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GULF KEYSTONE PETROLEUM LIMITED

RULES

of the

GULF KEYSTONE PETROLEUM 2024

DEFERRED BONUS PLAN

Approved by the Board on 21st June 2024
pursuant to shareholders' approval on 21st June 2024

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RULES OF THE GULF KEYSTONE PETROLEUM 2024 DEFERRED BONUS PLAN

1. INTERPRETATION AND CONSTRUCTION¹

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

"Award" means either a Conditional Award or an Option;

"Board" means the board of directors of the Company or a committee duly authorised by the board of directors (which, in respect of Awards granted to the Executive Directors and Senior Management of the Company, shall be the remuneration committee of the Board) or, following any Corporate Action, the Board or duly authorised committee as constituted immediately prior to the Corporate Action;

"Claw-back" means a recovery of value by the Company from a Participant in accordance with the provisions of Rule 12 (*Malus and Claw-back*) and Appendix 1 (*Operation of Malus and Claw-back*);

"Company" means Gulf Keystone Petroleum Limited (registered in Bermuda under No. 31165);

"Conditional Award" means a right to receive a transfer of Shares following vesting of the Award;

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

"Corporate Action" means any of the events referred to in:

- (A) Rules 7.1 to 7.4 (but excluding a Reorganisation as defined in Rule 7.8); or
- (B) if the Board determines that Awards will vest pursuant to such Rule, any of the events referred to in Rules 7.5 and 7.6;

"Dealing Day" means any day on which the London Stock Exchange is open for trading;

"Dealing Restriction" means any restriction on the dealing in Shares, whether direct or indirect, pursuant to any law, regulation, code or enactment in England and Wales and/or the jurisdiction in which the Participant is resident, or any share dealing code of the Company;

"Deferred Award" means an Award granted in accordance with Rule 3;

"Eligible Employee" means an employee or former employee (including an Executive Director or former Executive Director) of any Group Company;

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

"Executive Director" means an Eligible Employee who is a member of the board of directors of the Company;

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

"Grant Date" means (subject to Rule 3.4 (*Timing of grants*)) the date on which an Award is granted;

"Group" means the Company and any company which from time to time is a subsidiary of the Company, within the meaning of section 86 of the Bermuda Companies Act 1981 (each a **"Group Company"**);

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

"Malus Adjustment" means a reduction in the number of Shares subject to an Award in accordance with the provisions of Rule 13 (*Malus and Claw-back*) and Appendix 1 (*Operation of Malus and Claw-back*);

¹ HSF Note: Bermudan counsel to confirm references to the Bermudan Companies Act.

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

(A) if and so long as the Shares are admitted to listing by the Financial Conduct Authority and traded on the London Stock Exchange, the mid-closing price of a Share on the immediately preceding Dealing Day; or

(B) subject to (A) above, its market value, determined in accordance with Part VIII of the Taxation of Chargeable Gains Act 1992;

"Normal Vesting Date" means the date or dates on which an Award shall vest as determined in accordance with Rule 5.1 (*Normal vesting*);

"Option" means a right to acquire Shares, which may be exercised by the Participant following the vesting of the Award during any period permitted for exercise;

"Option Price" shall be nil, or such other amount as the Board may determine (provided that the Board may reduce or waive such amount at any time);

"Participant" means an Eligible Employee who has received an Award to the extent it has not been released and has not lapsed (or, following the Participant's death, the Participant's Personal Representatives);

"Personal Representatives" means, following the Participant's death, the Participant's personal representatives, or a person fulfilling a similar function in any jurisdiction;

"Plan" means this Gulf Keystone Petroleum 2024 Deferred Bonus Plan, as amended from time to time;

"Rule" means a rule of this Plan;

"Senior Management" shall have the meaning ascribed by the UK Corporate Governance Code issued by the Financial Reporting Council;

"Share" means a fully paid ordinary share in the capital of the Company;

"Shareholding Requirements" means any provisions to which the Participant is subject (whether under any contractual arrangement or, in respect of Executive Directors, as a result of the terms of the Company's shareholder-approved remuneration policy) which require the Participant to hold a minimum number of Shares from time to time (including provisions which continue to apply after the Participant has ceased to hold office or employment with the Group);

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

"Trust" means any employee benefit trust from time to time established by the Company;

"US Participant" has the meaning given in Rule 3.9 (*US Participants*); and

"vesting" means:

- a. Shares subject to a Conditional Award becoming due to be transferred to the Participant; or
- b. an Option becoming exercisable,

(and **"vest"** shall be construed accordingly).

1.2 In this Plan unless the context requires otherwise:

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

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

- (A) to that statute or statutory provision as from time to time consolidated, modified, re-enacted or replaced by any statute or statutory provision;
- (B) to any repealed statute or statutory provision which it re-enacts (with or without modification); and
- (C) to any subordinate legislation made under it;

- 1.2.3 words in the singular include the plural, and vice versa;
- 1.2.4 a reference to any one gender shall be treated as a reference to any other gender;
- 1.2.5 a reference to a person shall include a reference to a body corporate;
- 1.2.6 a reference to writing or written form shall include any legible format capable of being reproduced on paper, irrespective of the medium used;
- 1.2.7 the term "including" shall mean "including, without limitation and without prejudice to the generality of the foregoing"; and
- 1.2.8 a reference to any period of time "from" a date or "to" a date (or similar) shall be inclusive of such dates.

1.3 In this Plan:

- 1.3.1 a reference to the "transfer of Shares" (or similar) shall include both the issuance and allotment of Shares and the transfer of Treasury Shares; and
- 1.3.2 a provision obliging, or permitting, any company to do any thing shall be read as obliging, or permitting, such company to do that thing, or procure that thing to be done.

2. **PLAN LIMITS**

- 2.1 Subject to Rule 2.2, the Board may not grant an Award if the number of Shares subject to such proposed Award (the "**Relevant Shares**") would cause the limit in Rule 2.3 to be breached.
- 2.2 Rule 2.1 shall not apply in respect of an Award granted on terms that it shall not be capable of being satisfied by the issue of Shares.

10 per cent limit: Employees' Share Scheme

- 2.3 The number of Relevant Shares, when added to the aggregate of:
 - 2.3.1 the number of Shares subject to outstanding options or awards granted within the previous 10 years under the Plan or any other Employees' Share Scheme adopted by the Company which may be satisfied by the issue of Shares; and
 - 2.3.2 the number of Shares actually issued within the previous 10 years under the Plan, under any other Employees' Share Scheme or to a Trust (but excluding any of those Shares that were used to satisfy an option or award granted more than 10 years previously, and without double counting any Shares which the Board has determined are to be used to satisfy options or awards counted under Rule 2.3.1 above),

may not exceed such number as represents 10 per cent of the Company's issued share capital immediately prior to such proposed grant or issue.

