the Committee having regard to the extent to which the Performance Conditions are met on the Termination Date and any Vesting Adjustment, subject to modification if the Committee considers that the Performance Conditions would be met to a greater or lesser extent at the end of the original Performance Period, and such other factors as the Committee considers appropriate, including but not limited to the Participant's performance and conduct. The number of Shares in respect of which an Award may be realised under this rule 8.4 shall (unless the Committee determines otherwise) be such number of Vested Shares as is determined in accordance with the Performance Conditions (subject to any Vesting Adjustment and any adjustment under rule 18) multiplied by the fraction A/B (where A is that part of the Vesting Period measured in complete months from the start of the Vesting Period until the Termination Date and B is the number of months comprised in the Vesting Period).

8.5 For the avoidance of doubt, an Award realisable under rules 8.2 and 8.3 may lapse at an earlier date by virtue of rules 11, 12 or 13.

9. ISSUE, TRANSFER AND LISTING OF SHARES

9.1 Subject to rule 9.2, the Committee shall issue or procure the transfer of Shares to be allotted or transferred pursuant to the realisation of a Conditional Award within 30 days following the Vesting Date of the Award and pursuant to the exercise of an Option, within 30 days of receipt of the notice of exercise and any Exercise Price by the Company.

- 9.2 Where for any reason the Committee considers that it is impractical to deliver Shares following Vesting of an Award, it may instead pay or procure the payout of the equivalent Cash Amount, subject to deductions for any tax, national insurance, social security or other levy which the Committee reasonably determines should be deducted from the Cash Amount.
- 9.3 Shares to be transferred pursuant to the Plan on Vesting of an Award will be transferred free of all liens, charges and encumbrances and together with all rights attaching thereto, and will rank *pari passu* in all respects with the Shares then in issue, except that they will not rank for any rights attaching to Shares by reference to a record date preceding, in the case of a Conditional Award or a Phantom Award, the Vesting Date, and in the case of an Option, the date on which the Option is exercised, and they shall be subject to any restrictions which the Committee determined at the Date of Grant of the Award under rule 2.3 above.
- 9.4 If the Committee has decided that restrictions will apply to any Vested Shares and Dividend Shares acquired under an Award, including but not limited to a Holding Period, the Executive shall enter into a joint election under Section 431 of the Income Tax (Earnings and Pensions) Act 2003 with the relevant member of the Group relating to the acquisition of the Shares not later than 14 days after the acquisition.
- 9.5 Subject to rule 20.1 below, the Company and its Subsidiaries may provide funds to the Trustees to enable the Trustees to purchase existing Shares or subscribe for new Shares in the Company for the purpose of the Plan, provided that no funds may be provided to enable the Trustees to acquire Shares in the Company if such an acquisition would result in the Trustees holding more than 5 per cent of the ordinary share capital of the Company in issue at that time.
- 9.6 For so long as Shares are admitted to listing by the UK Listing Authority and admitted to trading by the London Stock Exchange, application will be made for any newly issued ordinary shares to be admitted to such listing and trading.

10. LAPSE OF AWARDS

- 10.1 Awards shall lapse upon the occurrence of the earliest of the following events:
- (a) to the extent that it is determined that the Performance Conditions applicable to an Award have not been met following the expiry of the relevant Performance Period, the expiry of that Performance Period;
 - (b) to the extent that the Committee determines to apply a downwards adjustment to an Award pursuant to the Vesting Adjustment, on such determination;
 - (c) in relation to an Award other than a Vested Option that is subject to a Holding Period, the Participant ceasing to be an Executive other than in the circumstances specified in rules 8.2 and 8.3;

