

# **Centaur Media plc**

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## **THE CENTAUR MEDIA LONG TERM INCENTIVE PLAN 2016**

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Approved by shareholders of the Company on 11 May 2016

Adopted by the board of directors of the Company on 11 May 2016

Amended by the Committee of the Company on 11 May 2022

Amended by the Committee of the Company and approved by shareholders of the Company  
on 8 May 2025

The Plan is a discretionary benefit offered by Centaur Media plc for the benefit of its employees. Its main purpose is to increase the interest of the employees in Centaur Media plc's long term business goals and performance through share ownership. The Plan is an incentive for the employees' future performance and commitment to the goals of Centaur Media plc.

Shares purchased or received under the Plan, any cash received under the Plan and any gains obtained under the Plan are **not** part of salary for any purpose except to any extent required by statute.

It is currently intended that the Plan shall be offered for the first time in 2017 and the remuneration committee of the board of Centaur Media plc shall have the right to decide, in its sole discretion, whether or not further awards will be granted in the future and to which employees those awards will be granted.

The detailed rules of the Plan are set out overleaf.

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## 1. DEFINITIONS AND INTERPRETATION

### 1.1 In the Plan, unless the context otherwise requires:

"**Award**" means an Option, Conditional Award, Cash Conditional Award or a VCP Award;

"**Board**" means the board of directors of the Company or a duly authorised committee of the Board or a duly authorised person;

"**Cash Conditional Award**" means an Award granted in accordance with Schedule 1 (*Cash Conditional Awards*);

"**Clawback**" means an obligation to repay the amounts referred to in Rule 14.4;

"**Committee**" means the remuneration committee of the Board or, on and after the occurrence of a corporate event described in Rule 12 (*Takeovers and other corporate events*), the remuneration committee of the Board as constituted immediately before such event occurs;

"**Company**" means Centaur Media plc (registered in England and Wales with registered number 04948078);

"**Conditional Award**" means a conditional right to acquire Shares which is designated as a conditional award by the Committee under Rule 3.2 (*Type of Award, Vesting Date, Holding Period and Dividend Equivalent*);

"**Control**" means control within the meaning of section 995 of the Income Tax Act 2007;

"**Dividend Equivalent**" means a benefit calculated by reference to dividends paid on Shares as described in Rule 6.3 (*Dividend Equivalent*);

"**Early Vesting Date**" means either:

- (a) the later of:
  - (i) the date of cessation of employment or office of a Participant in the circumstances referred to in Rule 11.1 (*Good leavers*) or such other date determined by the Committee, in its discretion, under Rule 11.1(ii) (*Good leavers*); and
  - (ii) early determination of any Performance Condition relating to such cessation; or
- (b) the date of the relevant event in Rule 12.1 (*General offers*) or Rule 12.2 (*Schemes of arrangement and winding up*) or the date of Vesting referred to in Rule 12.3 (*Demergers and similar events*);

"**Exercise Period**" means the period referred to in Rule 6.1 (*Options*) during which an Option may be exercised;

"**Grant Date**" means the date on which an Award is granted;

"**Group Member**" means:

- (a) a Participating Company or a body corporate which is the Company's holding company (within the meaning of section 1159 of the Companies Act 2006) or a Subsidiary of the Company's holding company;

- (b) a body corporate which is a subsidiary undertaking (within the meaning of section 1162 of the Companies Act 2006) of a body corporate within paragraph (a) above and has been designated by the Board for this purpose; and
- (c) any other body corporate in relation to which a body corporate within paragraph (a) or (b) above is able (whether directly or indirectly) to exercise 20% or more of its equity voting rights and has been designated by the Board for this purpose;

**"Holding Period"** means the period set out in or determined by the Committee under Rules 3.2 (*Type of Award, Vesting Date, Holding Period and Dividend Equivalent*) and Rule 8.2 (*The Holding Period*) during which a Participant agrees not to sell, transfer, assign or dispose of some or all (or a proportion) of his Vested Shares (except any Vested Shares sold by or on behalf of the Participant to pay his Tax Liability due and arising on the Vesting and/or exercise of his Award) in accordance with and subject to Rule 8 (*Holding Period*)

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

**"Listing Rules"** means the Listing Rules published by the United Kingdom Listing Authority;

**"London Stock Exchange"** means London Stock Exchange PLC or any successor to that company;

**"Normal Vesting Date"** means the date on which an Award Vests under Rule 5.1 (*Timing of Vesting: Normal Vesting Date*);

**"Option"** means a conditional right to acquire Shares which is designated as an option by the Committee under Rule 3.2 (*Type of Award, Vesting Date, Holding Period and Dividend Equivalent*);

**"Option Price"** means the amount, if any, payable on the exercise of an Option, as determined by the Committee under Rule 3.3 (*Method of grant*), subject to reduction or waiver under Rule 3.3(b) (*Method of Grant*);

**"Participant"** means a person who holds an Award including his personal representatives;

**"Participating Company"** means the Company or any Subsidiary of the Company;

**"Performance Condition"** means a condition related to performance which is specified by the Committee under Rule 3.1 (*Terms of grant*);

**"Plan"** means the Centaur Media Long Term Incentive Plan 2016 as amended from time to time;

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

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

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

**"Tax Liability"** means any amount of tax or social security contributions for which a Participant would or may be liable and for which any Group Member or former Group Member would or may be obliged to (or would or may suffer a disadvantage if it were not to) account to any relevant authority;

**"VCP Award"** means an Award granted in accordance with Schedule 2 (*VCP Awards*);

**"Vest"** means:

- (a) in relation to an Option, it becoming exercisable; and

- (b) in relation to a Conditional Award, a Participant becoming entitled to have Shares transferred to him (or his nominee) 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 third anniversary of the Grant Date or, in respect only of an Award granted to an eligible employee under Rule 2 (*Eligibility*) who is not an executive director of the Company on the Grant Date, such other date determined by the Committee and approved by the Remuneration Committee (if different), in its discretion, under Rule 3.2 (*Type of Award, Vesting Date, Holding Period and Dividend Equivalent*); and

"**Vesting Period**" means the period starting on the Grant Date of an Award and ending on the Vesting Date of that Award.

- 1.2** Any reference in the Plan to any enactment includes a reference to that enactment as from time to time modified, extended or re-enacted and shall include any subordinate legislation made under the enactment and any guidance promulgated under it.
- 1.3** Where the context admits, a reference to the singular includes the plural and a reference to the male includes the female.
- 1.4** Expressions in italics, headings and any footnotes are for guidance only and do not form part of the Plan.
- 1.5** The Company holds the benefit of any agreement or consent given by a Participant under these Rules for itself and as trustee and agent for any Group Company or other person who benefits or potentially benefits from the agreement or consent.
- 1.6** Each provision in these Rules is entirely separate and independent from the other provisions. If any provision is found to be invalid then it will be deemed never to have been part of these Rules and, to the extent possible, this will not affect the validity or enforceability of any of the remaining provisions of this Plan.

