

**Zotefoams plc**

**Long Term Incentive Plan 2017**

Adopted by the shareholders of the Company on 17 May 2017

Amended by the Board (conditional, where relevant, on shareholder approval, which was obtained on 27 May 2026) on [ ] [ ] 2026

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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:

**"Award"** means a conditional right to acquire Shares automatically subject to the Rules of the Plan for either nil cost or for an Award Price.

**"Award Price"** means the amount payable per Share in respect of the acquisition of Shares pursuant to an Award which has an Award Price, which will be equal to the nominal value of a Share from time to time.

**"Bad Leaver"** means a Participant ceasing to be a director or employee of a Group Company in circumstances where their employing company is entitled to dismiss them for gross misconduct, 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, or any duly appointed successor body.

**"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, or any duly appointed successor body.

**"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.

**"Dealing Restrictions"** means restrictions imposed by the Code, the Listing Rules, the Market Abuse Regulation or any other laws or regulations that impose restrictions on share dealing.

**"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 3.8.

**"Eligible Employee"** means an employee of the Company or any of its Subsidiaries, 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.

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

**"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 their employer;
- (d) redundancy (within the meaning of the Employment Rights Act 1996);
- (e) a transfer of the undertaking or part of an 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, or a Subsidiary of the Company's holding company, or if the Committee so determines, any body corporate in relation to which the Company is able to exercise at least 20% of the equity voting rights 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, which shall be two years from the Vesting Date (or such other period as the Committee may determine on or before the Date of Grant) 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 FCA.

**"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, to the extent each is incorporated into the law of the United Kingdom and as amended by any instrument related to their incorporation into the law of the United Kingdom.

**"Participant"** means a person who holds an Award, or following their death, their personal representatives.

**"Performance Condition"** means any one or more condition that relates to performance, 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 a Performance Condition will be measured which, unless the Committee determines otherwise, will be at least three years.

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

**"Recovery Period"** means subject to rule 9.5, the period beginning on the Date of Grant and

ending on the fifth anniversary of the Date of Grant, or such other period determined by the Committee on or before the Date of Grant.

**"Recruitment Award"** means an Award granted in connection with the recruitment of an Eligible Employee and which is granted in respect of remuneration they forfeit to join a Group Company.

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

**"Shareholding Requirement"** means any requirement, guideline or policy determined by the Committee from time to time pursuant to which a person must hold Shares either during their office or employment with a Group Company or following their ceasing to hold office or employment with a Group Company.

**"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, social security contributions, levy, charge or other payroll deductions required by law arising out of or in connection with an Award 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 or any reasonable estimate thereof.

**"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 them (or their nominee) and, if applicable, to the extent any Performance Condition has been satisfied and any 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 the date when an Award normally Vests being the latest of:

- (a) the date on which the Committee determines the extent to which any Performance Condition has been satisfied;
- (b) the date on which the Committee determines whether an adjustment should be made in accordance with Rule 5.3;
- (c) such date as may be specified by the Committee under Rule 3.1(d); and
- (d) the end of any Holding Period.

**"Vesting Period"** means in relation to an Award that is:

- (a) subject to a Performance Condition, the Performance Period; and
- (b) not subject to a Performance Condition, the period commencing on the Date of Grant and ending on the third anniversary of the Date of Grant,

or such other period as the Committee may determine on or before the Date of Grant.

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 they are an Eligible Employee at the time of the grant of an Award.

## 3. **Grant of Awards**

### ***Terms of grant***

- 3.1 Subject to Rule 3.4 and Rule 3.10, the Committee may resolve that an Award should be granted:
  - (a) on the terms set out in the Plan;
  - (b) subject to Rule 3.3, over such number of Shares as the Committee may determine;
  - (c) on such additional terms or conditions (including but not limited to any Performance Condition) as the Committee may specify;
  - (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 on or before the Date of Grant.
- 3.2 An Award may be divided into distinct tranches with different Vesting Periods, Performance Conditions and/or Holding Periods, and, if so, the Rules of the Plan will be construed as if each tranche were itself a separate Award.

### ***Individual limit***

- 3.3 Any Award (other than a Recruitment 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 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 3.3 the market value of the Shares over which the Award is granted shall normally be determined by reference to the value of a Share at the date the Award is granted and 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.

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

#### ***Timing of grant***

3.4 The Committee may decide, at its absolute discretion, when Awards should be granted. However, subject to Rule 3.10, Awards may only be granted within the period of 42 days beginning on:

- (a) the date on which amendments to the Plan are approved by shareholders of the Company in general meeting;
- (b) the first Dealing Day after the day on which the Company makes an announcement of its results for any period
- (c) the date on which the Participant becomes an Eligible Employee;
- (d) the day on which the Directors' Remuneration Policy is approved by shareholders; or
- (e) any day the Committee considers that exceptional circumstances exist to justify the grant at such other time,

unless the Company is restricted from granting Awards during the periods specified above as a result of Dealing Restrictions, in which case the relevant period will be 42 days beginning on the day after such Dealing Restrictions are lifted.

