

Zotefoams plc

Long Term Incentive Plan 2017

Adopted by the shareholders of the Company on 17 May 2017

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Rules of the Zotefoams plc
Long Term Incentive Plan 2017

1. Definitions and interpretation

1.1 In this Plan, unless the context otherwise requires, the following definitions shall apply:

"2017 DBSP" means the Zotefoams plc Deferred Bonus Share Plan 2017.

"Award" means a conditional right to acquire Shares granted under this Plan.

"Bad Leaver" means a Participant ceasing to be a director or employee of a Group Company in circumstances where his or her employing company is entitled to dismiss him without notice, save in the case of long term sick leave.

"Board" means the board of directors of the Company or a duly authorised committee of the Board (which includes the Committee) or a duly authorised person.

"Closed Period" has the meaning contained in the Market Abuse Regulation.

"Code" means the share dealing code adopted by the Company from time to time.

"Committee" means the remuneration committee of the Board or, on and after the occurrence of a corporate event described in Rule 12, the remuneration committee of the Board as constituted immediately before such event occurs.

"Company" means Zotefoams plc registered in England and Wales with registered number 02714645.

"Control" has the meaning contained in section 995 Income Tax Act 2007.

"Date of Grant" means the date on which an Award is granted.

"Date of Release" means the date on which Vested Shares are capable of issue and allotment or transfer to the Participant.

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

"Directors' Remuneration Policy" means the Directors' Remuneration Policy as approved by the shareholders of the Company from time to time.

"Dividend Equivalent" means a benefit calculated by reference to dividends paid on Shares as described in Rule 3.6.

"Eligible Employee" means an employee of a Group Company, including an Executive Director.

"Employees' Share Scheme" has the meaning contained in section 1166 Companies Act 2006.

"Executive Director" means an executive director of the Company.

"Financial Year" means a financial year of the Company within the meaning of section 390 Companies Act 2006.

"Good Leaver" means a Participant who ceases to be a director or employee of a Group Company as a result of:

- (a) death;
- (b) ill health, injury or disability;
- (c) retirement with the agreement of his or her employer;
- (d) redundancy (within the meaning of the Employment Rights Act 1996);
- (e) a transfer of the undertaking or part undertaking in which the Participant is employed to a person who is not a Group Company;
- (f) the company in which the Participant is employed ceasing to be under the Control of the Company; or
- (g) such other reason as the Committee may in its discretion approve provided that this may not in any circumstances include a Bad Leaver.

"Group Company" means the Company and its Subsidiaries or any holding company within the meaning of section 1159 Companies Act 2006 from time to time and **"Group"** shall be construed accordingly.

"Holding Period" means the period, if any, from the Vesting Date, as may be specified by the Committee under Rule 3.1, provided that in the case of Executive Directors the Holding Period shall be at least two years from the Vesting Date and may include a phased release of Vested Shares during that period.

"ITEPA" means the Income Tax (Earnings & Pensions) Act 2003.

"Listing Rules" means the Listing Rules published by the UK Listing Authority or any successor body.

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

"Market Abuse Regulation" means Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, and any accompanying implementation measures and guidance, as it is in force from time to time.

"Participant" means a person who holds an Award, including his or her personal representatives, and, for the purposes of Rule 9 shall also include former Participants.

"Performance Condition" means the performance condition imposed as a condition of the Vesting of an Award under Rule 4.1, as determined by the Committee.

"Performance Period" means the period over which the Performance Condition must be satisfied, being the three years commencing on the Date of Grant or, if earlier, the date of the beginning of the Financial Year in which the Award is granted, or such other period as the Committee may specify prior to the grant of an Award provided that the period shall be at least three years for Awards granted to Executive Directors.

"Plan" means the Zotefoams plc Long Term Incentive Plan 2017 as amended from time to time.

"Rule" means a rule of the Plan.

"Shares" means fully paid ordinary shares in the capital of the Company.

"Subsidiary" means a body corporate which is a subsidiary (within the meaning of section 1159 Companies Act 2006).

"Tax Liability" means any amount of tax, employees national insurance contributions or other similar charges for which a Participant would or may be liable and for which any Group Company or former Group Company would or may be obliged to (or would or may suffer a disadvantage if it were not to) account to any relevant authority, together with any related fines, penalties and interest.