## **2. ELIGIBILITY**

An individual is eligible to be granted an Award only if he is an employee of a Participating Company.

## **3. GRANT OF AWARDS**

### **3.1 Terms of grant**

Subject to Rule 3.5 (*Timing of grant*), Rule 3.6 (*Approvals and consents*) and Rule 4 (*Limits*), the Committee may resolve to grant an Award on:

- (a) the terms set out in the Plan; and
- (b) such additional terms (whether a Performance Condition<sup>1</sup> and/or any other terms) as the Committee may specify

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<sup>1</sup> Awards to executive directors of the Company must be granted subject to a Performance Condition; however, an Award granted to an eligible employee who is **not** an executive director of the Company at grant may be granted without performance conditions. The same three year performance condition must apply to awards granted to executive directors. Different performance conditions, thresholds and targets may apply to awards granted to employees who are not executive directors of the Company at grant.

to any person who is eligible to be granted an Award under Rule 2 (*Eligibility*).

For the avoidance of doubt, an Award that is granted to an individual who is an executive director of the Company on the Grant Date must be granted subject to a Performance Condition.

### **3.2 Type of Award, Vesting Date, Holding Period and Dividend Equivalent**

On or before the Grant Date, the Committee shall determine:

- (a) whether an Award shall be an Option or a Conditional Award provided that if the Committee does not specify the type of an Award on or before the Grant Date then an Award shall be a nil-cost Option; and
- (b) the Vesting Date provided that if the Committee does not specify the Vesting Date on or before the Grant Date then it shall be the third anniversary of the Grant Date<sup>2</sup>; and
- (c) whether any eligible employee chosen by the Committee under Rule 2 (*Eligibility*) to participate in the Plan shall be required to hold their Vested Shares during the Holding Period, in which case the Committee shall also determine the length of the Holding Period in accordance with Rule 8 (*Holding Period*) provided that , if the Committee does not specify the Holding Period on or before the Grant Date it shall be the period of two years starting on the date on which an Award Vests.

The Committee may also determine at this time whether or not a Dividend Equivalent shall accrue and be paid on an Award provided that if the Committee makes no such determination on or prior to the Grant Date it may still decide whether or not a Dividend Equivalent shall apply to an Award provided that such determination is made before that Award Vests, in accordance with Rule 6.3 (*Dividend Equivalent*).

### **3.3 Method of grant**

An Award shall be granted as follows:

- (a) an Option or a Conditional Award shall be granted by deed executed by the Company; and
- (b) if an Award is an Option, the Committee shall determine the Option Price (if any) on or before the Grant Date provided that if the Committee makes no such determination it shall be a nil-cost Option and if an Option Price is specified the Committee may regardless of any other Rule in the Plan to the contrary reduce or waive such Option Price on or prior to the exercise of the Option.

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

Unless specified to the contrary by the Committee on the Grant Date or under Rule 9 (*Cash alternative*), an Award may be satisfied:

- (a) by the issue of new Shares; and/or
- (b) by the transfer of treasury Shares; and/or
- (c) by the transfer of Shares (other than the transfer of treasury Shares).

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<sup>2</sup> The Vesting Date of Awards to executive directors shall not be earlier than the third anniversary of the Grant Date. Awards granted to employees other than the Company's executive directors may vest earlier than the third anniversary of grant provided that this has been approved by the Remuneration Committee.

The Committee may decide to change the way in which it is intended that an Award granted as an Option or a Conditional Award may be satisfied after it has been granted, having regard to the provisions of Rule 4 (*Limits*).

To the extent that an Award is satisfied by the issue of new Shares those new Shares may not be issued at a price that is less than the nominal value per Share unless the Board is authorised to capitalise from the reserves of the Company a sum equal at least to the aggregate nominal value of the Shares to be allotted to satisfy the Award and to apply that sum in paying up such amount on such Shares.

### **3.5 Timing of grant**

Subject to Rule 3.6 (*Approvals and consents*), an Award may be granted:

- (a) within the period of 6 weeks beginning with:
  - (i) the date on which the Plan is approved by the shareholders of the Company; or
  - (ii) the dealing day after the date on which the Company announces its results for any period;  
or
- (b) at any other time when the Committee considers that circumstances are sufficiently exceptional to justify its grant

but an Award may not be granted on or after 10 May 2026 (that is, the expiry of the period of 10 years starting on the date on which the Plan is approved by the shareholders of the Company in general meeting).

### **3.6 Approvals and consents**

The grant of any Award shall be subject to obtaining any approval or consent required under the Listing Rules, any relevant share dealing code of the Company, the City Code on Takeovers and Mergers, or any other relevant UK or overseas regulation or enactment.

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

An Award granted to any person:

- (a) shall not be transferred, assigned, charged or otherwise disposed of (except on his death to his personal representatives) and shall lapse immediately on any attempt to do so; and
- (b) shall, unless the Committee decides otherwise, lapse immediately if he is declared bankrupt.

## **4. LIMITS**

### **4.1 10 per cent. in 10 years limit**

An Award shall not be granted in any calendar year if, at the time of its proposed Grant Date, it would cause the number of Shares allocated (as defined in Rule 4.2) in the period of 10 calendar years ending with that calendar year under the Plan and under any other employee share plan adopted by the Company to exceed such number as represents 10 per cent. of the ordinary share capital of the Company in issue at that time.

### **4.2 Meaning of "allocated"**

For the purposes of Rule 4.1:

- (a) Shares are allocated:
  - (i) when an option, award or other contractual right to acquire unissued Shares or treasury Shares is granted;
  - (ii) where Shares are issued or treasury Shares are transferred otherwise than pursuant to an option, award or other contractual right to acquire Shares, when those Shares are issued or treasury Shares transferred; and
- (b) any Shares which have been issued or which may be issued (or any Shares transferred out of treasury or which may be transferred out of treasury) to any trustees to satisfy the exercise of any option, award or other contractual right granted under any employee share plan shall count as allocated unless they are already treated as allocated under this Rule.

For the purposes of determining the number of shares that have been allocated under this Rule 4 the Board may notionally adjust, on such basis as the Board determines, the number of shares or treasury shares that have been issued and which would normally count towards the limits under Rule 4.1 above in the event of any variation of the share capital of the Company, or a demerger, special dividend or other similar event that affects the market price of shares to a material extent, provided that such adjustments are fair and reasonable and are made on a consistent basis.

#### **4.3 Post-grant events affecting numbers of "allocated" Shares**

For the purposes of Rule 4.2:

- (a) where:
  - (i) any option, award or other contractual right to acquire unissued Shares or treasury Shares is released or lapses (whether in whole or in part); or
  - (ii) after the grant of an option, award or other contractual right the Committee determines that:
    - (aa) it shall be satisfied wholly or partly by the payment of cash on its vesting or exercise; or
    - (bb) it shall be satisfied wholly or partly by the transfer of existing Shares (other than Shares transferred out of treasury)

the unissued Shares or treasury Shares which consequently cease to be subject to the option, award or other contractual right shall not count as allocated; and

- (b) the number of Shares allocated in respect of an option, award or other contractual right shall be such number as the Board shall reasonably determine from time to time.