- (d) in relation to an Award other than a Vested Option that is subject to a Holding Period, the Participant ceasing to be an Executive in the circumstances specified in rules 8.2 and 8.3, six months after the later of the date of Vesting under rule 8 and the Termination Date;
- (e) in relation to a Vested Option that is subject to a Holding Period:
 - (i) the Participant ceasing to be an Executive where there has been, in the Committee's opinion, gross misconduct on the part of the Participant;
 - (ii) six months following the date on which such Vested Option ceases to be subject to a Holding Period where the Participant ceases to be an Executive during the Holding Period other than in the circumstances specified in rule 10.1 (e)(i);
- (f) in relation to an Award which is granted in the form of an Option, 10 years following the Date of Grant;
- (g) the expiry of any relevant period specified in rules 11, 12 or 13.
- (h) unless the Committee determines otherwise, the Participant being deprived of the legal or beneficial ownership of the Award by operation of law, or doing or omitting to do anything which causes him to be so deprived including becoming or being declared bankrupt;
- (i) failure to realise the Award under rules 8.2, 8.3 or 8.4; or
- (j) to the extent that the Committee determines that the number of Shares subject to an Award will be reduced in accordance with rule 15.

11. TAKEOVER OFFER

- 11.1 Save as provided in Rule 11.2 if any person (either alone or together with any person acting in concert with him) obtains Control of the Company as a result of a general offer to acquire the whole of the share capital of the Company (other than those Shares which are already owned by him and/or any person acting in concert with him), and such offer becomes or is declared unconditional in all respects each Participant may realise his Awards at any time during the period of 30 days following such unconditional date in respect of such number of Vested Shares as is determined in accordance with the Performance Condition and any Vesting Adjustment **PROVIDED THAT** the number of Shares in respect of which an Award may be realised shall be such number as is calculated by multiplying the sum of the Vested Shares by the fraction A/B (where A is the number of complete months in the period from the Date of Grant until the date on which the offer becomes or is declared unconditional in all respects and B is the number of months comprised in the Vesting Period) **PROVIDED FURTHER THAT** the Remuneration Committee may in its discretion (acting fairly and reasonably and having regard to such facts and circumstances as it considers relevant including but not limited to the extent to which the Committee considers that the Performance Condition

would have been met at the end of the original Vesting Period, the time elapsed since the grant of the Award and the interests of shareholders) determine that Awards may be realised in respect of a greater number of Shares not exceeding the total number of Shares under the Award. An Award shall lapse in respect of the balance of the Shares.

- 11.2 The Committee may acting fairly and reasonably, and having regard to the circumstances of the change of control, determine at any time before Awards become realisable by virtue of Rule 11.1 that Participants may agree to exchange their Awards under Rule 14.1 or that Awards shall not become realisable under Rule 11.1 but shall be automatically exchanged under Rule 14.1.
- 11.3 Failing any permitted realisation, the Awards shall, without prejudice to the operation of Rule 14.1, lapse automatically upon the expiry of the 30 day period mentioned in rule 11.1.

12. SCHEME OF ARRANGEMENT

- 12.1 Save as provided in Rules 12.2 or 12.3 if, under section 895 of the Companies Act 2006 or equivalent procedure under local legislation, a court sanctions a compromise or arrangement in connection with the acquisition of Shares each Participant may realise his Awards at any time during the period of 30 days commencing from the time of such court sanction (“**Relevant Time**”) in respect of such number of Vested Shares as is calculated in accordance with the Performance Condition and any Vesting Adjustment determined shortly prior to the Relevant Time **PROVIDED THAT** the number of Shares in respect of which an Award may be realised shall be such number as is calculated by multiplying the sum of the Vested Shares by the fraction A/B (where **A** is the number of complete months in the period from the Date of Grant until the Relevant Time and **B** is the number of months comprised in the Vesting Period) **PROVIDED FURTHER THAT** the Remuneration Committee may in its discretion (acting fairly and reasonably and having regard to such facts and circumstances as it considers relevant including but not limited to the extent to which the Committee considers that the Performance Condition would have been met at the end of the original Vesting Period, the time elapsed since the grant of the Award and the interests of shareholders) determine that Awards may be realised in respect of a greater number of Shares not exceeding the total number of Shares under the Award. An Award shall lapse in respect of the balance of the Shares.
- 12.2 The Committee may acting fairly and reasonably, and having regard to the circumstances of the scheme of arrangement, determine at any time before Awards become realisable by virtue of Rule 12.1 that Participants may agree to exchange their Awards under Rule 14.1 or that Awards shall not become realisable under Rule 12.1 but shall be automatically exchanged under Rule 14.1.