"Variation" means in relation to the equity share capital of the Company a capitalisation issue, a rights issue or open offer, a subdivision, a consolidation, reduction or other variation or any special dividend or dividend in specie, demerger or such other circumstances as the Committee may determine.

"Vest" means a Participant becoming entitled to have Shares transferred to him (or his or her nominee) and, if applicable, to the extent the Performance Condition has been satisfied to these Rules and the applicable Holding Period has ended, subject to the Rules, and Vesting shall be construed accordingly.

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

"Vesting Date" means, save for when a Holding Period applies, the date when an Award normally Vests being the date, following the end of the Performance Period, on which the Committee determines the extent of which Performance Condition has been satisfied or such date as may be specified by the Committee under Rule 3.1(d) and, in the case of where a Holding Period applies, shall mean the end of the Holding Period.

1.2 In this Plan, unless the context otherwise requires:

- (a) words in the singular include the plural and vice versa and words in one gender include any other gender;
- (b) a reference to a statute or statutory provision includes:
 - (i) any subordinate legislation (as defined in section 21(1), of the Interpretation Act 1978) made under it;
 - (ii) any repealed statute or statutory provision which it re-enacts (with or without modification); and
 - (iii) any statute or statutory provision which modifies, consolidates, re-enacts or supersedes it;
- (c) a reference to rules are to rules in these Rules and references to sub-rules are to sub-rules in which they appear; and
- (d) the table of contents and headings are for convenience only and shall not affect the interpretation of these Rules.

2. **Eligibility**

An individual is eligible to be granted an Award in any Financial Year of the Company only if he or she is an Eligible Employee at the time of the grant of an Award.

3. **Grant of Awards**

Terms on grant

- 3.1 Subject to Rule 3.4 and Rule 3.7, the Committee may resolve that an Award should be granted:
- (a) on the terms set out in the Plan;
 - (b) over such number of Shares as the Committee may determine;
 - (c) on such additional terms or conditions (including but not limited to the Performance Condition) as the Committee may specify; and
 - (d) subject to such Vesting Date as the Committee may specify; and
 - (e) subject to such Holding Period, if any, as the Committee may specify at the Date of Grant of an Award.

Individual limit

- 3.2 Any Award shall be limited and take effect so that immediately following such grant no Participant has been granted, in respect of any Financial Year, Awards over Shares with a total market value, measured on their Dates of Grant, in excess of the maximum percentage as is specified in the Directors' Remuneration Policy in force at the Date of Grant

For the purposes of this Rule 3.2 the market value of the Shares over which the Award is granted shall be taken to be an amount equal to:

- (a) the middle-market quotation of such Shares (as derived from the London Stock Exchange Daily Official List) on the Dealing Day immediately prior to the Date of Grant;
- (b) if the Committee so determines, the average of the middle-market quotations during a period determined by the Committee not exceeding the period of five Dealing Days ending with the Dealing Day immediately prior to the Date of Grant; or
- (c) such value of a Share as the Committee reasonably determines

provided that, in all cases such Dealing Day(s) do not fall within any period when dealings in Shares are prohibited under the Code.

The number of Shares comprised in an Award shall be the nearest whole number of Shares (rounded down).

Timing of grant

- 3.3 The Committee may decide, at its absolute discretion, when Awards should be granted. However, subject to Rule 3.8, Awards may only be granted:
- (a) within the period of 42 days starting on the date on which the Plan is adopted by the Company;
 - (b) within the period of 42 days immediately following the end of a Closed Period, being:
 - (i) the day of release of the preliminary announcement of the Company's annual results (or, where no such announcement is released, the day of publication of the Company's annual financial report);

- (c) if Awards cannot be granted under (a) or (b) above due to restrictions on the grant of Awards under Rule 3.8, the Dealing Day after the day on which any such restrictions are lifted;
- (d) from the date on which the Participant becomes an Eligible Employee; or
- (e) at any other time if the Committee considers that exceptional circumstances exist to justify the grant at such other time.

Method of grant

- 3.4 The Committee shall, as soon as reasonably practicable after the Date of Grant, issue to each Participant an award certificate. An Award shall be granted by deed executed by the Company.
- 3.5 No Award may be granted more than 10 years after the date on which the Plan is adopted by resolution of the Company.