#### **4.4 Changes to investor guidelines**

Treasury Shares shall cease to count as allocated Shares for the purposes of Rule 4.2 if institutional investor guidelines cease to require such Shares to be so counted.

#### **4.5 Individual limit**

- (a) The maximum total market value of Shares (calculated as set out in this Rule ) over which Awards may be granted to any employee during any financial year of the Company (including awards granted under the Centaur Long Term Incentive Plan 2006 (if any) in the same financial year) is 100% of his salary (as defined in this Rule) unless Rule 4.5(b) below applies.



- (b) If the Committee determines that exceptional circumstances exist, such as in relation to the recruitment or retention of an eligible employee, then the maximum total market value of shares (calculated as set out in this Rule) over which Awards may be granted to that employee during any financial year of the Company (including awards granted under the Centaur Long Term Incentive Plan 2006 (if any) in the same financial year) is 200% of his salary (as defined in this Rule).

For the purposes of this Rule 4.5:

- (a) an employee's **salary** shall be taken to be his base salary (excluding benefits in kind), expressed as an annual rate payable by the Participating Companies to him on the Grant Date (or such earlier date as the Committee shall determine). Where a payment of salary is made in a currency other than sterling, the payment shall be treated as equal to the equivalent amount of sterling determined by using any rate of exchange which the Committee may reasonably select; and
- (b) the **market value** of the Shares over which an Award is to be granted shall be taken to be an amount equal to the closing middle-market quotation of such Shares (as derived from the London Stock Exchange Daily Official List) on the dealing day before the Grant Date or, if the Committee so determines, the average of the closing middle market quotations during a period determined by the Committee not exceeding the period of 5 dealing days ending with the dealing day before the Grant Date provided such dealing day(s) do not fall within any period when dealings in Shares are prohibited under the Company's share dealing code.

#### **4.6 Effect of limits**

Any Award shall be limited and take effect so that the limits in this Rule 4 are complied with.

#### **4.7 Restriction on use of unissued Shares and treasury Shares**

No Shares may be issued or treasury Shares transferred to satisfy the exercise of any Option or the Vesting of any Conditional Award to the extent that such issue or transfer would cause the number of Shares allocated (as defined in Rule 4.2 and adjusted under Rule 4.3) to exceed the limits in Rules 4.1 (*10 per cent. in 10 years limit*) except where there is a variation of share capital of the Company which results in the number of Shares so allocated exceeding such limits solely by virtue of that variation.

### **5. VESTING OF AWARDS**

#### **5.1 Timing of Vesting: Normal Vesting Date**

Subject to Rule 5.3 (*Restrictions on Vesting: regulatory and tax issues*), an Award shall Vest on the later of:

- (a) if any Performance Condition and any other condition has been imposed on the Vesting of the Award, the date on which the Committee determines whether or not such Performance Condition or other condition has been wholly or partly satisfied; and
- (b) the Vesting Date

except where earlier Vesting occurs on an Early Vesting Date under Rule 11 (*Leavers*) or Rule 12 (*Takeovers and other corporate events*) and provided that, in the case of Conditional Awards only, if the date on which a Conditional Award is due to Vest under (a) or (b) above falls in a period when the Participant is prohibited or restricted from dealing in Shares for any reason (the "**Prohibited Period**"), that Participant's Conditional Award shall Vest on the first dealing day immediately following the end of the Prohibited Period when the Participant is authorised to deal in Shares unless the Committee, in

its discretion, determines that the Award shall Vest as planned on the original date determined under (a) or (b) above.

## 5.2 Extent of Vesting

An Award shall only Vest to the extent:

- (a) that any Performance Condition is satisfied on the Normal Vesting Date or, if appropriate, the Early Vesting Date;
- (b) that any other term or condition imposed on the Vesting of the Award permits;
- (c) in relation to Vesting before the Normal Vesting Date, in accordance with Rules 11.4 and 12.5 (*Reduction in number of Vested Shares*); and
- (d) any operation of Clawback permits.

Where, under Rule 11 (*Leavers*) or Rule 12 (*Takeovers and other corporate events*), an Award would (subject to the satisfaction of any Performance Condition) Vest before the end of the full period over which performance would be measured under any Performance Condition then, unless provided to the contrary by the Performance Condition, the extent to which the Performance Condition has been satisfied in such circumstances shall be determined by the Committee on such reasonable basis as it decides.

## 5.3 Restrictions on Vesting: regulatory and tax issues

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 the relevant jurisdictions for that Award and in compliance with the Listing Rules, any relevant share dealing code of the Company, the City Code on Takeovers and Mergers and any other relevant UK or overseas law, regulation or enactment;
- (b) if, on the Vesting of the Award, a Tax Liability would arise by virtue of such Vesting and the Board decides that such Tax Liability shall not be satisfied by the sale of Shares pursuant to Rule 5.5 (*Payment of Tax Liability*) then the Participant must have entered into arrangements acceptable to the Board that the relevant Group Member will receive the amount of such Tax Liability;
- (c) to the extent determined by the Committee on or prior to the Grant Date, the Participant has entered into such arrangements as the Committee requires (and where permitted in the relevant jurisdiction) to satisfy a Group Member's liability to social security contributions in respect of the Vesting of the Award; and
- (d) in respect of a Participant who acquires Shares that are subject to the Holding Period under Rule 8, or where the Committee otherwise requires, the Participant has entered into, or agreed to enter into, a valid election under Part 7 of ITEPA (*Employment income: elections to disapply tax charge on restricted securities*) or any similar arrangement in any overseas jurisdiction, such election to be entered into before the expiry of the period of 14 days starting on the date of Vesting, unless the Committee determines that this sub-Rule 5.3(d) shall not apply<sup>3</sup>; and

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<sup>3</sup> Unless the Company determines otherwise, the Vesting of a Conditional Award and the exercise of an Option by a Participant who is subject a Holding Period is conditional upon that Participant entering into a section 431 election within 14 days of the date of acquisition of Shares. The purpose of the election is to ignore the no sale and transfer restrictions that attach to Shares in accordance with the Holding Period. This ensures that income tax and

- (e) to the extent required by the Committee under Rule 3.2 (*Type of Award, Vesting Date, Holding Period and Dividend Equivalent*), the Participant has agreed to hold the Vested Shares to be acquired by him on the Vesting of a Conditional Award (less any Shares sold to pay the Tax Liability due on Vesting) in accordance with such terms determined by the Committee from time to time until the expiry of the relevant Holding Period applying to those Shares held under that Conditional Award, and otherwise in accordance with the terms of Rule 8 (*Holding Period*).

For the purposes of this Rule 5.3, references to Group Member include any former Group Member.

#### **5.4 Tax liability before Vesting**

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 Member to ensure that it receives the amount of such Tax Liability. If no such arrangement is made then the Participant shall be deemed to have authorised the Company to sell or procure the sale of sufficient of the Shares subject to his Award on his behalf to ensure that the relevant Group Member receives the amount required to discharge the Tax Liability and the number of Shares subject to his Award shall be reduced accordingly.