#### ***Method of grant***

3.5 The Committee shall, as soon as reasonably practicable after the Date of Grant, notify Participants of the terms of their Award including whether it has an Award Price, the Vesting Period, the Vesting Date, any Performance Condition, any Holding Period and any additional terms imposed by the Committee in accordance with Rule 3.1(c). An Award shall be granted by deed executed by the Company (or in such other written form as the Committee determines).

3.6 No Award may be granted more than 10 years after the approval by shareholders of amendments to the Plan at the Company's 2026 Annual General Meeting.

#### ***Acceptance***

3.7 A Participant may be required to accept an Award in such form as the Committee reasonably requires and, if the Board has not received (or waived the right to require) such acceptance on or before the date that is three months after the Date of Grant:

- (a) the Award may not Vest; and/or
- (b) the Committee may determine that the Award shall lapse.

#### ***Dividend Equivalents***

3.8 The Committee may decide at any time before the delivery of Shares in satisfaction of an Award that a Participant (or their nominee) shall be entitled to additional cash and/or Shares (as determined by the Committee) of a value determined by reference to the dividends that would have been paid on their Vested Shares in respect of dividend record dates occurring during such period (ending no later than the Date of Release) as the Committee may determine. 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 special dividends. In giving effect to this Rule 3.8 the Committee shall have complete discretion to decide the basis on which the Dividend Equivalent should be calculated or paid.

#### ***Method of satisfying Awards***

- 3.9 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***

- 3.10 The grant of any Award shall be subject to such restrictions and/or obtaining any approval or consent required by the FCA, any Dealing Restrictions or any other UK or overseas regulation or enactment.

#### ***Non-transferability and bankruptcy***

- 3.11 An Award granted to any person shall lapse immediately if:
- (a) transferred, assigned, charged or otherwise disposed of (except on their death when it may be transmitted to their personal representatives); or
  - (b) they are declared bankrupt under Part IX of the Insolvency Act 1986, they apply for an interim order or propose or make a voluntary arrangement under Part VIII of the Insolvency Act 1986, or take similar steps or are similarly affected under similar laws of any other jurisdiction (unless the Committee decides otherwise).

### **4. Performance condition**

#### ***Imposition of Performance Condition***

- 4.1 On the grant of an Award, the Committee may impose a Performance Condition. Awards granted to Executive Directors will be subject to Performance Conditions to the extent required by the Directors' Remuneration Policy.

#### ***Performance Condition can no longer be satisfied***

- 4.2 Subject to Rule 5.3, 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 the Committee considers that the Performance Condition, or any condition imposed pursuant to Rule 3.1(c), 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 and appropriate in the circumstances; and
- (b) in the case of Awards held by Participants who are or were Executive Directors, is materially no easier to satisfy than when it was originally set.

- 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 their position under the Plan.

### **5. Vesting of Awards**

- 5.1 Subject to Rules 5.2, 5.3 and 6.1, an Award shall Vest on the Vesting Date, 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 if this Rule applies to an Award under Rule 11 or 12 before the end of the Performance Period, then at the relevant time) or on such later date as the Committee determines, the extent to which any Performance Condition has been satisfied, and the number of Shares in respect of which the Award shall, subject to Rule 5.3, Vest, shall be determined by the Committee. If the extent to which the Performance Condition is satisfied is determined before the end of the Performance Period, the Committee will take into account such factors as it considers are relevant.

- 5.3 As soon as practicable after the determination in Rule 5.2 (or in the case of an Award that is not subject to a Performance Condition, on such date on or around the last day of the Vesting Period as the Committee decides), the Committee may adjust (including by reducing to nil) the extent to which an Award would (but for this Rule 5.3) Vest, taking account the performance of the Company and the contribution of the Participant over the Vesting Period.

### ***Consequences of Vesting***

- 5.4 Within 30 days of the Vesting of an Award, the Board shall, subject to Rule 6.1 and Rule 6.4, procure the transfer of the Vested Shares to the Participant (or a nominee for them), together with any additional Shares or cash to which a Participant becomes entitled under Rule 3.8.

### **6. Restrictions on Vesting**

#### ***Regulatory and tax issues***

- 6.1 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 any approval required by the FCA (or any other relevant authority), any Dealing Restrictions or any other relevant UK or overseas regulation or enactment;
- (b) any investigation into the action or conduct of the Participant, Group Company or relevant business unit pursuant to Rule 9 has concluded;
- (c) 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 6.4 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;
- (d) if the Award has an Award Price, the Participant has, unless the Committee decides to waive the requirement to pay the Award Price, agreed to pay the Award Price to the Company or enter into arrangements acceptable to the Committee to pay the Award Price;
- (e) where the Committee requires, the Participant has agreed to any conditions (including entering into any agreement) related to the delivery of Shares subject to the Award reasonably required by the Committee in connection with any Shareholding

Requirement; and

- (f) 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 6.1, references to Group Company include any former Group Company.