Dividend Equivalents

- 3.6 The Committee may decide on or before the grant of an Award that a Participant (or his or her nominee) shall be entitled to cash and/or Shares (as determined by the Committee) of a value determined by reference to the dividends that would have been paid on his or her Vested Shares in respect of dividend record dates occurring during the period between the Date of Grant and the Vesting Date and, if applicable, between the Vesting Date and the Date of Release. The Committee shall decide the basis on which the value of such dividends shall be calculated which may assume the reinvestment of dividends and/or the inclusion or exclusion of any dividend tax credit. In giving effect to this Rule 3.6, the Committee shall have complete discretion to decide the basis on which the Dividend Equivalent should be calculated or paid.

Method of satisfying Awards

- 3.7 Unless specified otherwise by the Committee on or before the Date of Grant, an Award may be satisfied by:
 - (a) the issue of Shares; and/or
 - (b) the transfer of treasury Shares; and/or
 - (c) the transfer of Shares (other than the transfer of treasury Shares).

Approvals and consents

- 3.8 The grant of any Award shall be subject to such restrictions and/or obtaining any approval or consent required under the Listing Rules, the Code, the Market Abuse Regulation, the City Code on Takeovers and Mergers and any other UK or overseas regulation or enactment.

Non-transferability and bankruptcy

- 3.9 An Award granted to any person shall lapse immediately if:
 - (a) transferred, assigned, charged or otherwise disposed of (except on his or her death when it may be transmitted to his or her personal representatives); or
 - (b) he is declared bankrupt (unless the Committee decides otherwise).

4. **Performance condition**

Imposition of Performance Condition

- 4.1 On the grant of an Award to Executive Directors, the Committee shall impose the Performance Condition. In the case of the grant of Awards to Participants other than Executive Directors, the Committee shall determine whether a Performance Condition shall be imposed.

Performance Condition can no longer be satisfied

- 4.2 If the Committee determines that the Performance Condition has not been satisfied, either in whole or in part in relation to an Award, the Award shall lapse to that extent immediately.

Substitution or variation of Performance Condition

- 4.3 If an event occurs which causes the Committee to consider that the Performance Condition, or any condition imposed pursuant to Rule 3.1(b), subject to which the outstanding Award has been granted is no longer appropriate, the Committee may substitute or vary the Performance Condition or the condition in such manner (and make such consequential amendments to the Rules) as:

- (a) is reasonable in the circumstances; and
- (b) in the case of Awards held by Participants who are or were Executive Directors, produces a more appropriate measure of performance and is materially no easier to satisfy.

- 4.4 The outstanding Award shall then take effect subject to the Performance Condition or the condition as so substituted or varied.

Notification of Participant

- 4.5 The Committee shall, as soon as reasonably practicable, notify the Participant concerned of any determination made by it under Rule 4.2 or any substitution or variation of the Performance Condition under Rule 4.3 and explain how it affects his or her position under the Plan.

- 4.6 Any Performance Condition for a given Financial Year shall be fully disclosed in the Company's annual report for that Financial Year.

5. **Vesting of Awards**

Vesting of Awards

- 5.1 Subject to Rule 7.1, an Award shall Vest on the Vesting Date to the extent the Performance Condition has been satisfied, or, if relevant, the end of the Holding Period except where earlier Vesting occurs under Rule 11 or Rule 12.

Determination of the Performance Condition

- 5.2 As soon as practicable after the end of the Performance Period or on such later date as the Committee determines, the extent to which the Performance Condition has been satisfied shall be determined by the Committee and the number of Shares in respect of which the Award shall Vest shall be calculated. The Remuneration Committee may determine in its absolute discretion that the number of Shares over which an Award shall Vest shall be reduced (down to zero, if appropriate) taking account of the performance of the Company and the contribution of the Participant over the Performance Period.

6. **Consequences of Vesting**

- 6.1 Within 30 days of the Vesting of an Award or, if applicable, the end of the Holding Period (or as soon as reasonably practicable), the Board shall, subject to Rule 7.1 and Rule 7.3, procure the transfer of the Vested Shares to the Participant (or a nominee for him).

Provision of Dividend Equivalents

- 6.2 The provision of the Dividend Equivalent to the Participant shall be made as soon as practicable after the issue or transfer of Vested Shares or payment of a cash sum under this rule 6.2 and:
- (a) in the case of a cash payment, shall be subject to such deductions (on account of tax or similar liabilities) as may be required by law or as the Committee may reasonably consider to be necessary or desirable; or
 - (b) in the case of a provision of Shares, Rule 7.1 and Rule 7.3 shall apply as if such provision was the Vesting of an Award.