Treasury Shares

- 2.4 References in this Rule 2 to the issue of Shares shall include the transfer of Treasury Shares, but only until such time as the guidelines issued by institutional investor bodies cease to provide that they should be so included.

3. **AWARDS**

Bonus Deferral

- 3.1 The Board may grant an Award to any Eligible Employee over such number of Shares as the Board determines in its absolute discretion.
- 3.2 Where an Award is granted as a proportion of the Eligible Employee's annual bonus the Eligible Employee shall have no entitlement to receive such proportion of the Eligible Employee's annual bonus otherwise than under the terms of the Plan.

- 3.3 For the avoidance of doubt, where an Eligible Employee is a former employee who receives an Award, the Award shall vest in accordance with the Rules of the Plan subject to such necessary modifications to reflect the cessation of employment.

Timing of grants

- 3.4 An Award may only be granted:
- 3.4.1 during the period of 42 days commencing on the date of adoption of the Plan;
 - 3.4.2 during the period of 42 days commencing on the Dealing Day immediately following the day on which the Company announces its results for the preceding Financial Year, half-year or other period;
 - 3.4.3 in respect of an Award to be granted in respect of the recruitment or promotion of an Eligible Employee, as soon as reasonably practicable after the Eligible Employee commences office or employment with any Group Company; and/or
 - 3.4.4 at such time at which the Board determines that exceptional circumstances exist which justify the grant of the Award,

or, in any such case, if the grant of an Award during such period or at such time would be contrary to any Dealing Restriction, as soon as reasonably practicable after such restriction ceases to apply (and in which case the Board may determine that the Grant Date of the Award shall be the date on which the Award would have been granted but for such restriction having arisen).

Method of grant

- 3.5 An Award shall be granted by the Board.
- 3.6 An Award shall be granted by deed.
- 3.7 No payment for the grant of an Award shall be made by the Participant.
- 3.8 A Participant may within 30 days of the Grant Date release an Award (in full but not in part) by written notice to the Company. Where a Participant does not release an Award within such period, the Participant shall be deemed to have accepted the Award on the terms set out in the Rules. Alternatively, it may be a term of the grant of an Award that the Participant shall be required to accept the terms of the Award within such period following grant as may be determined by the Board and, where the Board specifies such period, the Award shall lapse at the end of such period if the terms of the Award have not been accepted by the Participant.

US Participants

- 3.9 The provisions of Appendix 2 (*US Participants*) shall apply to an Award granted to or held by a Participant who is or becomes, at any time during the period from the Grant Date to the date on which the Award vests or lapses, subject to taxation under the US Internal Revenue Code of 1986, as amended (a "**US Participant**"). References to Code §409A are to §409A of the US Internal Revenue Code of 1986, as amended².

Award notification

- 3.10 As soon as practicable following the Grant Date an award notification in such form as the Board may determine (including electronic) shall be issued in respect of an Award to the Participant, which shall specify:
- 3.10.1 whether the Award takes the form of a Conditional Award or an Option;
 - 3.10.2 the Grant Date;

² **HSF Note:** GKP to confirm whether US Counsel will be asked to review the appendix. HSF is unable to provide US law advice on this point.

- 3.10.3 the Normal Vesting Date;
- 3.10.4 the number of Shares in respect of which the Award is granted;
- 3.10.5 in relation to an Option, the Option Price (if any);
- 3.10.6 if the Board has so determined prior to the Grant Date, that the dividend equivalent provisions of Rule 9 (*Dividend Equivalent*) shall apply; and
- 3.10.7 that the Award is subject to the malus and claw-back provisions of Rule 12 (*Malus and Claw-back*) and Appendix 1 (*Operation of Malus and Claw-back*).

4. AWARDS ARE NON-TRANSFERABLE

- 4.1 A Participant may not transfer, assign, pledge, charge or otherwise dispose of, or grant any form of security or other interest over, any part of the Participant's interest in an Award. An Award shall (unless the Board determines otherwise) lapse: (i) upon the Participant doing so (whether voluntarily or involuntarily); (ii) upon the Participant being deprived of the beneficial ownership of an Award by operation of law; or (iii) upon the Participant becoming bankrupt.
- 4.2 Rule 4.1 does not restrict the transmission of an Award to the Participant's Personal Representatives following the Participant's death.

5. VESTING

Normal vesting

- 5.1 Subject to rule 5.2, the Normal Vesting Date(s) of an Award shall be specified in a Participant's award notification.
- 5.2 For any Award granted to an Executive Director, subject to Rule 5.3, the Normal Vesting Date of an Award shall be the third anniversary of the Grant Date or such later date as the Board may determine.
- 5.3 The Board may determine that where an Award is granted to an Eligible Employee in connection with their recruitment or promotion to Executive Director, and/or in circumstances which the Board determine to be exceptional, the Normal Vesting Date for an Award granted to an Executive Director shall be such earlier date or dates as the Board may, prior to the grant of an Award, determine.
- 5.4 Where the Board determines that an Award shall vest on multiple Normal Vesting Dates, the Board shall determine the proportion of the Award that shall vest on each such Normal Vesting Date and these Rules shall apply separately to each part of the Award (and references to the "Award" shall be read accordingly).

Vesting subject to Dealing Restrictions

- 5.5 A Conditional Award shall not vest unless, and vesting shall be delayed until, the Board is satisfied that at that time:
 - 5.5.1 such vesting;
 - 5.5.2 the transfer of Shares to the Participant; and
 - 5.5.3 any action needed to be taken by the Company to give effect to such vesting, is not contrary to any Dealing Restriction.

Effect of vesting

- 5.6 The effect of the vesting of an Award is that:
 - 5.6.1 the Shares in respect of which a Conditional Award vests shall be transferred to the Participant as soon as is reasonably practicable (which may include transferring the Shares on more than one consecutive Dealing Day on such basis as the Board may determine); and

- 5.6.2 an Option shall, to the extent that it vests, become exercisable in accordance with Rule 8 (*Options*).

Disciplinary proceedings

- 5.7 Unless the Board determines otherwise, an Award shall not vest while a Participant is subject to a regulatory investigation process and/or formal disciplinary process (or similar), or where a Participant has been served with notice that such a process may be instigated without such notice having been rescinded, and vesting shall (subject to the Award lapsing to any extent prior to or as a result of the conclusion of such process pursuant to Rule 6 (*Cessation of office or employment*) or 12 (*Malus and Claw-back*)) be delayed until the conclusion of such process. For the avoidance of doubt, the Board shall act reasonably and in good faith in determining whether to instigate a formal disciplinary process (or similar).