For the purposes of this Rule 5.4, references to Group Member include any former Group Member.

#### **5.5 Payment of Tax Liability and tax indemnity**

- (a) The Participant authorises the Company to sell or procure the sale of sufficient Vested Shares on or following the Vesting of his Award on his behalf to ensure that any relevant Group Member or former Group Member 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 that Tax Liability shall be funded in a different manner.
- (b) The Participant agrees to fully indemnify and keep indemnified any Group Member for all income tax and National Insurance contributions (excluding employer contributions unless determined otherwise by the Committee under Rule 5.3(c)), or their equivalent, and any interest or penalty charges due thereon, that are charged on or as a result of the grant, holding, Vesting or exercise of an Award, or on the holding of Shares acquired under an Award, and for which a Group Member is required to pay and account to HM Revenue & Customs (or any other relevant authority or body).

For the purposes of this Rule 5.5, references to Group Member include any former Group Member.

### **6. CONSEQUENCES OF VESTING**

#### **6.1 Options**

An Option shall, subject to Rule 7.1 (*Restrictions on the exercise of an Option: regulatory and tax issues*), be exercisable in respect of Vested Shares during the period commencing on the date on which the Option Vests and ending on the day before the tenth anniversary (or, in the case of a Participant who is resident for tax purposes in The Republic of Ireland, the day before the seventh anniversary) of the Grant Date (or such other shorter period as the Committee shall determine on or before the Grant Date) subject to it lapsing earlier under Rule 11 (*Leavers*) or Rule 12 (*Corporate events*).

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NICs is calculated by reference to the full unrestricted closing middle market value of the Shares on the date of Vesting or exercise, as the case may be and that no further income tax or NICs is due on the expiry of the Holding Period.

## **6.2 Conditional Awards**

On or as soon as reasonably practicable after the Vesting of a Conditional Award, the Board shall, subject to Rule 5.5 (*Payment of Tax Liability*) and any arrangement made under Rules 5.3(b) and 5.3(c) (*Restrictions on Vesting: regulatory and tax issues*) or Rule 8 (*Holding Period*), transfer or procure the transfer of the Vested Shares to the Participant (or a nominee for him).

## **6.3 Dividend Equivalent**

The Committee may decide on or at any time before the grant or Vesting of an Award that a Participant (or his nominee) shall be entitled to cash and/or Shares (as determined by the Committee) of a value determined by reference to the dividends that would have been paid on his Vested Shares in respect of dividend record dates occurring during the period between the Grant Date and the date of Vesting (or, where an Award is structured as an Option and the Shares under that Option are subject to a Holding Period, the date of expiry of the relevant Holding Period or if earlier the date of exercise of the Option). The Committee shall decide the basis on which the value of such dividends shall be calculated which may assume the reinvestment of dividends. Alternatively the Committee may agree to increase the number of Shares held under an Award by deeming dividends that would have been paid on such Shares in respect of dividend record dates occurring during the Dividend Equivalent Period to have been reinvested in additional Shares on such terms as the Committee shall decide.

The Committee, acting fairly and reasonably, may decide at any time to exclude the value of all or part of a special dividend or any other dividend from the amount of the Dividend Equivalent.

The provision of the Dividend Equivalent to the Participant shall be made as soon as practicable after the issue or transfer of Vested Shares and:

- (a) in the case of a cash payment, shall be subject to such deductions (on account of tax or similar liabilities) as may be required by law or as the Board may reasonably consider to be necessary or desirable;
- (b) in the case of a provision of Shares, Rule 5.3 (*Restrictions on Vesting: regulatory and tax issues*) and Rule 5.5 (*Payment of Tax Liability*) shall apply as if such provision was the Vesting of an Award.

## **7. EXERCISE OF OPTIONS**

### **7.1 Restrictions on the exercise of an Option: regulatory and tax issues**

An Option which has Vested may not be exercised unless the following conditions are satisfied:

- (a) the exercise of the Option and the issue or transfer of Shares after such exercise would be lawful in all relevant jurisdictions and in compliance with the Listing Rules, any relevant share dealing code of the Company, the City Code on Takeovers and Mergers and any other relevant UK or overseas law, regulation or enactment;
- (b) if, on the exercise of the Option, a Tax Liability would arise by virtue of such exercise and the Board decides that such Tax Liability shall not be satisfied by the sale of Shares pursuant to Rule 7.4 (*Payment of Tax Liability*) then the Participant must have entered into arrangements acceptable to the Board that the relevant Group Member shall receive the amount of such Tax Liability;
- (c) to the extent determined by the Committee on or prior to the Grant Date, the Participant has entered into such arrangements as the Committee requires (and where permitted in the relevant

jurisdiction) to satisfy a Group Member's liability to social security contributions in respect of the exercise of the Option;

- (d) in respect of a Participant who acquires Shares that are subject to the Holding Period under Rule 8, or where the Committee otherwise requires, the Participant has entered into, or agreed to enter into, a valid election under Part 7 of ITEPA (*Employment income: elections to disapply tax charge on restricted securities*) or any similar arrangement in any overseas jurisdiction, such election to be entered into before the expiry of the period of 14 days starting on the date of exercise of the Option, unless the Committee determines that this sub-Rule 7.1(d) shall not apply<sup>4</sup>; and
- (e) to the extent required by the Committee under Rule 3.2 (*Type of Award, Vesting Date, Holding Period and Dividend Equivalent*), the Participant has agreed to hold any Vested Shares to be acquired by him on the exercise of the Option during the relevant Holding Period applying to that Option (less any Shares sold to pay the Tax Liability due on exercise) in accordance with such terms determined by the Committee from time to time until the expiry of the relevant Holding Period applying to those Shares held under that Option, and otherwise in accordance with the terms of Rule 8 (*Holding Period*).

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

## **7.2 Exercise in whole or part**

An Option may be exercised in full or in multiples of 1,000 Shares unless the Board determines otherwise or it is being exercised to the full extent outstanding.

## **7.3 Method of exercise**

The exercise of any Option shall be effected in the form and manner prescribed by the Board. Unless the Board, acting fairly and reasonably determines otherwise, any notice of exercise shall, subject to Rule 7.1 (*Restrictions on the exercise of an Option: regulatory and tax issues*), take effect only when the Company receives it, together with payment of any relevant Option Price (or, if the Board so permits, an undertaking to pay that amount).