***Tax Liability before Vesting***

- 6.2 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 their Award on their behalf to ensure that the relevant Group Company receives the amount required to discharge the Tax Liability and the number of Shares subject to their Award shall be reduced accordingly.

For the purposes of this Rule 6.2, references to Group Company include any former Group Company.

***Payment of Tax Liability***

- 6.3 The Participant will be responsible for and indemnifies each relevant Group Company against any Tax Liability relating to their Award.
- 6.4 The Participant authorises the Company to sell or procure the sale of sufficient Vested Shares on or following the Vesting of their Award on their behalf to ensure that any relevant Group Company or former Group Company receives the amount required to discharge any 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.

**7. Cash equivalent**

- 7.1 Subject to Rule 7.2, at any time before Shares have been delivered to a Participant to satisfy an Award, the Committee may determine that, in substitution for their right to acquire some or all of those Shares, the Participant will instead receive a cash sum equal to the market value of the Shares that would otherwise have been delivered (as determined by the Committee) on the Vesting Date (less any Award Price applicable to the Award) and any such cash sum will be paid to the Participant within 30 days (or as soon as practicable) after the Vesting Date, net of any Tax Liability.
- 7.2 The Committee may determine that this Rule 7 will not apply to an Award or any part of it.

**8. Plan limit**

***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.

***Exclusions from the limit***

- 8.2 In calculating the limit in Rule 8.1, Shares over which awards were granted will be disregarded where:
  - (a) the award has lapsed, been relinquished or been satisfied in cash; or

- (b) after the grant of the award the Committee determines that it shall be satisfied by the transfer of existing Shares (other than Shares transferred out of treasury).

8.3 The Committee may determine that Shares transferred from treasury will cease to count as allocated for the purpose of Rule 8.1 if guidelines published by institutional investor representative bodies no longer require such Shares to be counted.

***Meaning of allocated***

8.4 References to "**allocated**" Shares mean, in the case of any share award plan, the placing of unissued shares under award 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 limit in Rule 8.1 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 limit***

8.6 If the Committee purports to grant an Award in excess of the limit in this 8, that Award shall be reduced (as determined by the Committee) and take effect from the Date of Grant over the reduced number of Shares.

9. **Malus and clawback**

***Application of recovery provisions***

9.1 Notwithstanding any other Rule of the Plan, this Rule 9 applies to each Award and will continue to apply after the cessation of a Participant's office or employment with a Group Company for any reason, whether or not any termination is lawful. 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 there has been an error assessing a Performance Condition applicable to the Award or in the information or assumptions on which an Award was granted or Vests;
- (c) if there has been a material failure of risk management in any Group Company or a relevant business unit;
- (d) if there has been a corporate failure in any Group Company or a relevant business unit;
- (e) 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, any Group Company or relevant business unit;
  - (ii) any Group Company, 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;
- (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 should be reduced (to nil if appropriate) and/or impose further conditions on an Award at any time within the Recovery Period.

***Clawback***

- 9.3 If, at any time within the Recovery Period, 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 them 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 them 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.

***Other provisions relating to malus and clawback***

- 9.5 If the action or conduct of any Participant, Group Company or relevant business unit is under investigation by the Company, or the Company has been notified by a third party that an investigation into such action or conduct has begun before the end of the Recovery Period and such investigation has not been or is not expected to be concluded by that date, the Committee may extend the Recovery Period to end on such later date as the Committee considers appropriate to allow such investigation to be concluded.
- 9.6 For the purposes of this Rule 9, references to:
- (a) a Participant include former Participants; and
  - (b) a Group Company or a relevant business unit include former Group Companies or former business units.

### ***Notifications***

9.7 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 6.1 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 later of the date on which the Committee determines: (i) the extent to which the Performance Condition has been satisfied under Rule 5.2; and (ii) whether any adjustment should be made pursuant to Rule 5.3, 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 Committee has determined the extent to which the Performance Condition has been satisfied under Rule 5.2 and whether any adjustment should be made pursuant to Rule 5.3, 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;
- (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;
- (ii) whether it is appropriate to adjust (including by reducing to nil) the extent to which the Award would (but for this Rule 11.2) Vest, if it considers that Rule **Error! Reference source not found.**, **Error! Reference source not found.** or **Error! Reference source not found.** applies; and
- (iii) 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).

#### ***Leavers – Shareholding Requirement***

11.3 The Committee may determine that any Award held by a Participant after they have ceased to

hold office or employment with a Group Company shall lapse if the Participant fails to abide by any applicable Shareholding Requirement.