Lapse of Awards to give effect to claw-back of other awards

- 5.8 By participating in the Plan, the Participant acknowledges that the Board may lapse any Award to such extent as it determines to be necessary (including in full) in order to give effect to a claw-back under the terms of the Plan or any other Employees' Share Scheme or bonus scheme operated from time to time by any Group Company.

International transfers

- 5.9 Where a Participant, whilst continuing to hold an office or employment with a Group Company, is to be transferred to work in another country, and as a result the Board considers that following such transfer either: (i) the Participant or a Group Company is likely to suffer a tax disadvantage in respect of an Award; or (ii) due to securities or exchange control laws, there are likely to be restrictions on the Participant's ability to receive Shares pursuant to an Award, to exercise an Option and/or to hold or deal in Shares, the Board may decide that an Award shall vest on such date as it may determine, and in which case, an Option may, subject to Rule 8.4, be exercised during the period of six months, or such other period as may be determined by the Board, from such vesting date and shall lapse at the expiry of such period.

6. CESSATION OF OFFICE OR EMPLOYMENT

Cessation where Awards lapse

- 6.1 An Award shall lapse:
- 6.1.1 on the Participant ceasing to hold office or employment with any Group Company; or
 - 6.1.2 if the Participant gives or receives notice of such cessation, on such earlier date (on or following the date notice is given or received) as may be determined by the Board,

save in each case where Rule 6.2 or Rule 6.5 applies.

Reasons for cessation where Awards remain capable of vesting

- 6.2 An Award shall not lapse (or, in the case of Rule 6.2.6, shall be deemed not to have lapsed) pursuant to Rule 6.1 where the reason for the cessation or notice is:
- 6.2.1 injury, disability or ill-health (as evidenced to the satisfaction of the Board);
 - 6.2.2 redundancy (within the meaning of the Employment Rights Act 1996);
 - 6.2.3 retirement (as evidenced to the satisfaction of the Board);
 - 6.2.4 the transfer of the Participant's employment in connection with the disposal of a business or undertaking, or a part-business or part-undertaking;
 - 6.2.5 the company with which the Participant holds office or employment ceasing to be a Group Company; or

6.2.6 any other reason, if the Board so determines.

Where the Board exercises its discretion under Rule 6.2.6 the Board may impose additional conditions on the Award (including as to when the Award may vest).

Timing of vesting in the event of cessation prior to the Normal Vesting Date

6.3 Where prior to the Normal Vesting Date a Participant ceases to hold office or employment with any Group Company for any of the reasons specified in Rule 6.2:

6.3.1 an Award shall not vest at the date of such cessation, but shall continue to be capable of vesting in full in accordance with the remainder of these Rules; or

6.3.2 the Board may determine that the Award shall instead vest in full on or at any time following the date of cessation,

and in either case an Option shall, subject to Rule 8.4, cease to be exercisable at the expiry of the period of six months, or such other period as may be determined by the Board, from such date on which the Award vests (under any Rule), and shall lapse at the expiry of such period.

Exercise period in the event of cessation on or after the Normal Vesting Date

6.4 Where on or after the Normal Vesting Date a Participant ceases to hold office or employment with any Group Company for any of the reasons specified in Rule 6.2, an Option shall, subject to Rule 8.4, lapse at the expiry of the period of six months, or such other period as may be determined by the Board, from the date of cessation.

Death

6.5 An Award shall vest on the Participant's death. An Option may be exercised (by the Participant's Personal Representatives) during a period of one year from the date of the Participant's death and shall, subject to Rule 8.4, lapse at the expiry of such period. Where a Participant dies during an exercise period pursuant to either Rule 7.3 or 6.4 an Option shall not lapse as a result of such Rule until the expiry of the twelve month period in this Rule 6.5.

Cessation following a Corporate Action

6.6 Where a Participant ceases to hold office or employment with any Group Company following a Corporate Action within the relevant exercise period referred to in Rule 7 (*Corporate Actions*), an Option shall not lapse pursuant to this Rule 6 until the expiry of the relevant exercise period in Rule 7 (*Corporate Actions*). This Rule 7.7 shall not apply where the cessation is by way of (or occurs where there are circumstances which the Board determines would have justified) summary dismissal or service of notice of termination of office or employment on the grounds of misconduct.

Meaning of cessation of office or employment

6.7 No provision of this Rule 6 shall apply in respect of any cessation of office or employment if immediately following the cessation the Participant holds an office or employment with any Group Company, or in respect of any notice of cessation if arrangements are in place that mean immediately following the notice becoming effective the Participant will hold an office or employment with any Group Company.

7. CORPORATE ACTIONS

General offers

7.1 Awards shall vest:

7.1.1 upon a person obtaining Control of the Company as a result of making a general offer to acquire Shares;

- 7.1.2 upon a person, having or having obtained Control of the Company, making a general offer to acquire Shares; or
- 7.1.3 if a person makes a general offer to acquire Shares that would result in that person obtaining Control of the Company and the Board so determines, on the date which the Board determines to be the last practicable date prior to the date on which it expects such person to obtain Control of the Company,

in each case being a general offer to acquire all of the Shares (other than Shares held by the person making the offer and any person connected to that person).

Subject to Rules 7.2 and 8.4, Options may be exercised during the period of six months from the date of any such event (but if not exercised, Options shall not lapse at the expiry of such period).

Compulsory acquisition

- 7.2 Unless previously vested pursuant to Rule 7.1 Awards shall vest upon a person becoming entitled to acquire Shares under Sections 102 to 103 of the Bermuda Companies Act 1981.
Options may be exercised during a period of one month from the date on which that person first becomes so entitled, and shall, subject to Rule 8.4, lapse at the expiry of such period.

Scheme of compromise or arrangement or an amalgamation

- 7.3 Awards shall vest upon a Court sanctioning a compromise or arrangement under section 99 of the Bermuda Companies Act 1981 or upon the members of the Company approving an amalgamation by resolution in general meeting under section 104 of the Bermuda Companies Act 1981 which, on becoming effective, would result in:
 - 7.3.1 any person obtaining Control of the Company;
 - 7.3.2 any person, having or having obtained Control of the Company, acquiring the remaining Shares not then held by such person;
 - 7.3.3 the undertaking, property and liabilities of the Company being transferred to another existing or new company; or
 - 7.3.4 the undertaking, property and liabilities of the Company being divided among and transferred to two or more companies, whether existing or new.

Options may be exercised during a period of six months from the date of a Court sanctioning such a compromise or arrangement (or, if earlier, to the day prior to the date on which a transfer as described in Rule 7.3.3 or Rule 7.3.4 is to become effective), and shall, subject to Rule 8.4, lapse at the expiry of such period.