## **7.4 Payment of Tax Liability and tax indemnity**

- (a) The Participant authorises the Company to sell or procure the sale of sufficient Vested Shares on or following the exercise of his Option on his behalf to ensure that any relevant Group Member receives the amount required to discharge any Tax Liability which arises on such exercise except to the extent that the Board decides that all or part of the Tax Liability shall be funded in a different manner.
- (b) The Participant agrees to fully indemnify and keep indemnified any Group Member for all income tax and National Insurance contributions (excluding employer contributions unless determined otherwise by the Committee under Rule 7.1(c)), or their equivalent, and any interest or penalty charges due thereon, that are charged on or as a result of the grant, holding, Vesting or exercise of an Award, or on the holding of Shares acquired under an Award, and for which a

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<sup>4</sup> Unless the Company determines otherwise, the exercise of an Option by a Participant who is subject a Holding Period is conditional upon that Participant entering into a section 431 election within 14 days of the date of acquisition of Shares. The purpose of the election is to ignore the no sale and transfer restrictions that attach to Shares in accordance with the Holding Period. This ensures that income tax and NICs is calculated by reference to the full unrestricted closing middle market value of the Shares on the date of Vesting or exercise, as the case may be and that no further income tax or NICs is due on the expiry of the Holding Period.

Group Member is required to pay and account to HM Revenue & Customs (or any other relevant authority or body).

For the purposes of this Rule 7.4, references to Group Member include any former Group Member.

## **7.5 Transfer or allotment timetable**

As soon as reasonably practicable after an Option has been exercised, the Company shall, subject to Rule 7.4 (*Payment of Tax Liability*) and any arrangement made under Rules 7.1(b) and 7.1(c) (*Restrictions on exercise: regulatory and tax issues*) or Rule 8 (*Holding Period*), transfer or procure the transfer to him (or a nominee for him) or, if appropriate, allot to him (or a nominee for him) the number of Shares in respect of which the Option has been exercised.

## **7.6 Lapse of Options**

An Option which has become exercisable shall lapse at the end of the Exercise Period to the extent it has not been exercised unless it lapses earlier under Rule 11 (*Leavers*) or Rule 12 (*Takeovers and other corporate events*).

## **8. HOLDING PERIOD**

### **8.1 Application – general**

This Rule 8 shall only apply to an individual chosen by the Committee under Rule 3.2(c) (*Type of Award, Vesting Date, Holding Period and Dividend Equivalent*), such individual being known for the purposes of this Rule 8 as the "**relevant individual**".

### **8.2 Restrictions on the sale, transfer, disposal and assignment of Vested Shares**

It is a condition of participation in the Plan that the relevant individual to whom this Rule 8 applies agrees:

- (a) to hold his Vested Shares (except any Vested Shares sold by or on behalf of the relevant individual to pay any Tax Liability due and arising on the Vesting and/or exercise of the relevant Award) during the relevant Holding Period applying to those Shares in accordance with such terms and conditions that the Committee may impose and determine from time to time, which may include his Vested Shares being held by a nominee appointed by the Company, on his behalf;
- (b) not to sell, transfer, assign or dispose of any interest in his Vested Shares (except any Vested Shares sold by or on behalf of the relevant individual to pay any Tax Liability due and arising on the Vesting and/or exercise of the relevant Award) until the expiry of the relevant Holding Period applying to those Shares unless the Committee determines otherwise or as otherwise permitted under Rule 8.4 (*Permitted transfers during the Holding Period*);
- (c) that if he acquires any further Shares by virtue of his holding of Vested Shares during the relevant Holding Period those newly acquired Shares shall also be held subject to the terms of this Rule 8 as they apply to the original Vested Shares until the expiry of the relevant Holding Period unless the Committee, in its discretion, determines otherwise; and
- (d) to enter into any other document, including a valid election under Part 7 of ITEPA (*Employment income: elections to disapply tax charge on restricted securities*) required by the Committee

from time to time (including a power of attorney or its equivalent) to give effect to the restrictions under this Rule 8.<sup>5</sup>

For the avoidance of any doubt, Vested Shares shall not be subject to any risk of forfeiture under this Rule 8 during the Holding Period; however, Vested Shares may be subject to Clawback in accordance with Rule 14 (*Clawback*).

### 8.3 The Holding Period

Unless the Committee, in its discretion, determines otherwise and/or imposes a different Holding Period to the one set out in this Rule 8.3 the Vested Shares held, or acquired on the Vesting or exercise of an Award by a relevant individual to whom this Rule 8 applies shall be subject to a Holding Period that starts on the date of Vesting of the relevant Award and, subject to Rule 8.5 (*Expiry of the Holding Period*) ends on the earlier of:

- (a) the fifth anniversary of the Grant Date of such Award; and
- (b) the second anniversary of the date of Vesting of such Award.

For the avoidance of any doubt the Holding Period shall not apply to any Shares acquired on or after the fifth anniversary of the Grant Date.

### 8.4 Permitted transfers during the Holding Period

- (a) Subject to the prior approval of the Committee, the relevant individual may transfer or assign some or all of his Vested Shares to:
  - (i) a nominee account (or its equivalent) under which Shares are held on his behalf; and/or
  - (ii) his spouse or civil partner; and/or
  - (iii) his personal pension plan; and/or
  - (iv) to an individual savings account; and/or
  - (v) to the trustees of a family benefit trust established by the relevant individual

during the relevant Holding Period provided that the person to whom the Shares (or an interest in the Shares) are to be transferred (the "**relevant transferee**") has agreed to comply with the terms of this Rule 8 and any other terms and conditions imposed or determined by the Committee, and the relevant transferee agrees not to sell, transfer, assign or dispose of those Vested Shares until the expiry of the relevant Holding Period.

- (b) If the relevant individual receives securities other than Shares during the Holding Period by virtue of his holding of Vested Shares, he may sell (or where appropriate redeem) those securities.
- (c) The Committee may, in its discretion, allow a relevant individual to sell, transfer, assign or dispose of some or all of his Vested Shares before the end of the relevant Holding Period, subject to any additional terms and conditions that the Committee may specify.

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<sup>5</sup> Participants subject to the Holding Period must enter into a section 431 tax election on the vesting/exercise of their Awards to ensure that the Company can calculate and withhold tax on vesting/exercise by reference to the unrestricted market value of the shares at the time of vesting/exercise (i.e. ignore the no-sale restrictions under the Holding Period).

## **8.5 Expiry of the Holding Period**

The Holding Period shall expire early on:

- (a) the date of an event under Rule 12.1 or 12.2 (excluding an internal reorganisation under Rule 12.4 where Awards are released and exchanged for equivalent new awards ) or such other convenient date shortly prior to the date of an event under Rule 12.1 or 12.2 as determined by the Committee;
- (b) the death of the relevant individual; or
- (c) such other date determined by the Committee, in its discretion.

Vested Shares (or a proportion of them) shall cease to be subject to any restrictions under this Rule 8 once the relevant Holding Period applying to those Shares (or Option) has expired. As soon as reasonably practicable following the expiry of the relevant Holding Period the Board shall (to the extent relevant) transfer or procure the transfer of the legal title to the Vested Shares previously subject to that Holding Period and any documents of title relating to those Vested Shares to the relevant individual or his nominee, subject to any provision of Clawback under Rule 14 (*Clawback*).