- 12.3 Awards shall not without the consent of the Committee be realisable under Rule 12.1 if the purpose and effect of the scheme of arrangement is to create a new holding company for the Company, such company having substantially the same shareholders and proportionate shareholdings as those of the Company immediately prior to the scheme of arrangement. In such circumstances an Award shall automatically be exchanged under Rule 14.1.

13. VOLUNTARY WINDING-UP

- 13.1 If notice is duly given of a resolution for a voluntary winding-up of the Company each Participant may realise his Awards in respect of such number of Vested Shares as is calculated in accordance with the Performance Condition and any Vesting Adjustment, within the period of two months from the date of the resolution, failing which realisation the Awards shall lapse automatically **PROVIDED THAT** the number of Shares in respect of which an Award may be realised shall be such number as is calculated by multiplying the sum of the Vested Shares by the fraction A/B (where A is the number of complete months in the period from the Date of Grant until the date on which the resolution is passed and B is the number of months comprised in the Vesting Period) **PROVIDED FURTHER THAT** the Remuneration Committee may in its discretion (acting fairly and reasonably and having regard to such facts and circumstances as it considers relevant including but not limited to the extent to which the Committee considers that the Performance Condition would have been met at the end of the original Vesting Period, the time elapsed since the grant of the Award and the interests of shareholders) determine that Awards may be realised in respect of a greater number of Shares not exceeding the total number of Shares under the Award. An Award shall lapse in respect of the balance of the Shares.

14. EXCHANGE OF AWARDS

- 14.1 If Awards are to be exchanged under this Rule, any Award which has not lapsed (the *Old Right*) shall be surrendered by the Participant in consideration of the grant to him or her of a new award (the *New Right*), which in the opinion of the Committee is equivalent to the Old Right but relates to shares in a different company (whether an acquiring company itself or another company in its group). The provisions of the Plan shall be construed in relation to the New Right as if:
- (a) the New Right were an Award granted under the Plan at the same time as the Old Right;
 - (b) references to the Performance Condition were references to such new performance condition relating to the business or shares of the company whose shares are subject to the New Right (or any member of its group) as the Committee may consider appropriate in the circumstances;
 - (c) references to the Company and the Group were references to the company whose shares are subject to the New Right and its group; and

- (d) references to Shares were references to shares in the new grantor.

15. MALUS AND CLAWBACK

15.1 Notwithstanding any other rule of the Plan, this rule 15 applies, unless the Committee determines otherwise on or prior to the Date of Grant and will continue to apply after the Participant ceases to be an Executive for any reason whether or not such cessation is lawful.

15.2 The Committee may, in its discretion, determine that the provisions of either or both rules 15.3 and 15.4 will be applied to an Award if there has been, in the Committee's opinion:

- (a) a material misstatement of any member of the Group's financial results;
- (b) an error in assessing the Performance Conditions applicable to the Award or in the information or assumptions on which the Award was granted or is realised;
- (c) gross or serious misconduct on the part of the Participant;
- (d) a material failure of risk management at any member of the Group;
- (e) serious reputational damage to any member of the Group; or
- (f) an exceptional event or events that has had or may have a material effect on the value or reputation of any member of the Group (excluding an exceptional event or events which have a material adverse effect on global macroeconomic conditions); and/or
- (g) any other circumstances which the Committee in its discretion considers to be similar in their nature or effect to (a) to (f) above;
- (h) in relation to the application of rule 15.3, any other event has occurred which the Committee considers, should give rise to the application of that rule

within the period beginning on the first day of the Performance Period (or such earlier date as the Committee determines on or before the Date of Grant) and ending on the later of the following two dates (the "**Long Stop Date**"): (i) the second anniversary of the date of Vesting of the Award and (ii) the end of any applicable Holding Period.

15.3 The Committee may, in its discretion, determine at any time prior to the earlier of the date Shares and/or cash are delivered to the Participant in satisfaction of an Award and, unless rule 15.5 applies, the Long Stop Date to:

- (a) reduce (including to zero) the number of Shares to which the Award relates; and/or
- (b) impose further conditions on the Award.