Voluntary winding-up

- 7.4 Awards shall vest in the event of a notice being given of a resolution for the voluntary winding-up of the Company.
Options may be exercised during a period of two months from the date of such a notice being given and shall, subject to Rule 8.4, lapse at the expiry of such period.

Other change of Control

- 7.5 Where a change of Control of the Company is proposed pursuant to any arrangement otherwise than as provided for under Rules 7.1 to 7.5 and the Board so determines, Awards shall vest on such date as the Board determines prior to the date on which the Board expects such change of Control of the Company to become effective. Where the Board makes such determination, Options may be exercised during a period of two months (or such other period as the Board may determine) from the date specified by the Board and, unless the Board determines otherwise, shall, subject to Rule 8.4, lapse at the expiry of such period.

Demerger or special dividend

- 7.6 If the Board so determines, Awards may vest following the announcement of a demerger of a substantial part of the Group's business, a special dividend or a similar event affecting the value of Shares to a material extent on such date specified by the Board. Where the Board makes such determination, Options may be exercised during a period of two months (or such other period as the Board may determine) from the date specified by the Board and, unless the Board determines otherwise, shall, subject to Rule 8.4, lapse at the expiry of such period.

Extent of vesting on a Corporate Action

- 7.7 Where an Award (or any part thereof) vests (and, in the case of an Option, is exercised) pursuant to any of Rules 7.1 to 7.6), for the avoidance of doubt such Award shall vest in full.

Roll-over of Award on a Reorganisation or takeover

- 7.8 Unless the Board determines otherwise, an Award shall not vest pursuant to this Rule 7 if, as a result of any Corporate Action, a company will obtain Control of the Company or will obtain substantially all of the assets of the Company (the "**Acquiring Company**"), and either:

- 7.8.1 the Acquiring Company will immediately following the Corporate Action have (either directly or indirectly) substantially the same shareholders and approximate shareholdings as those of the Company prior to the Corporate Action (a "**Reorganisation**"); or
- 7.8.2 the Board, with the agreement of the Acquiring Company, determines that the Award shall not vest as a result of such Corporate Action and so notified the Participant prior to the date on which the Award would otherwise vest.

In such case, the existing Award (the "**Old Award**") shall lapse on the occurrence of the relevant Corporate Action, and the New Parent Company shall grant a replacement right (the "**New Award**") over such shares or other securities in the New Parent Company which are of equivalent value to the number of Shares in respect of which the Old Award was outstanding. The New Award shall be granted on the terms of the Plan, but as if the New Award had been granted at the same time as the Old Award.

For the purposes of this Rule 7.8:

- 7.8.3 "New Parent Company" means the Acquiring Company, or, if different the company that is the ultimate parent company of the Acquiring Company within the meaning of the Bermuda Companies Act 1981; and
- 7.8.4 the terms of the Plan shall following the date of the relevant Corporate Action be construed as if:
- (A) the reference to "Gulf Keystone Petroleum Limited" in the definition of "Company" in Rule 1 (*Interpretation and construction*) were a reference to the company which is the New Parent Company;
 - (B) references to "Shares" means the shares or securities in respect of which the New Award has been granted; and
 - (C) save where the New Parent Company is listed, Rule 16.2 (*Amendments*) were omitted.

Compulsory winding-up

- 7.9 An Award shall lapse on the passing of an effective resolution, or the making of a Court order, for the compulsory winding-up of the Company.

Concert parties

- 7.10 For the purposes of this Rule 7, a person shall be deemed to have Control of the Company where they and any others acting in concert with them together have Control of the Company.

8. OPTIONS

- 8.1 An Option (meaning in the case of an Option with multiple Normal Vesting Dates, each such part) may be exercised, in full or (subject to such limitations as the Company may from time to time impose) in part, by the delivery to the Company (or such other person nominated by the Company) of a valid notice of exercise in such form as the Board may prescribe together with payment of the Option Price for each of the Shares in respect of which the Option is exercised (if any).
- 8.2 Subject to Rule 8.4, an Option shall lapse, twelve months from the Normal Vesting Date (or such earlier date as the Board may determine prior to the Normal Vesting Date).
- 8.3 Any Shares in respect of which the Option is exercised shall be transferred to the Participant as soon as reasonably practicable (which may include transferring the Shares on more than one consecutive Dealing Days on such basis as the Board may determine).
- 8.4 An Option may not be exercised unless the Board is satisfied that at such time:
- 8.4.1 such exercise,
 - 8.4.2 the transfer of Shares to, and dealing in Shares by, the Participant; and
 - 8.4.3 any action needed to be taken by the Company to give effect to such exercise,
- is not contrary to any Dealing Restriction. Where the exercise, transfer or dealing in Shares is contrary to any Dealing Restriction on the last Dealing Day in any of the periods referred to in Rules 5.9 (*International Transfers*) 6.3, 6.4 or 6.5 (*Rule 6 being in relation to Cessation of office or employment*), Rules 7.1 to 7.6 (*Rule 7 being in relation to Corporate Actions*), or Rule 8.2 such period shall be extended to the end of the tenth Dealing Day thereafter on which the Board is satisfied that the exercise, transfer and dealing in Shares is not contrary to any Dealing Restriction.
- 8.5 An Option shall lapse on the earliest date provided under any Rule (save only as expressly provided in Rules 6.5 (*Death*) and 6.6 (*Cessation following a Corporate Action*)).

9. DIVIDEND EQUIVALENT

- 9.1 If the Board so determines at any time prior to the Normal Vesting Date, at the same time that an Award vests (or, in the case of an Option, is exercised), the Company may:
- 9.1.1 make a cash payment to the Participant in respect of each Relevant Dividend of an amount equal to the gross value of such dividend multiplied by the number of Shares in respect of which the Award vests; or
 - 9.1.2 transfer such number of additional Shares (which may include aggregated fractions of Shares) as could have been acquired with each such dividend amount at Market Value on either (i) the ex-dividend date for each Relevant Dividend; or (ii) the Dealing Day immediately prior to the date on which the Award vests, as determined by the Board,

where a "**Relevant Dividend**" is any dividend declared on a Share which has an ex-dividend date which falls during the period from the Grant Date to the date the Award vests, provided that, if Rule 8.4 applies such that an Option may not be exercised immediately from the date on which it vests, "Relevant Dividend" shall also include any dividend declared on a Share which has an ex-dividend date which falls during the period between the date on which the Option vests and the date on which it first becomes exercisable in accordance with Rule 8.4.

- 9.2 A cash payment under Rule 9.1 may be made in a currency other than pounds sterling, in which case the amount of such payment shall be converted into such other currency on such basis as the Board may reasonably determine.