7. **Restrictions on Vesting**

Regulatory and tax issues

- 7.1 An Award shall not Vest unless and until the following conditions are satisfied:

- (a) the Vesting of the Award and the issue or transfer of Shares after such Vesting would be lawful in all relevant jurisdictions and in compliance with the Listing Rules, the Code, the Market Abuse Regulation, the City Code on Takeovers and Mergers and any other relevant UK or overseas regulation or enactment;
- (b) if, on the Vesting of the Award, a Tax Liability would arise by virtue of such Vesting and the Board decides that such Tax Liability shall not be satisfied by the sale of Shares pursuant to Rule 7.3 then the Participant must have entered into arrangements acceptable to the Board that the relevant Group Company will receive the amount of such Tax Liability; and
- (c) where the Committee requires, the Participant has entered into, or agreed to enter into, a valid election under Part 7 of ITEPA or any similar arrangements in any overseas jurisdiction.

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

Tax Liability before Vesting

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

For the purposes of this Rule 7.2, references to Group Company include any former Group Company.

Payment of Tax Liability

- 7.3 The Participant authorises the Company to sell or procure the sale of sufficient Vested Shares on or following the Vesting of his or her Award on his or her behalf to ensure that any relevant Group Company or former Group Company receives the amount required to discharge the

Tax Liability which arises on Vesting except to the extent that the Board decides that all or part of the Tax Liability shall be funded in a different manner.

8. **Plan limits**

10% limit

8.1 On any day, the number of Shares which may be allocated, as defined in Rule 8.4, under the Plan 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 any other Employees' Share Scheme adopted by the Company, exceed that number of Shares that represents 10% of the ordinary share capital of the Company in issue immediately prior to that day.

7.5% limit

8.2 On any day, the number of Shares which may be allocated, as defined in Rule 8.4, 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, the 2017 DBSP and any other discretionary Employees' Share Scheme adopted by the Company, exceed that number of Shares that represents 7.5% of the ordinary share capital of the Company in issue immediately prior to that day.

Exclusions from the limits

8.3 In calculating the limits in Rules 8.1 and 8.2, where:

- (a) the right to acquire any Shares was released or lapsed without being exercised; or
- (b) after the grant of an Award the Committee determines that it shall be satisfied by the transfer of existing Shares (other than Shares transferred out of treasury),

such Shares will be disregarded.

Meaning of allocated

8.4 References to "**allocated**" Shares mean, in the case of any share option plan, the placing of unissued shares under option and, in relation to other types of Employees' Share Scheme, means the issue and allotment of Shares or transfer of Shares out of treasury (including any issue and allotment of Shares, or transfer of Shares out of treasury, to any trustees to satisfy the exercise of any option, award or contractual right granted under any Employees' Share Scheme unless such Shares are already treated as allocated under this Rule 8.4).

Adjustment to Shares to be taken into account

8.5 Where Shares which have been issued under the Plan or any other Employees' Share Scheme of the Company are to be taken into account for the purposes of the limits in Rule 8.1 and Rule 8.2 and a Variation has taken place between the date of issue of those Shares and the date on which the limit is to be calculated, then the number of Shares taken into account for the purposes of the limit will be adjusted in the manner the Committee considers appropriate to take account of the Variation.

Effect of limits

8.6 Any Award shall be limited and take effect so that the limits in this Rule 8 are complied with.

9. **Malus and clawback**

Application of recovery provisions

9.1 Notwithstanding any other Rule of the Plan, the Committee may in its absolute discretion resolve that the provisions of Rule 9.2 and/or Rule 9.3 will be applied in respect of any Awards in the following circumstances:

- (a) if any of the audited financial results for the Company, the Group or for any Subsidiary are materially misstated (other than restatement due to a change in accounting policy or to rectify a minor error);
- (b) if, in the reasonable opinion of the Committee and following consultation with the relevant employing Group Company:
 - (i) a Participant has deliberately misled the management of the Company and/or the market and/or the Company's shareholders regarding the financial performance of the Group or any Group Company; or
 - (ii) the Group, and/or the Participant's business unit has suffered reputational damage as a result of the Participant's misconduct or otherwise;
 - (iii) a Participant's actions amount to serious misconduct or conduct which causes significant financial loss for the Group and/or the Participant's business unit; or
 - (iv) there have been overpayments (including any Awards Vesting under the Plan at a level higher than would otherwise have been the case) due to material abnormal write-offs affecting the Group or any Group Company on an exceptional basis not included in the Group's or Group Company's normal underlying profit before tax or earnings per share calculations.