15.4 The Committee may, in its discretion, determine at any time after the date Shares and/or cash are delivered to the Participant in satisfaction of an Award but, unless rule 15.5 applies, on or prior to the Long Stop Date to:

- (a) reduce (including to zero) the number of Shares to which any other Award granted to the Participant relates;
- (b) impose further conditions on any other Award granted to the;
- (c) require a Participant to make a cash payment to the Company in respect of some or all of the Shares or cash delivered to him under the Award; and/or
- (d) require a Participant to transfer for nil consideration some or all of the Shares delivered to him under the Award

and the Committee will have the discretion to determine the basis on which the amount of cash or Shares is calculated including whether and if so to what extent to take account of any tax or social security liability applicable to the Award.

15.5 If the action or conduct of any Participant or member of the Group is under investigation prior to the Long Stop Date and such investigation has not yet been concluded by that date, the references to the “Long Stop Date” in rules 15.3 and 15.4 will be construed as being to such later date as the Committee considers appropriate to allow such investigation to be concluded.

15.6 The Committee may decide to:

- (a) reduce (including to zero) the number of Shares to which an Award relates or which are subject to a Holding Period; and/or
- (b) impose further conditions on an Award

to effect the recovery of sums paid or Shares delivered under any provisions similar to this rule 15 which are included in any bonus plan or share plan (other than the Plan) operated by any member of the Group.

15.7 For the purposes of this rule 15, references to any member of the Group include references to any former member of the Group.

16. HOLDING PERIOD

16.1 An Award will be subject to a Holding Period unless the Committee decides otherwise on or prior to the Date of Grant of the Award.

16.2 Shares to be issued or transferred to a Participant on or after Vesting or exercise of an Award (including any Shares representing any Dividend Equivalents), after deducting any Shares retained or withheld to satisfy the requirements of rule 17 (the “**Retained Shares**”), will be subject to a Holding Period during which the Participant agrees to restrict his dealings with the Retained Shares in accordance with this rule 16.

- 16.3 The Committee will put in place such arrangements to enforce the Holding Period as it considers necessary. These may include arranging for the Retained Shares to be issued or transferred to a designated nominee to be held on trust absolutely for the Participant during the Holding Period, on such administrative terms as the Committee determines, or an undertaking in writing from a Participant not to transfer the Shares during the Holding Period. The Participant must enter into any documentation, including a power of attorney or blank stock transfer form, requested by the Committee.
- 16.4 If the Participant holds an Option then the requirements of the Holding Period may be satisfied by the Participant not exercising his Option for the duration of the Holding Period but if he exercises that Option during the Holding Period then the Shares he receives will be subject to the provisions of this rule 16.
- 16.5 The Participant agrees with the Company that he will not sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over any Award or otherwise dispose of the Retained Shares or any interest in them, or assign his beneficial interest in the Retained Shares, instruct any nominee to assign the Retained Shares or call for the legal title to the Retained Shares during the Holding Period, except:
- (a) in the case of the sale of sufficient entitlements nil-paid in relation to a Share to take up the balance of the entitlements under a rights issue or similar event;
 - (b) in respect of Shares disposed of to satisfy his obligations under rule 17;
 - (c) if rule 15.3 and/or 15.4 applies; or
 - (d) if the Committee, in its absolute discretion, decides otherwise.
- 16.6 During the Holding Period, the Participant will be entitled to vote and have all other rights of a shareholder in respect of the Retained Shares. Any dividends payable in respect of the Retained Shares during the Holding Period shall be paid to the Participant. However, if the Committee decides that rule 15.4 applies to the Retained Shares, such dividends (howsoever paid) will (unless the Committee, in its absolute discretion decides otherwise) also be subject to rule 15.4.
- 16.7 Any securities which the Participant receives in respect of Retained Shares as a result of an event described in rule 12.3 or rule 18 during the Holding Period will, unless the Committee decides otherwise, be subject to the same restrictions as the corresponding Retained Shares. This will not apply to any Shares which a Participant acquires on a rights issue or similar transaction to the extent that they exceed the number they would have acquired on a sale of sufficient rights under the rights issued nil-paid to take up the balance of the rights.
- 16.8 To the extent that Retained Shares are subject to rule 15.4 then a Participant is deemed to consent to their immediate transfer, for no consideration or nominal

consideration, to any person (which may include the Company, where permitted) specified by the Committee.