10. CASH ALTERNATIVE

- 10.1 This Rule 10 shall not apply in respect of any Award granted to a Participant resident in any jurisdiction where the grant of an Award which provides for a cash alternative would be unlawful, fall outside any applicable exemption under securities, exchange control or similar

regulations, or would cause adverse tax or social security (or similar) contribution consequences for the Company or the Participant (as determined by the Board) or where the Board determines prior to the Grant Date that this Rule 10 shall not apply.

- 10.2 The Board may determine prior to the Grant Date that an Award shall only be satisfied in cash, in which case the Award shall not be a right to acquire Shares, and the vesting of a Conditional Award or the exercise of an Option shall be satisfied in full by the payment of a cash equivalent amount, in substitution for the transfer of Shares.
- 10.3 Where the Board has made no determination pursuant to Rule 10.1 or 10.2 in respect of any Award, the Board may determine at any time prior to the transfer of Shares pursuant to such Award that the vesting of a Conditional Award or the exercise of an Option (or a part thereof) shall be satisfied by the payment of a cash equivalent amount, in substitution for the transfer of Shares.
- 10.4 A "**cash equivalent amount**" shall be calculated as the number of Shares which would otherwise be transferred in respect of the relevant vesting or exercise but which are being substituted for the cash equivalent amount, multiplied by the Market Value of a Share on the date on which Shares are, or would but for the operation of this Rule 10 have been, transferred to the Participant.
- 10.5 A cash equivalent amount shall be paid as soon as reasonably practicable following the relevant vesting or exercise.
- 10.6 A cash equivalent amount may be paid in a currency other than pounds sterling, in which case the cash equivalent amount shall be converted into such other currency on such basis as the Board may reasonably determine.

11. **TAX LIABILITY**

- 11.1 When any Tax Liability arises in respect of or otherwise in connection with an Award, the Participant authorises any Group Company:

- 11.1.1 to retain and sell legal title to such number of the Shares which would otherwise have been transferred to the Participant on vesting or exercise of the Award, or any part thereof, (notwithstanding that beneficial title shall pass) as may be sold for aggregate proceeds equal to the Group Company's estimate of the amount of the Tax Liability;
- 11.1.2 to deduct an amount equal to the Group Company's estimate of the Tax Liability from any cash payment made under the Plan; and/or
- 11.1.3 where the amount realised under Rule 11.1.1 or deducted under Rule 11.1.2 is insufficient to cover the full amount of the Tax Liability, to deduct any further amount as is necessary through payroll or otherwise from any other payment due to the Participant (to the extent permitted by law),

and in each case to apply such amount in paying the amount of the Tax Liability to the relevant revenue authority or in reimbursing the relevant Group Company for any such payment, provided that, where the amount realised under Rule 11.1.1 or deducted under Rule 11.1.2 is greater than the actual Tax Liability, the Group Company shall repay the excess to the Participant as soon as reasonably practicable.

The Group Company shall be entitled to make the estimates referred to in this Rule 11.1 on the basis of the highest rates of tax and/or social security applicable at the relevant time in the jurisdiction in which the Group Company is liable to account for the Tax Liability, notwithstanding that the Tax Liability may not arise at such rates.

- 11.2 "**Tax Liability**" shall mean any amount of tax and/or social security (or similar) contributions which any Group Company becomes liable to pay on behalf of the Participant to the revenue authorities in any jurisdiction, together with all or such proportion (if any) of employer's social security contributions which would otherwise be payable by any Group Company as is determined to be recoverable from the Participant (to the extent permitted by law) by the Board, or which the Participant has agreed to pay or which are subject to recovery pursuant

to an election to which paragraph 3B of Schedule 1 to the Social Security Contributions and Benefits Act 1992 applies.

- 11.3 The Board may require, as a term of grant or vesting, that the Participant enter into with the Company (or any Group Company) a joint election pursuant to Section 431 of ITEPA in substantially the form set out in Appendix 3, or the equivalent in any jurisdiction, in respect of the Shares to be acquired pursuant to the Award.

12. CUSTODY ARRANGEMENTS

- 12.1 Legal title to any Shares which are due to be transferred to the Participant pursuant to the Plan may (notwithstanding any other Rule) be transferred to a person (the "**Custodian**") appointed by the Company from time to time to hold legal title to such Shares on behalf of the Participant. The Company may, alternatively, arrange for any share certificate relating to Shares transferred to the Participant pursuant to the Plan to be deposited with the Custodian.
- 12.2 The Custodian shall receive and hold Shares (or the share certificate in respect of Shares) on behalf of the Participant in accordance with such terms and conditions as are agreed by the Company from time to time, and by participating in the Plan the Participant irrevocably agrees to those terms and conditions (which shall be available to the Participant on request to the Company).
- 12.3 The terms in Rule 12.2 may include that the Custodian:
- 12.3.1 shall, notwithstanding any instructions from the Participant, refuse to effect any transfer or disposal of Shares where to do so would be contrary to any Shareholding Requirements or Dealing Restriction; and
 - 12.3.2 may (without the need to seek any instructions from the Participant) give effect to Rule 13 (*Malus and Claw-back*) by transferring the legal and beneficial title to the Shares as the Company may direct.
- 12.4 The transfer of any Shares to the Custodian shall satisfy any obligation of the Company under the Plan to transfer Shares to the Participant (and references in the Plan to Shares (or legal title thereof) having been transferred to the Participant shall be read accordingly).

13. MALUS AND CLAW-BACK

Malus and Claw-back events

- 13.1 The Board, acting reasonably and in good faith, may at any time prior to the date on which an Award vests determine that a Malus Adjustment shall apply in respect of the Award if the Board determines that:
- 13.1.1 the financial accounts of any Group Company or relevant business unit used in assessing the number of Shares over which the Award was granted (for the avoidance of doubt, including any financial accounts used in determining the annual bonus amount by reference to which the Award was granted) were misstated (excluding, for the avoidance of doubt, any change to financial accounts resulting from a change in accounting standards or similar), or that any other results or information relied on in making such assessment proves to have been erroneous, inaccurate or misleading; or
 - 13.1.2 an erroneous calculation was made in assessing the number of Shares over which the Award was granted,

and, in either case, the Award was granted in respect of a greater number of Shares than would have been the case had there not been such a misstatement or reliance on erroneous, inaccurate or misleading information or had such error not been made.