***Leavers – post-cessation change in circumstances***

- 11.4 If an Award continues in accordance with Rule 11.2(a) following a Participant ceasing to hold office or employment with a Group Company, the Committee may:
- (a) require the Participant to confirm, in such form and at such time or times as the Committee requires that, in the period between the date of cessation and the later of the date on which the Committee determines: (i) the extent to which the Performance Condition has been satisfied under Rule 5.2; and (ii) whether any adjustment should be made pursuant to Rule 5.3, they have not started or agreed to start employment with, or otherwise provide services to, any other person;
  - (b) make delivery of any Shares to satisfy the Vesting of an Award conditional on the Participant giving the confirmation referred to in Rule 11.4(a);
  - (c) determine that the Award shall lapse if:
    - (i) the Participant does not give the confirmation referred to in Rule 11.4(a); or
    - (ii) if the Committee determines that in the period between the date of cessation and the later of the date on which the Committee determines: (i) the extent to which the Performance Condition has been satisfied under Rule 5.2; and (ii) whether any adjustment should be made pursuant to Rule 5.3, the Participant has started or agreed to start employment with, or otherwise to provide services to, any other person.

***Meaning of ceasing employment***

- 11.5 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: (i) 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; and (ii) the date they are 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 their Award in circumstances where they retain a statutory right to return to work then they shall be treated as not having ceased to be such a director or employee until such time (if at all) as they cease to have such a right to return to work while not acting as an employee or director.
- 11.6 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 6.1, 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 or 901F of the 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 current or future 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 their 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 Vesting 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, taking into account:

- (a) the extent to which any Performance Condition has, in the Committee's opinion, 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;
- (b) whether it is appropriate to adjust (including by reducing to nil) the extent to which the Award would (but for this rule 12.5(a)) Vest, if it considers that Rule **Error! Reference source not found.**, **Error! Reference source not found.** or **Error! Reference source not found.** applies, taking into account such factors as the Committee considers relevant; and
- (c) if a Participant no longer holds office or employment with a Group Company at the time of the relevant event, the proportion of the Vesting Period that had elapsed at the date of their cessation of office or employment (or such other relevant period), unless the Committee determines otherwise;
- (d) if a Participant continues to hold office or employment with a Group Company at the time of the relevant event, the period that has elapsed since the start of the Vesting 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), unless the Committee determines otherwise.

### ***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 or cash 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 and/or other securities over which the new award is granted and references to the Company were references to the company whose shares and/or other securities 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 limit on the issue of Shares or transfer of treasury shares under the Plan;
- (c) the maximum entitlement for any one Participant;
- (d) the basis for determining a Participant's entitlement to, and the terms of, Shares (or cash) provided under the Plan;
- (e) any adjustment of Awards on a Variation; and
- (f) 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 they approve the amendment; and
- (b) the amendment is approved by a majority of those Participants who have given such an indication.

### ***Employees' Share Scheme***

- 14.4 No amendment will be made under this Rule 14 if it would prevent the Plan from being an Employees' Share Scheme.

## **15. Employment rights**

### ***Employment***

- 15.1 The terms of employment of any Participant shall not be affected in any way by their participation in the Plan which shall not form part of such terms (either expressly or impliedly) nor in any way entitle them to take into account such participation in calculating any compensation or damages on the termination of their employment for whatever reason (whether lawful or unlawful) which might otherwise be payable to them, 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 (including lawful or unlawful termination of the Participant's employment); 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 Committee will have full authority, consistent with the Plan, to administer the Plan, including authority to interpret and construe any provision of the Plan to adopt regulations for administering the Plan. The exercise of any power or discretion by the Committee shall be final, binding on all parties and not open to question by any person. 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 their last known address, or, where they are a director or employee of a Group Company, either to their last known address or to the address of the place of business at which they perform the whole or substantially the whole of the duties of their 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.

Where a notice or other communication is given by post, it will be deemed to have been received 72 hours after it was put into the post properly addressed and stamped, and if by electronic means, when the sender receives electronic confirmation of delivery or if not available, 24 hours after sending the notice.

***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 other than a Group Company 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 personal data of any Eligible Employee, Participant or former Participant may be processed in connection with the operation of the Plan in accordance with the Group's prevailing data protection policy and as notified to Eligible Employees pursuant to a privacy notice or otherwise. If an Eligible Employee, Participant or former Participant is employed outside the European Economic Area and outside the United Kingdom and consent is needed for processing of their personal data in connection with the operation of the Plan, by participating in the Plan, they consent to such processing of their personal data.

***Validity***

- 16.8 If any Rule of the Plan or any term of an Award is held to be void but would be valid if part of its wording were deleted, such Rule or term shall apply with such deletion as may be necessary to make it valid.

***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.