- 16.9 The Holding Period will begin on the date on which an Award Vests and will end on the earliest of the following:
- (i) the second anniversary of the Vesting Date or such longer date as the Committee decides on or before the Date of Grant;
 - (ii) on the occurrence of any of the corporate events which would result in the Vesting of Awards under rules 11.1, 12.1 or 13.1 other than where rule 12.3 applies; or
 - (iii) the death of the Participant.
- 16.10 To the extent that Retained Shares are forfeited under rule 15, the Participant is deemed to consent to their immediate transfer, for no consideration or nominal consideration, to any person (which may include the Company, where permitted) specified by the Committee.
- 16.11 At the end of the Holding Period, rule 16.5 shall cease to apply to the Retained Shares.
- 16.12 The Holding Period shall continue regardless of the Participant leaving employment (except in the case of the death of the Participant).

17. TAXATION

Any liability of a Participant to taxation or social security contributions in respect of an Award shall be for the account of the relevant Participant, and the release of any Shares the subject of a Forfeitable Award, the release of any Shares the subject of a Conditional Award or the exercise of any Option shall be conditional on the Participant complying with any arrangements specified by the Company or the Trustees for the payment of taxation and any social security contributions (including, without limitation, the sale of sufficient Shares to enable the Company or the Trustees or any employing company in the Group to satisfy its obligations in respect of deduction of taxation and employee's social security contributions at source).

18. ADJUSTMENTS OF AWARDS

18.1 In the event of any Capital Reorganisation or the implementation by the Company of a demerger, payment of a special dividend or distribution or any other corporate event which might affect the current or future value of any Award the Committee may adjust the number, description and/or class of Shares subject to Awards (including, for the avoidance of doubt, Vested Shares in respect of which any Award has been realised but Shares have not yet been transferred to the Participant) and, in the case of an Option, any Exercise Price to such extent and in such manner as it thinks fit.

18.2 Any adjustments to Awards made pursuant to this rule 18 shall be notified to the relevant Participants.

19. AMENDMENT AND ADMINISTRATION

19.1 The decision of the Committee shall be final and binding in all matters relating to the Plan and it may at any time discontinue the grant of further Awards.

19.2 The Committee may amend any of the provisions of the Plan in any way it thinks fit, PROVIDED THAT:

(a) prior approval of shareholders is obtained for any amendment to the advantage of Participants to the following provisions:

- (i) the individuals who may participate in the plan;
- (ii) the limits on the number of Shares available under the plan;
- (iii) the maximum entitlement of Participants;
- (iv) the basis for determining a Participant's entitlement to, and the terms of, Shares or cash; and
- (v) the adjustment of Awards on a variation of the share capital of the Company; and

(b) the Committee shall not make any amendment that would materially prejudice the interests of an existing Participant except with the prior written consent of the Participant.

19.3 The requirement to obtain the prior approval of shareholders will not, however, apply to any minor amendment made to benefit the administration of the Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for eligible employees, participants or for any company in the Group. Shareholder approval will also not be required for any amendment to any Performance Conditions.

20. GENERAL

20.1 Any member of the Group may provide money to the trustee of any employee benefit trust established by the Company or any member of the Group from time to time for the benefit of employees of the Group 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 the purposes.

20.2 The Plan shall terminate on the tenth anniversary of the Adoption Date or at any earlier time by the passing of a resolution by the Committee or an ordinary resolution of the Company in general meeting. Termination of the Plan shall be without prejudice to the subsisting rights of Participants.