- 13.2 The Board, acting reasonably and in good faith, may at any time within the period of two years from the date on which an Award vests determine that a Claw-back shall apply in respect of the Award if the Board determines that:
- 13.2.1 the financial accounts of any Group Company or relevant business unit for any of the Financial Years taken into account in assessing the number of Shares over which the Award was granted (for the avoidance of doubt, including any financial accounts used in determining the annual bonus amount by reference to which the Award was granted) were misstated (excluding, for the avoidance of doubt, any change to financial accounts resulting from a change in accounting standards or similar), or that any other results or information relied on in making such assessment proves to have been erroneous, inaccurate or misleading; or
 - 13.2.2 an erroneous calculation was made in assessing the number of Shares over which the Award was granted,
- and, in either case, the Award vested in respect of a greater number of Shares than would have been the case had there not been such a misstatement or reliance on erroneous, inaccurate or misleading information or had such error not been made.
- 13.3 The Board, acting reasonably and in good faith, may at any time:
- 13.3.1 before the settlement of the Award, determine that a Malus Adjustment shall apply; or
 - 13.3.2 within the period of two years from the date on which an Award vests, determine that a Claw-back shall apply,
- 13.4 in respect of an Award where:
- 13.4.1 the Participant is found to have been directly and personally responsible for circumstances which give rise to a sufficiently negative impact on the reputation of the Company or of any Group Company (or would have if such circumstances had been made public), and for the avoidance of doubt, such circumstances need not relate to a Financial Year in which the relevant individual was a Participant in the Plan; or
 - 13.4.2 the Participant is found to have been directly and personally responsible for circumstances which give rise to a material loss for the Company or any Group Company (whether or not such loss results in a corporate failure of the Company); or
 - 13.4.3 the Company enters an involuntary administration or insolvency process or the Board determines that there has been a 'corporate failure' in respect of the Group (which for these purposes shall include a significant reduction in or cessation of the Group's ability to continue normal operations); or
 - 13.4.4 an act, omission or event occurs which in the objective opinion of the Board constitutes a material and serious failure of risk management controls for which the Participant was directly and personally responsible and which was due to the direct and personal actions of that Participant.
- 13.5 The Board, acting reasonably and in good faith, may at any time determine that a Malus Adjustment (before the settlement of the Award) or Claw-back (after settlement of the Award) shall apply in respect of an Award where the Participant is found to have at any time prior to the later of (as applicable) the vesting of the Award and an Option having been exercised to the full extent to which it vested, including prior to grant, an act or omission which justifies, or in the opinion of the Board would have justified, summary dismissal or service of notice of termination of office or employment on the grounds of misconduct (including, but not limited to recklessness, gross negligence or fraud).

Applying a Malus Adjustment or Claw-back

- 13.6 A Malus Adjustment or Claw-back shall be applied in accordance with the provisions of Appendix 1 (*Operation of Malus and Claw-back*).

No Malus Adjustment or Claw-back following a Corporate Action

- 13.7 No Malus Adjustment or Claw-back shall be capable of being applied at any time following any Corporate Action, save where the determination in relation to a Malus Adjustment or Claw-back was made by the Board prior to the Corporate Action (and, for the avoidance of doubt, a Corporate Action does not include a Reorganisation for these purposes). For these purposes, at least half of the non-executive directors on the Board at the time of such determination must be considered to be independent non-executive directors in accordance with the UK Corporate Governance Code (and, in particular, are not considered to be appointed representatives of any major shareholder).

14. VARIATION OF CAPITAL

- 14.1 In the event of any variation of the share capital of the Company, or in the event of the demerger of a substantial part of the Group's business, a special dividend or similar event affecting the value of Shares to a material extent (which shall not include the payment of any ordinary dividend) the Board may make such adjustments to Awards as it may determine to be appropriate.
- 14.2 For the avoidance of doubt Rule 14.1 shall not apply in respect of any Awards pursuant to which legal title to Shares has been transferred prior to the date of the relevant event (such that the recipient of such legal title shall participate in such event as a holder of Shares) including pursuant to the vesting of an Award under Rule 7.6 (*Demerger or special dividend*).

15. ADMINISTRATION

- 15.1 Any notice or other communication under or in connection with this Plan may be given by the Company or its agents to a Participant personally, by email or by post, or by a Participant to the Company or any Group Company either personally or by post to the Secretary of the Company. Items sent by post shall be pre-paid and shall be deemed to have been received 48 hours after posting. Items sent by email shall be deemed to have been received immediately.
- 15.2 A Participant shall not be entitled to:
- 15.2.1 receive copies of accounts or notices sent to holders of Shares;
 - 15.2.2 exercise voting rights; or
 - 15.2.3 receive dividends,
- in respect of Shares subject to an Award legal title to which has not been transferred to the Participant.
- 15.3 Any discretion (including the power to make any determination) of the Board under or in connection with the Plan may be exercised by the Board in its absolute discretion.
- 15.4 Any exercise of discretion (including the making of any determination) by the Board under or in connection with the Plan shall be final and binding.
- 15.5 Any disputes regarding the interpretation of the Rules or the terms of any Award shall be determined by the Board (upon such advice as the Board determines to be necessary) and any decision in relation thereto shall be final and binding.

16. AMENDMENTS

- 16.1 Subject to Rules 16.2 and 16.4, the Board may at any time add to or alter the Plan or any Award made thereunder, in any respect.
- 16.2 Subject to Rule 16.3, no addition or alteration to the advantage of present or future Participants relating to eligibility, the limits on participation, the overall limits on the issue of Shares or the transfer of Treasury Shares, the basis for determining a Participant's entitlement to, or the terms of, Shares or cash provided pursuant to the Plan and the provisions for adjustments on a variation of share capital shall be made without the prior approval by ordinary resolution of the shareholders of the Company in general meeting.

- 16.3 Rule 16.2 shall not apply to any alteration or addition which is necessary or desirable in order to comply with or take account of the provisions of any proposed or existing legislation, law or other regulatory requirements or to take advantage of any changes in legislation, law or other regulatory requirements, or to obtain or maintain favourable taxation, exchange control or regulatory treatment of any Group Company or any Participant or to make minor amendments to benefit the administration of the Plan.
- 16.4 No alteration or addition shall be made under Rule 16.1 which would materially abrogate or adversely affect the subsisting rights of a Participant unless it is made:
- 16.4.1 with the consent in writing of the Participant;
 - 16.4.2 with the consent in writing of such number of Participants as hold Awards under the Plan in relation to 75 per cent. of the Shares subject to all Awards under the Plan; or
 - 16.4.3 by a resolution at a meeting of Participants passed by not less than 75 per cent. of the Participants who attend and vote either in person or by proxy,
- and for the purpose of Rules 16.4.2 and 16.4.3 the Participants shall be treated as the holders of a separate class of share capital and the provisions of the Articles of Association of the Company relating to class meetings shall apply mutatis mutandis.