## **8.6 The Holding Period and Leavers**

The Holding Period and the provisions of this Rule 8 shall continue to apply to a relevant individual, and the Shares that they may acquire under an Award, on or after the date that the relevant individual ceases to be a director or employee of a Group Member under Rule 11.1 or 11.2, subject to the Holding Period expiring under Rule 8.5 (*Expiry of the Holding Period*).

## **9. CASH ALTERNATIVE**

### **9.1 Committee determination**

Where an Option has been exercised or where a Conditional Award Vests and Vested Shares have not yet been allotted or transferred to the Participant (or his nominee), and either the Committee determines that, in its opinion, the circumstances are sufficiently exceptional or the Committee has agreed with the Participant that this Rule 9 shall apply, the Committee may determine that, in substitution for his right to acquire such number of Vested Shares as the Committee may decide (but in full and final satisfaction of his right to acquire those Shares), he shall be paid by way of additional employment income a sum equal to the cash equivalent (as defined in Rule 9.3) of that number of Shares in accordance with the following provisions of this Rule 9.

### **9.2 Limitation on the use of this Rule**

Rule 9.1 shall not apply in relation to an Award made to a Participant in any jurisdiction where the presence of Rule 9.1 would cause:

- (a) the grant of the Award to be unlawful or for it to fall outside any applicable securities law exclusion or exemption; or
- (b) adverse tax or social security contribution consequences for the Participant or any Group Member as determined by the Board.

### **9.3 Cash equivalent**

For the purpose of this Rule 9, the cash equivalent of a Share is:



- (a) in the case of a Conditional Award, the market value of a Share on the day when the Award Vests;
- (b) in the case of an Option, the market value of a Share on the day when the Option is exercised reduced by the Option Price in respect of that Share.

Market value on any day shall be determined as follows:

- (i) if on the day of Vesting or exercise, Shares are quoted in the London Stock Exchange Daily Official List, the middle-market quotation of a Share, as derived from that List, on that day; or
- (ii) if Shares are not so quoted, such value of a Share as the Committee reasonably determines.

#### **9.4 Payment of cash equivalent**

Subject to Rule 9.5 (*Share alternative*), as soon as reasonably practicable after the Committee has determined under Rule 9.1 that a Participant shall be paid a sum in substitution for his right to acquire any number of Vested Shares:

- (a) the Company shall pay to him or procure the payment to him of that sum in cash; and
- (b) if he has already paid the Company for those Shares, the Company shall return to him the amount so paid by him.

#### **9.5 Share alternative**

If the Committee so decides, the whole or any part of the sum payable under Rule 9.4 shall, instead of being paid to the Participant in cash, be applied on his behalf:

- (a) in subscribing for Shares at a price equal to the market value by reference to which the cash equivalent is calculated; or
- (b) in purchasing such Shares; or
- (c) partly in one way and partly in the other

and the Company shall allot or transfer to him (or his nominee) or procure the transfer to him (or his nominee) of the Shares so subscribed for or purchased.

#### **9.6 Deductions**

There shall be deducted from any payment under this Rule 9 such amounts (on account of tax or similar liabilities) as may be required by law or as the Board may reasonably consider to be necessary or desirable.

### **10. LAPSE OF AWARDS**

An Award shall lapse:

- (a) in accordance with the Rules; or
- (b) to the extent it does not Vest under these Rules.

## 11. LEAVERS

### 11.1 Good leavers before the Normal Vesting Date

If a Participant ceases to be a director or employee of a Group Member before the Normal Vesting Date by reason of:

- (a) death
- (b) retirement with the agreement of his employer and, in respect of a Participant who is a director of the Company or a member of the Company's executive committee, the approval of the Committee;
- (c) injury or disability evidenced to the satisfaction of his employer and, in respect of a Participant who is a director of the Company or a member of the Company's executive committee, the Committee;
- (d) his office or employment being with either a company which ceases to be a Group Member or relating to a business or part of a business which is transferred to a person who is not a Group Member; or
- (e) for any other reason, if the Committee so decides

then

- (i) subject to Rule 5.3 (*Restrictions on Vesting: regulatory and tax issues*), Rule 11.6 (*Death following cessation of employment*), Rule 12 (*Takeovers and other corporate events*) and the Participant agreeing to be bound by any other additional terms and conditions that the Committee may, in its discretion, impose on the Award under this Rule 11.1 (the "**additional terms**"), his Award shall Vest on the Normal Vesting Date subject to the extent (if at all) that the additional terms (if any) have been satisfied, and Rule 11.4 (*Leavers: reduction in number of Vested Shares*) shall apply; unless
- (ii) the Committee decides that, subject to Rule 5.3 (*Restrictions on Vesting: regulatory and tax issues*) and the Participant agreeing to be bound by any other additional terms and conditions that the Committee may, in its discretion, impose on the Award under this Rule 11.1 (the "**additional terms**"), his Award shall Vest on the Early Vesting Date or such other date (or dates) that the Committee may determine, subject to the extent (if at all) that the additional terms (if any) have been satisfied and Rule 11.4 (*Leavers: reduction in number of Vested Shares*) shall apply; and

an Award in the form of an Option which Vests under (i) or (ii) above may, subject to Rule 7.1 (*Restrictions on exercise*) and Rule 12 (*Takeovers and other corporate events*), be exercised in respect of the Vested Shares within the period of 12 months commencing on the date of Vesting (or, if shorter, until the expiry of the Exercise Period) and, to the extent that the Option is not exercised, it shall lapse at the end of that period.

### 11.2 Good leavers on or after the Normal Vesting Date

If a Participant who holds an Option ceases to be a director or employee of a Group Member on or after the Normal Vesting Date for a reason specified in or permitted by the Committee under Rule 11.1 then, subject to Rule 7.1 (*Restrictions on exercise*) and Rule 12 (*Takeovers and other corporate events*), that Option shall continue to be exercisable for a period of 12 months commencing on the date of cessation (or, if shorter, until the expiry of the Exercise Period) and, to the extent that the Option is not exercised, it shall lapse at the end of that period.

### **11.3 Cessation of employment in other circumstances**

If a Participant ceases to be a director or employee of a Group Member at any time for any reason other than those specified in Rules 11.1 to 11.2 (*Good leavers*) then any Award held by him shall lapse immediately on such cessation.

### **11.4 Leavers: reduction in number of Vested Shares**

Where an Award Vests on or after a Participant ceasing to be a director or employee of a Group Member, the Committee shall determine the number of Vested Shares of that Award by the following steps:

- (a) applying any Performance Condition and any other condition or additional terms imposed on the Vesting of the Award; and
- (b) applying a pro rata reduction to the number of Shares determined under 11.4(a) based on the period of time after the Grant Date and ending on the date of cessation relative to the Vesting Period

unless the Committee, acting fairly and reasonably, decides that the reduction in the number of Vested Shares under Rule 11.4(b) is inappropriate in any particular case when it shall increase the number of Vested Shares to such higher number as it decides provided that number does not exceed the number of Shares determined under Rule 11.4(a).