- 20.3 . This rule 20.3 applies during an Executive's employment and after the termination of an Executive's employment, whether or not the termination is lawful. Nothing in the rules or the operation of the Plan forms part of the contract of employment of an Executive. The rights and obligations of any individual under the terms of his office or employment with the Group shall not be affected by his participation in the Plan or any right he may have to participate in the Plan. No Executive has a right to participate in the Plan. Participation in the Plan or the grant of Awards on a particular basis in any year does not create any right to or expectation of participation in the Plan or the grant of Awards on the same basis, or at all, in any future year. The terms of the Plan do not entitle the Executive to the exercise of any discretion in the Executive's favour. The Executive will have no claim or right of action in respect of any decision, omission or discretion, which may operate to the disadvantage of the Executive even if it is unreasonable, irrational, capricious arbitrary or might be regarded as being in breach of the duty of trust and confidence (and/or any other implied duty) between the Executive and his employer. No Executive has any right to compensation for any loss in relation to the Plan, including any loss in relation to (i) any loss or reduction of rights or expectations under the Plan in any circumstances (including lawful or unlawful termination of employment); (ii) any exercise of a discretion or a decision taken in relation to an Award or to the Plan, or any failure to exercise a discretion or take a decision; (iii) the operation, suspension, termination or amendment of the Plan. In the event of any conflict between the terms of this rule 20.3 and an Executive's terms of employment, this rule will take precedence.
- 20.4 Nothing in this Plan confers any benefit, right or expectation on a person who is not a Participant. No such third party has any rights under the Contracts (Rights of Third Parties) Act 1999 or any equivalent local legislation to enforce any term of this Plan. This does not affect any other right or remedy of a third party which may exist.
- 20.5 Nothing in these rules or the terms of any Award will oblige the Committee or any other person to make any remuneration payment or payment for loss of office which would be in breach of Chapter 4A of Part 10 of the Companies Act 2006 (which requires such payments to be within an approved remuneration policy or otherwise approved by shareholders).
- 20.6 Subject to rule 20.7, by participating in the Plan and accepting an Award, the Participant consents to the holding and processing of personal information the Participant provides to any member of the Group, third-party service provider, for all purposes relating to the operation of the Plan. These include, but are not limited to: (i) administering and maintaining Participant records; (ii) providing information to members of the Group or third-party administrators of the Plan; (iii) providing information to future purchasers or merger partners of the Company, the Group, the Participant's employing company, or the business in which the Participant works; and (iv) transferring information about the Participant to any country or territory that may not provide the same statutory protection for the information as the Participant's home country.

- 20.7 The basis for any processing of personal information about the Participant under the EU's General Data Protection Regulation (2016/679) (or any successor laws) is set out in the [Employee Privacy Notice on Data Processing *insert name of relevant company document*].
- 20.8 The existence of any Award shall not affect in any way the right or power of the Company or its shareholders to make or authorise any or all adjustments, recapitalisations, reorganisations or other changes in the Company's capital structure, or any merger or consolidation of the Company, or any issue of Company shares, bonds, debentures, preferred or prior preference stocks ahead of, or convertible into, or otherwise affecting the Shares or the rights thereof, or the dissolution or liquidation of the Company or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.
- 20.9 Any notice or other document required to be given under or in connection with the Plan may be delivered to a Participant or sent by post to him at his home address according to the records of his employing company or such other address as may appear to the Company to be appropriate including any electronic address. Notices sent by post shall be deemed to have been given on the day following the date of posting and notices sent by electronic means shall be deemed to have been given twelve hours after the time of despatch or at such earlier time as receipt is acknowledged. Any notice or other document required to be given to the Company under or in connection with the Plan may be delivered or sent by post to it at its registered office (or such other place or places as the Company may from time to time determine and notify to Participant).
- 20.10 Benefits under the Plan shall not be pensionable.
- 20.11 The Company, or where the Committee so directs any other group company shall pay the appropriate stamp duty on behalf of Participants in respect of any transfer of Shares on the realisation of Awards.
- 20.12 These Rules shall be governed by and construed in accordance with English law. All disputes arising out of or in connection with the rules shall be subject to the exclusive jurisdiction of the courts of England and Wales.