17. **DATA PROTECTION**

- 17.1 This rule only applies to Participants who are not covered by the General Data Protection Regulation (Regulation (EU) 2016/679) ("**EU GDPR**") or the UK General Data Protection Regulation ("**UK GDPR**"). Participants who are covered by the EU GDPR or the UK GDPR should refer to the Privacy Policy.
- 17.2 To the extent that the collection, processing and/or transfer of personal data of a Participant in connection with this Plan is subject to the laws or regulations of any jurisdiction that is not subject to the EU GDPR or the UK GDPR, by participating in the Plan such Participant consents to such collection, processing and/or transfer for the purposes of such other laws or regulations (but shall not be deemed to consent to such processing for the purposes of the EU GDPR or the UK GDPR).
- 17.3 In this Rule 17, "personal data" has the meaning given in the EU GDPR or the UK GDPR (as applicable) and the "Privacy Policy" means the Company privacy policy in place from time to time.

18. **GENERAL**

- 18.1 The Plan shall terminate on the 10th anniversary of the approval of the Plan by the shareholders of the Company in general meeting, or at any earlier time by resolution of the Board or an ordinary resolution of the shareholders in general meeting. Such termination shall be without prejudice to the subsisting rights of Participants.
- 18.2 Save as otherwise provided under the Plan:
- 18.2.1 Shares issued and allotted pursuant to the Plan will rank *pari passu* in all respects with the Shares then in issue at the date of such allotment, except that they will not rank for any rights attaching to Shares by reference to a record date preceding the date of allotment; and
 - 18.2.2 Shares to be transferred pursuant to the Plan will be transferred free of all liens, charges and encumbrances and together with all rights attaching thereto, except they will not rank for any rights attaching to Shares by reference to a record date preceding the date of transfer.
- 18.3 If and so long as the Shares are admitted to listing and/or for trading on any stock exchange or market, the Company shall apply for any Shares issued and allotted pursuant to the Plan to be so admitted as soon as practicable.

- 18.4 Any transfer of Shares under the Plan is subject to such consent, if any, of any authorities in any jurisdiction as may be required, and the Participant shall be responsible for complying with the requirements to obtain or obviate the necessity for such consents.
- 18.5 Notwithstanding any provisions of these Rules, if required by the Company the transfer of Shares on vesting of a Conditional Award or exercise of an Option shall be conditional on the Participant entering into (and may be delayed until the Participant has entered into), such documentation as is reasonably required to facilitate the holding of legal title to Shares on behalf of the Participant by any nominee (including a Custodian), which may include any documentation in respect of "know-your-client" processes or Automatic Exchange of Information (AEOI) reporting (or similar).
- 18.6 The terms of any individual's office or employment with any past or present Group Company, and the rights and obligations of the individual thereunder, shall not be affected by the Participant's participation in the Plan and the Plan shall not form part of any contract of employment between the individual and any such company.
- 18.7 An Eligible Employee shall have no right to receive an Award under the Plan.
- 18.8 By participating in the Plan, the Participant waives all and any rights to compensation or damages in consequence of the termination of the Participant's office or employment with any past or present Group Company for any reason whatsoever, whether lawfully or otherwise, insofar as those rights arise or may arise from the Participant's ceasing to have rights under the Plan (including ceasing to be entitled to exercise any Option) as a result of such termination, or from the loss or diminution in value of such rights or entitlements, including by reason of the operation of the terms of the Plan, any determination by the Board pursuant to a discretion contained in the Plan or the provisions of any statute or law relating to taxation.
- 18.9 Benefits under the Plan shall not form part of a Participant's remuneration for any purpose and shall not be pensionable.
- 18.10 The invalidity or non-enforceability of any provision or Rule of the Plan shall not affect the validity or enforceability of the remaining provisions and Rules of the Plan which shall continue in full force and effect.
- 18.11 These Rules shall be governed by and construed in accordance with English Law.
- 18.12 The English courts shall have exclusive jurisdiction to determine any dispute which may arise out of, or in connection with, the Plan.

APPENDIX 1: OPERATION OF MALUS AND CLAW-BACK

Malus Adjustment prior to the settlement of an Award

1. Where the Board determines that a Malus Adjustment shall apply in respect of an Award the Malus Adjustment shall be applied by the Board reducing the number of Shares in respect of which the Award may vest or, in the case of an Option, be exercised (or after vesting by reducing the number of Shares legal title to which may be transferred (or in respect of which a cash payment may be made under Rule 10 (*Cash Alternative*)) pursuant to the Award) by up to the number of Shares determined by the Board to be the excess number of Shares in respect of which the Award was granted and/or is outstanding (and the Award shall lapse to the extent so reduced, which may be in full).

Claw-back following the settlement of an Award

2. Where the Board determines that a Claw-back shall apply in respect of an Award following Shares having been transferred thereto, or a cash payment having been made under Rule 10 (*Cash Alternative*) in lieu thereof, the Board shall determine:
 - a. the excess number of Shares in respect of which the Award vested (the "**Excess Shares**"); and
 - b. the aggregate Market Value of such Excess Shares on the date on which the Award vested or, in the case of an Option, the date the Option was exercised (the "**Equivalent Value**").
3. Any cash payment made or additional Shares transferred pursuant to Rule 9 (*Dividend Equivalent*) in respect of such Award shall be subject to the Claw-back to the extent that the Board determines that such cash payment or Shares relate to the Excess Shares.
4. For the avoidance of doubt, for the purposes of calculating any value or number of Shares referred to in paragraphs 2 and/or 3 of this Appendix 1, the Board shall reduce such value or number of shares in order to take account of any Tax Liability (as defined in Rule 11 (*Tax Liability*)) which arose on the transfer of the Shares and/or payment of the cash amount which is the subject of the Claw-back.
5. A Claw-back may be effected in such manner as may be determined by the Board, and notified to the Participant, including by any one or more of the following:
 - a. by reducing the number of Shares and/or amount of cash in respect of which an Outstanding Award vests or may vest (or has vested, but in respect of which no Shares have yet been transferred or cash payment made), whether before or after the assessment of performance conditions in respect of such Outstanding Award, by the number of Excess Shares and/or the Equivalent Value (and such Outstanding Award shall lapse to the extent so reduced);
 - b. by setting-off against (and deducting from) any amounts payable by any Group Company to the Participant (including to the extent permitted by law salary or any bonus payments) an amount up to the Equivalent Value; and/or
 - c. by requiring the Participant to immediately transfer to the Company a number of Shares equal to the Excess Shares or a cash amount equal to the Equivalent Value (which shall be an immediately payable debt due to the Company).
6. For the avoidance of doubt, nothing in Rule 12 (*Malus and Claw-back*) or this Appendix shall in any way restrict a Participant from being able to transfer or otherwise deal in Shares acquired on vesting or exercise of an Award.
7. In paragraph 5 above:
"Outstanding Award" means any other Award under the Plan, any award or option under any other Employees' Share Scheme operated from time to time by any Group Company (other than any award or options granted under any arrangement which satisfies the provisions of Schedules 2 or 3, or (unless the terms of such arrangement state that shares acquired thereunder are subject to claw-back) 4 or 5 of the Income Tax (Earnings and Pensions) Act 2003), or any bonus award under any bonus scheme operated from time to time by any Group Company, in each case which is either held by the Participant at the time of a determination that a Claw-back shall be applied or which are granted to the Participant following such a determination; and

"vests" shall include shares or cash subject to an award becoming due to be transferred or paid, and in the case of an option, the option becoming exercisable.