In all cases, the decision of the Committee as to whether any of the circumstances set out in this Rule exist shall be conclusive and final.

Malus

9.2 If the Committee determines that this Rule 9.2 applies then they may resolve that the number of Shares comprised in an Award that are not Vested Shares should be reduced (to nil if appropriate) and/or impose further conditions on an Award within the period beginning on the Date of Grant and ending on the fifth anniversary of the Date of Grant of an Award.

Clawback

9.3 If, at any time within the period beginning on the Date of Grant and ending on the fifth anniversary of the Date of Grant of an Award, the Committee determines that this Rule 9.3 applies then the Committee may:

- (a) require the Participant to make a cash payment to a Group Company or the Employees' Benefit Trust in respect of some or all of the Shares delivered to him under the Award; and/or
- (b) require the Participant to transfer to a Group Company or the Employees' Benefit Trust, for nil consideration, some or all of the Shares delivered to him under the Award

and the Committee will have discretion to determine the basis on which the amount of cash and/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.

Reduction in Awards to give effect to clawback under other plans

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

Notifications

- 9.5 If the Committee exercises its discretion in accordance with this Rule 9, it will confirm this in writing to the Participant.

10. Lapse of Awards

An Award shall lapse in accordance with the Rules.

11. Leavers

Restriction for leavers

- 11.1 The Vesting of Awards in this Rule 11 shall be subject to Rule 7.1 and Rule 12.

Good and bad leavers

- 11.2 If a Participant ceases to be a director or employee of a Group Company:

- (a) in circumstances where the Participant is a Good Leaver, the Participant's Award shall not lapse and shall Vest on the Vesting Date unless the Committee, in its absolute discretion, determines following the Participant's cessation of office or employment that an Award will Vest on such other date as the Committee may, in its absolute discretion, specify following the Participant's cessation of office or employment;
- (b) in circumstances where the Participant is not a Good Leaver, and the cessation occurs before the Remuneration Committee determines the extent to which the Performance Condition has been satisfied under Rule 5.2, the Participant's Award shall lapse immediately on such cessation.
- (c) in circumstances where the Participant is not a Bad Leaver, a Holding Period applies and the cessation occurs after the Remuneration Committee determines the extent to which the Performance Condition has been satisfied under Rule 5.2, the Participant's Award shall not lapse and shall Vest at the end of the Holding Period unless the Committee, in its absolute discretion, determines following the Participant's cessation of office or employment that an Award will Vest on such other date as the Committee may, in its absolute discretion, specify following the Participant's cessation of office or employment;
- (d) in circumstances where the Participant is a Bad Leaver, the Participant's Award shall lapse immediately on such cessation.

The number of Shares in respect of which the Award shall Vest under Rule 11.2(a) shall be determined by the Committee taking account of:

- (i) the extent to which the Performance Condition is satisfied at the end of the Performance Period, or as appropriate, at the date of cessation of office or employment; and

- (ii) unless the Committee determines otherwise, the period of time that has elapsed since the Date of Grant until the date of cessation of office or employment (or such other relevant period).

Meaning of ceasing employment

- 11.3 A Participant shall be treated for the purposes of this Rule 11 as ceasing to be a director or employee of a Group Company on the earlier of either the date on which notice is either given or received the effect of which will be that at the end of the notice period the Participant is no longer either an employee or director of any Group Company or the date he or she is no longer a director or employee of any Group Company. If any Participant ceases to be such a director or employee before the Vesting of his or her Award in circumstances where he or she retains a statutory right to return to work then he or she shall be treated as not having ceased to be such a director or employee until such time (if at all) as he or she ceases to have such a right to return to work while not acting as an employee or director.
- 11.4 The reason for the termination of office or employment of a Participant shall be determined by reference to Rule 11.2 regardless of whether such termination was lawful or unlawful.