If an Award Vests under any of Rules 12.1 to 12.3 when the holder of that Award has ceased to be a director or employee of a Group Member then this Rule 11.4 shall take precedence over Rule 12.5.

### **11.5 Meaning of ceasing employment**

A Participant shall not be treated for the purposes of this Rule 11 as ceasing to be a director or employee of a Group Member until such time as he is no longer a director or employee of any Group Member. If any Participant ceases to be such a director or employee before the Vesting of his Award in circumstances where he retains a statutory right to return to work then he shall be treated as not having ceased to be such a director or employee until such time (if at all) as he ceases to have such a right to return to work while not acting as an employee or director.

The reason for the termination of office or employment of a Participant shall be determined by reference to Rules 11.1 to 11.3 regardless of whether such termination was lawful or unlawful.

### **11.6 Death following cessation of employment**

If a Participant dies following cessation of employment in circumstances where his Award did not lapse but it has not Vested by the time of his death, the Committee may, in its discretion, determine that the Award shall Vest immediately on his death to the extent determined by reference to the time of cessation in accordance with Rule 11.1(ii).

An Award in the form of an Option that Vests under this Rule may, subject to Rule 7.1 (*Restrictions on exercise*) and Rule 12 (*Takeovers and other corporate events*), be exercised in respect of the Vested Shares within the period of 12 months commencing on the date of Vesting (or, if shorter, until the expiry of the Exercise Period) and, to the extent that the Option is not exercised, it shall lapse at the end of that period.

## 11.7 Application of the Holding Period to Leavers

In accordance with Rule 8.6 (*The Holding Period and Leavers*), Rule 8 shall continue to apply to a Participant who is a relevant individual and subject to the provisions of Rule 8 and who subsequently ceases to be a director or employee of a Group Member.

## 12. TAKEOVERS AND OTHER CORPORATE EVENTS

### 12.1 General offers

In the event that any person (or group of persons acting in concert):

- (a) obtains Control of the Company as a result of making a general offer to acquire Shares; or
- (b) having obtained Control of the Company makes such an offer and such offer becomes unconditional in all respects

then, subject to Rule 12.4 (*Internal reorganisations*), the following provisions shall apply:

- (i) subject to Rule 5.3 (*Restrictions on Vesting: regulatory and tax issues*), all Awards shall Vest on the date of such event if they have not then Vested and Rule 12.5 (*Corporate events: reduction in number of Vested Shares*) shall apply; and
- (ii) any Option may, subject to Rule 7.1 (*Restrictions on exercise*), be exercised within one month of the date of such event (or, if shorter, until the expiry of the Exercise Period), but to the extent that an Option is not exercised within that period, that Option shall (regardless of any other provision of the Plan) lapse at the end of that period.

### 12.2 Schemes of arrangement and winding up

In the event that:

- (a) a compromise or arrangement is sanctioned by the Court under section 899 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

all Awards shall, subject to Rule 5.3 (*Restrictions on Vesting: regulatory and tax issues*) and Rule 12.4 (*Internal reorganisations*), Vest on the date of such event if they have not then Vested and Rule 12.5 (*Corporate events: reduction in number of Vested Shares*) shall apply.

If an event as described in this Rule occurs then an Option may, subject to Rule 7.1 (*Restrictions on exercise*) and Rule 12.4 (*Internal reorganisations*), be exercised within one month of such event (or, if shorter, until the expiry of the Exercise Period), but to the extent that the Option is not exercised within that period, it shall (regardless of any other provision of the Plan) lapse at the end of that period.

### 12.3 Demergers and similar events

If a demerger, special dividend or other similar event (the “**Relevant Event**”) is proposed which, in the opinion of the Committee, would affect the market price of Shares to a material extent, then the Committee may, at its discretion, decide that the following provisions shall apply:

- (a) the Committee shall, as soon as reasonably practicable after deciding to apply these provisions, notify a Participant that, subject to earlier lapse under Rule 11 (*Leavers*), his Award Vests and,

if relevant, his Option may, subject to Rule 7.6 (*Lapse of Options*) and Rule 11 (*Leavers*), be exercised on such terms as the Committee may determine and during such period preceding the Relevant Event or on the Relevant Event as the Committee may determine and shall (regardless of any other provision of the Plan) lapse at the end of that period to the extent unexercised;

- (b) if an Award Vests, or an Option is exercised, conditional upon the Relevant Event and such event does not occur then the conditional Vesting or exercise shall not be effective and the Award shall continue to subsist; and
- (c) if the Committee decides that an Award Vests under this Rule 12.3 then the date of that Vesting shall be the Early Vesting Date and the provisions of Rule 12.5 (*Corporate events: reduction in number of Vested Shares*) shall apply.

#### **12.4 Internal reorganisations**

In the event that:

- (a) a company (the “**Acquiring Company**”) is expected to obtain Control of the Company as a result of an offer referred to in Rule 12.1 (*General offers*) or a compromise or arrangement referred to in Rule 12.2 (a) (*Schemes of arrangement and winding up*); and
- (b) at least 75% of the shares in the Acquiring Company are expected to be held by substantially the same persons who immediately before the obtaining of Control of the Company were shareholders in the Company,

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 12.1 or Rule 12.2 but shall be automatically surrendered in consideration for the grant of a new award which the Committee determines is equivalent to the Award (including as to any Performance Condition) it replaces except that it will be over shares in the Acquiring Company or some other company.

The Rules will apply to any new award granted under this Rule 12.4 as if references to Shares were references to shares over which the new award is granted and references to the Company were references to the company whose shares are subject to the new award.

#### **12.5 Corporate events: reduction in number of Vested Shares**

If an Award Vests under any of Rules 12.1 to 12.3, the Committee shall determine the number of Vested Shares of that Award by the following steps:

- (a) applying any Performance Condition and any other condition imposed on the Vesting of the Award; and
- (b) subject to Rule 11.4 (*Leavers: reduction in number of Vested Shares*), by applying a pro rata reduction to the number of Shares determined under Rule 12.5(a) based on the period of time after the Grant Date and ending on the Early Vesting Date relative to the Vesting Period

unless the Committee, acting fairly and reasonably, decides that the reduction in the number of Vested Shares under Rule 12.5(b) is inappropriate in any particular case when it shall increase the number of Vested Shares to such higher number as it decides provided that number does not exceed the number of Shares determined under Rule 12.5(a).

## **13. ADJUSTMENT OF AWARDS**

### **13.1 General rule**

In the event of:

- (a) any variation of the share capital of the Company; or
- (b) a demerger, special dividend or other similar event which affects the market price of Shares to a material extent

the Committee may make such adjustments as it considers appropriate under Rule 13.2 (*Method of adjustment*).

### **13.2 Method of adjustment**

An adjustment made under this Rule shall be to one or more of the following:

- (a) the number of Shares comprised in an Award;
- (b) subject to Rule 13.3 (*Adjustment below nominal value*), the Option Price;
- (c) where any Award has Vested or Option has been exercised but no Shares have been transferred or allotted after such Vesting or exercise, the number of Shares which may be so transferred or allotted and (if relevant) the price at which they may be acquired;
- (d) the number of Shares "allocated" (as defined in Rule 4.2) for the purposes of calculating the ten per cent. in ten calendar years limits under Rule 4.1 (*10 per cent. in 10 years limit*).