APPENDIX 2: US PARTICIPANTS

1. To the extent that any provision of this Appendix 2 is inconsistent with any Rule of the Plan, such provision of this Appendix 2 shall take precedence.
2. If this Appendix 2 applies to an Award, the Award shall be deemed to take the form of a Conditional Award, irrespective of the form in which it was originally granted.
3. Shares to be transferred, or any cash alternative to be paid, to a US Participant pursuant to Rule 5.6.1 (*Effect of vesting*) shall be transferred or paid no later than 31 December in the same calendar year as the vesting of the Award under any Rule.
4. The Board may determine that an Award to a US Participant shall only be satisfied by the issue of Shares and not by the transfer of existing Shares, provided that, unless the Board determines otherwise, the nominal value per Share for each Share to be acquired on vesting of an Award is paid.
5. Rule 5.7 (*Disciplinary proceedings*) shall not apply to a US Participant. For the avoidance of doubt, Rule 13.5 and Appendix 1 (*Operation of Malus and Claw-back*) shall apply to any Award which vests to a US Participant at any time at which an investigation is ongoing under the disciplinary procedures applicable to the US Participant should such procedures not be resolved in favour of the Participant.
6. Where the Board exercises its discretion provided for in Rule 6.2 (*Reasons for cessation where Awards remain capable of vesting*), in no event will the exercise of such discretion cause the application of an accelerated or additional tax charge under Code §409A.
7. Rule 6.3.2 (*Timing of vesting in the event of cessation prior to the Normal Vesting Date*) shall not apply to Awards held by US Participants such that, to the extent that an Award becomes non-forfeitable prior to the Normal Vesting Date, no accelerated transfer of Shares, or accelerated payment of a cash alternative, to the US Participant shall occur, except as otherwise specifically provided under Rule 6.5 (Death), Rule 7 (Corporate Actions) or as specifically provided by the Plan and as permitted under Code §409A.
8. A Corporate Action shall not be deemed to have occurred in relation to an Award granted to a US Participant unless the relevant event also constitutes a "change in ownership" a "change in effective control," or a "change in ownership of a substantial portion of the assets" of the Company as defined in US Treasury Regulations or other guidance issued pursuant to Code §409A.
9. Any variation to the number of Shares subject to an Award pursuant to Rule 14 (*Variation of capital*) shall only be permitted to the extent that such variation complies with the requirements of Code §409A.
10. No alteration or addition shall be made under Rule 16 (*Amendments*) to an Award held by a US Participant if such alteration or addition could cause the application of an accelerated or additional tax charge under Code §409A.
11. Each transfer of Shares, or payment of a cash alternative pursuant to an Award shall constitute a separate payment within the meaning of Treasury Regulation Section 1.409A-2(b)(2).
12. The foregoing provisions of this Appendix 2 are intended to comply with the requirements of Code §409A and shall be construed and interpreted in accordance therewith in order to avoid the imposition of additional tax thereunder.
13. In the event that the terms of the Plan would subject any Participant to taxes or penalties under Code §409A ("**409A Penalties**"), the Board, the Company and such Participant shall cooperate diligently to construe, apply and/or amend the terms of the Plan and the terms of the Participant's Award to avoid such 409A Penalties, to the extent possible, provided that in no event shall any Group Company be responsible for any 409A Penalties that arise in connection with any amounts payable in respect of any Award granted under this Plan.

APPENDIX 3: SECTION 431 ITEPA 2003 ELECTION

Joint Election under s431 ITEPA 2003 for full or partial disapplication of Chapter 2 Income Tax (Earnings and Pensions) Act 2003

One Part Election

1. Between

the Employee [insert name of employee]
whose National Insurance Number is [insert NINO]
and
the Company (who is the Employee's employer) [insert name of company]
of Company Registration Number [insert CRN]

2. Purpose of Election

This joint election is made pursuant to section 431(1) or 431(2) Income Tax (Earnings and Pensions) Act 2003 (ITEPA) and applies where employment-related securities, which are restricted securities by reason of section 423 ITEPA, are acquired.

The effect of an election under section 431(1) is that, for the relevant Income Tax and NIC purposes, the employment-related securities and their market value will be treated as if they were not restricted securities and that sections 425 to 430 ITEPA do not apply. An election under section 431(2) will ignore one or more of the restrictions in computing the charge on acquisition. Additional Income Tax will be payable (with PAYE and NIC where the securities are Readily Convertible Assets).

Should the value of the securities fall following the acquisition, it is possible that Income Tax/NIC that would have arisen because of any future chargeable event (in the absence of an election) would have been less than the Income Tax/NIC due by reason of this election. Should this be the case, there is no Income Tax/NIC relief available under Part 7 of ITEPA 2003; nor is it available if the securities acquired are subsequently transferred, forfeited or revert to the original owner.

3. Application

This joint election is made not later than 14 days after the date of acquisition of the securities by the employee and applies to:

Number of securities [insert number]
Description of securities [insert description]
Name of issuer of securities [insert name of issuer]
* acquired by the Employee on [insert date]
* to be acquired by the Employee between [dd/mm/yyyy] and [dd/mm/yyyy]
* to be acquired by the Employee after [dd/mm/yyyy] under the terms of [insert scheme/plan name]
(* delete as appropriate)

4. Extent of Application

This election disappplies (* delete as appropriate):

- * S.431(1) ITEPA: All restrictions attaching to the securities, or
- * S.431(2) ITEPA: The following specified restriction: [details of specified restriction]

5. Declaration

This election will become irrevocable upon the later of its signing or the acquisition (* and each subsequent acquisition) of employment-related securities to which this election applies.

(* delete as appropriate)

In signing this joint election, we agree to be bound by its terms as stated above.

..... /...../.....
Signature (Employee) Date

..... /..... /.....
Signature (for and on behalf of the Company) Date

.....

Position in company

Note: Where the election is in respect of multiple acquisitions, prior to the date of any subsequent acquisition of a security it may be revoked by agreement between the employee and employer in respect of that and any later acquisition.