12. Takeovers and other corporate events

Restriction on takeovers

- 12.1 The Vesting of Awards in this Rule 12 shall be subject to Rule 7.1, Rule 11 and Rule 12.5.

General offers

- 12.2 If any person (or any group of persons acting in concert, as defined in the City Code on Takeovers and Mergers):
- (a) obtains Control of the Company as a result of making a general offer to acquire the whole of the issued share capital of the Company; or
 - (b) obtains Control of the Company as a result of making a general offer to acquire all the shares in the Company which are of the same class as the Shares,

the Committee shall, within seven days of becoming aware of that event, notify every Participant of it and all Awards shall Vest on the date of such notification if they have not then Vested.

Schemes of arrangement and winding-up

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

the Committee shall, within seven days of becoming aware of that event, notify every Participant of it and all Awards shall Vest on the date of such event if they have not then Vested.

Demergers and similar events

- 12.4 If a demerger, special dividend or other similar event is proposed which, in the opinion of the Committee would affect the market price of Shares to a material extent, then the Committee may, at its discretion, decide that the following provisions shall apply:
- (a) the Committee shall, as soon as reasonably practicable after deciding to apply these provisions, notify a Participant that his or her Award Vests; and
 - (b) if an Award Vests conditional upon the relevant event and such event does not occur then the conditional Vesting shall not be effective and the Award shall continue to subsist.

Determination of the number of Shares Vesting

- 12.5 Unless the number of Shares in respect of which the Award Vests has already been determined at the end of the Performance Period, the number of Shares in respect of which the Award Vests in accordance with this Rule 12.5 shall be determined by the Committee and, unless the Committee determines otherwise, taking into account:
- (a) the extent to which the Performance Condition has been satisfied at the date of the relevant event as set out in Rule 12.2, 12.3 or 12.4, as the case may be; and
 - (b) the period that has elapsed since the start of the Performance Period until the date of the relevant event as set out in Rule 12.2, 12.3 or 12.4, as the case may be (or such other relevant period).

Compulsory rollover of Awards

- 12.6 In the event that a company ("**Acquiring Company**") is expected to obtain Control of the Company as a result of an offer referred to in Rule 12.2 or a compromise or arrangement referred to in Rule 12.3(a) then the Committee, with the consent of the Acquiring Company, may decide before the obtaining of such Control that an Award shall not Vest under Rule 12.2 or Rule 12.3 but shall be automatically surrendered in consideration for the grant of a new award which the Committee determines is equivalent to the Award it replaces, except that it will be over shares in the Acquiring Company.

The Rules will apply to any new award granted under this Rule 12.6 as if references to Shares were references to shares over which the new award is granted and references to the Company were references to the company whose shares are subject to the new award.

13. Adjustment of Awards

In the event of a Variation the Committee may make such adjustments as it considers appropriate to the number of Shares comprised in an Award.

14. Amendments

General rule on amendments

- 14.1 Except as described in Rule 14.2 and 14.3 the Committee may at any time amend the Plan or the terms of any Award.

Shareholder approval

- 14.2 Without the prior approval of the Company in general meeting, an amendment to the Rules may not be made for the benefit of a Participant relating to:
- (a) eligibility;
 - (b) the overall limits on the issue of Shares or transfer of treasury shares under the Plan;
 - (c) the basis for determining a Participant's entitlement to, and the terms of, Shares (or cash) provided under the Plan;
 - (d) any adjustment of Awards on a Variation; and
 - (e) the terms of this Rule 14.2 except for:
 - (i) an amendment which is of a minor nature and benefits the administration of the Plan; or
 - (ii) an amendment which is necessary or desirable in order to take account of the provisions of any proposed or existing legislation, including overseas legislation, or to take advantage of any change of legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for the Participant, the Company or some other Group Company.

Amendments to the disadvantage of Participants

- 14.3 No amendment to the material disadvantage of Participants shall be made under Rule 14.1 unless:
- (a) the Board shall have invited every relevant Participant to indicate whether or not he or she approves the amendment; and
 - (b) the amendment is approved by a majority of those Participants who have given such an indication.

15. Employment rights

Employment

- 15.1 The terms of employment of any Participant shall not be affected in any way by his or her participation in the Plan which shall not form part of such terms (either expressly or impliedly) nor in any way entitle him to take into account such participation in calculating any compensation or damages on the termination of his or her employment for whatever reason (whether lawful or unlawful) which might otherwise be payable to him, and the Participant's terms of employment shall be deemed to be varied accordingly.

Benefits not pensionable

- 15.2 The value of any benefit realised under the Plan by Participants shall not be taken into account in determining any pension or similar entitlements.

No consequential losses on termination

- 15.3 Participants shall have no rights to compensation or damages from the Company, any Group Company or any former Group Company on account of any loss in respect of Awards where such loss arises (or is claimed to arise), in whole or in part, from:
- (a) termination of office or employment with; or
 - (b) notice to terminate office or employment given by or to,

the Company, any Group Company or any former Group Company. This exclusion of liability shall apply however termination of office or employment, or the giving of notice, is caused and however compensation or damages may be claimed.

No consequential losses on transfer of employer

15.4 Participants shall have no rights to compensation or damages from the Company, any Group Company or any former Group Company on account of any loss in respect of Awards where such loss arises (or is claimed to arise), in whole or in part, from:

- (a) any company ceasing to be a Group Company; or
- (b) the transfer of any business from a Group Company to any person that is not a Group Company.

This exclusion of liability shall apply however the change of status of the relevant Group Company, or the transfer of the relevant business, is caused, and however compensation or damages may be claimed.

No expectation of grant

15.5 This Plan is entirely discretionary and may be suspended or terminated by the Company at any time. Such suspension or termination will not affect any Awards granted under the Plan to the extent that they are subsisting at the date of such suspension or termination. The grant of an Award is likewise entirely discretionary and does not create any contractual or other right to receive future grants of Awards, or benefits in lieu of Awards. All determinations with respect to future grants will be at the sole discretion of the Company.

16. **Miscellaneous**

Disputes

16.1 In the event of any dispute or disagreement as to the interpretation of the Plan, or as to any question or right arising from or relating to the Plan, the decision of the Committee shall be final and binding upon all persons.

Exercise of powers and discretions

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

Share rights

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

Notices

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

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

Overseas employees

- 16.5 The Board may adopt appendices to this Plan which shall provide for the grant to Eligible Employees who are not at the relevant time exclusively resident for tax purposes in the UK, or who are employed by any non-UK resident Subsidiary, subject to such modifications as the Board considers appropriate to take into account local tax, exchange control, securities laws or other regulatory requirements.

Third parties

- 16.6 No third party has any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Plan, save for any company whose shares are subject to any new award under Rule 12.6.

Data protection

- 16.7 The Participant, by accepting the Award, consents to the collection, processing and transfer, in electronic or other form, of personal data ("**Data**") that is necessary to facilitate the implementation, administration and management of the Plan. The Company may, for the purpose of implementing, administering and managing the Plan, collect, process and transfer certain personal information about the Participant, including, but not limited to, the Participant's name, home address and telephone number, date of birth, national insurance number or other identification number, salary, nationality, job title and details of all awards or entitlement to Awards that may be granted under the Plan.
- 16.8 Full details about what information the Company collects about a Participant, and how the Company collects, uses, shares and protects it, are set out in the Company's Data Protection Policy. In particular, a Participant's personal data may:
- (a) be shared with third parties that the Company engages with for the purposes of implementing, administering and managing the Plan, including any broker with whom the Shares that may be issued on Vesting of an Award may be deposited; and
 - (b) be transferred outside of the European Economic Area (the "**EEA**"). The Participant acknowledges that the legal regimes of some territories outside the EEA do not always offer the same standard of data protection as those inside the EEA. The Company will make sure that any transfer of the Participant's Data by the Company or by the third parties with which the Company shares the Participant's Data have appropriate protection in place.

The Participant is entitled to withdraw their consent to the processing of their Data at any time, unless the Company has a specific legal requirement to process such data or has an alternative legal basis to process that Data. Where the Participant is entitled, the Participant may withdraw consent at any time to the processing of their Data in a particular way by emailing the Company.

Governing law

- 16.9 The Plan and any dispute, claim or obligation whether contractual or non-contractual arising out of or in connection with it, its subject matter or formation shall be governed by English law. The Participant and the Company irrevocably agree that the English courts shall have exclusive jurisdiction to settle any dispute or claim whether contractual or non-contractual arising out of or in connection with this Plan, its subject matter or formation.