### **13.3 Adjustment below nominal value**

An adjustment under Rule 13.2 may have the effect of reducing the price at which Shares may be subscribed for on the exercise of an Option to less than their nominal value, but only if and to the extent that the Board is authorised:

- (a) to capitalise from the reserves of the Company a sum equal to the amount by which the nominal value of the Shares in respect of which the Option is exercised and which are to be allotted after such exercise exceeds the price at which the Shares may be subscribed for; and
- (b) to apply that sum in paying up such amount on such Shares

so that on exercise of any Option in respect of which such a reduction shall have been made the Board shall capitalise that sum (if any) and apply it in paying up that amount.

## **14. CLAWBACK**

### **14.1 Applicability of Clawback**

This Rule 14 shall apply to all Awards, but shall not apply after the Company is subject to an event described in Rule 12.1 (*General Offers*) or 12.2 (*Schemes of arrangement and winding up*) unless Awards are exchanged for new awards under Rule 12.4 (*Internal reorganisations*).

## 14.2 Clawback between grant and Vesting

The Committee may decide at any time before the Vesting of an Award held by a Participant (the "**relevant individual**"), that the number of Shares subject to the Award shall be reduced (including, if appropriate, reducing to zero) if it forms the view that:

- (a) the Company materially misstated its financial results for whatever reason and that such misstatement resulted either directly or indirectly in that Award having been granted over a higher number of Shares than would have been the case had that misstatement not been made; or
- (b) the number of Shares over which the Award was granted was based on any other kind of error or on the basis of any information or assumption that the Committee subsequently discovers to have been inaccurate or misleading for any reason and which resulted either directly or indirectly in the Award having been granted over a higher number of Shares than would otherwise have been the case; or
- (c) the relevant individual ceases to be a director or employee of a Group Member (as defined in Rule 11.5) as a result of gross misconduct on the part of that individual or the Committee is of the view that the relevant individual could have been summarily terminated by reason of his gross misconduct; or
- (d) there are circumstances which in the Committee's opinion have (or would have if made public) a sufficiently material impact on the reputation of the Company to justify the application of this Rule 14 and, in determining whether to apply this Rule 14, the Committee shall have regard to the extent to which it considers that the relevant individual was involved (directly or through oversight) in such circumstances; or
- (e) the Company becomes insolvent, enters into administration or similar protection from creditors or otherwise suffers a corporate failure and the Committee determines that such circumstances arose from events occurring (in whole or substantial part) during any period in which the relevant individual was a Participant and, in determining whether to apply this Rule 14, the Committee shall have regard to the extent to which it considers that the relevant individual was involved (directly or through oversight) in such events; or
- (f) any other adverse circumstances have arisen which justify the operation of this Rule 14.2

Any reduction of an Award pursuant to this Rule 14.2 shall take effect immediately prior to the Award Vesting unless the Committee decides it shall take effect at such earlier time as it decides.

## 14.3 Clawback following Vesting

The Committee may decide at any time within the period of three years starting on the date on which an Award Vests (provided that the Committee may extend this period if there is an ongoing investigation into circumstances relevant to the operation of this Rule 14) that the individual to whom the Award was granted (the "**relevant individual**") shall be subject to Clawback if:

- (a) the Committee forms the view that the Company materially misstated its financial results for whatever reason and that such misstatement resulted either directly or indirectly in that Award Vesting to a greater degree than would have been the case had that misstatement not been made; or
- (b) the Committee forms the view that in assessing any Performance Condition and/or any other condition imposed on the Award such assessment was based on an error, or on inaccurate or misleading information or assumptions and that such error, information or assumptions

resulted either directly or indirectly in that Award Vesting to a greater degree than would otherwise have been the case; or

- (c) the relevant individual ceases to be a director or employee of a Group Member (as defined in Rule 11.5) as a result of gross misconduct on the part of that individual or the Committee is of the view that the relevant individual could have been summarily terminated by reason of his gross misconduct; or
- (d) there are circumstances which in the Committee's opinion have (or would have if made public) a sufficiently material impact on the reputation of the Company to justify the application of this Rule 14 and, in determining whether to apply this Rule 14, the Committee shall have regard to the extent to which it considers that the relevant individual was involved (directly or through oversight) in such circumstances; or
- (e) the Company becomes insolvent, enters into administration or similar protection from creditors or otherwise suffers a corporate failure and the Committee determines that such circumstances arose from events occurring (in whole or substantial part) during any period in which the relevant individual was a Participant and, in determining whether to apply this Rule 14, the Committee shall have regard to the extent to which it considers that the relevant individual was involved (directly or through oversight) in such events; or
- (f) any other adverse circumstances have arisen which the Committee considers justifies the operation of this Rule.

#### **14.4 Amount to be subject to Clawback**

Where Rule 14.2(a), 14.2(b), 14.3(a) and/or 14.3(b) applies, the Committee shall decide on the amount to be subject to Clawback which shall be all or part of the additional value which the Committee considers has been granted to, Vested and/or received by the relevant individual as referred to in those Rules and in deciding on such amount, the Committee may:

- (a) determine the amount of such additional value on such basis as it decides; and
- (b) if the relevant individual is required to repay all or part of such additional value pursuant to Rule 14.5(b) then the Committee may consider whether that amount should take into account any income tax and social security contributions paid by the relevant individual and any possibility of him reclaiming such income tax and social security contributions.

Where Rule 14.2(c) - (f) and/or 14.3(c) - (f) applies, the amount to be subject to Clawback shall be such amount as the Committee decides is appropriate.

#### **14.5 Satisfaction of the Clawback**

Where Rule 14.2 applies, the Clawback shall be satisfied as set out in that Rule.

Where Rule 14.3 applies, the Clawback shall be satisfied as set out in Rules 14.5(a) and/or 14.5(b).

- (a) The Committee may reduce (including, if appropriate, reducing to zero) any of the following elements of the remuneration of the relevant individual:
  - (i) the amount of any future bonus which would, but for the operation of the Clawback, be payable to the relevant individual under any bonus plan operated by any Group Member; and/or



- (ii) the extent to which any subsisting Awards held by the relevant individual Vests notwithstanding the extent to which any Performance Condition and/or any other condition imposed on any such Award has been satisfied; and/or
  - (iii) the extent to which any rights to acquire Shares granted to the relevant individual under any share incentive plan (other than the Plan and any tax advantaged share plan that is intended to comply with any of Schedules 2 to 5 of ITEPA) operated by any Group Member vest or become exercisable notwithstanding the extent to which any conditions imposed on such rights to acquire Shares have been satisfied; and/or
  - (iv) the number of Shares subject to any Vested but unexercised Option; and/or
  - (v) the number of Shares subject to any vested but unexercised right to acquire Shares granted to the relevant individual under any share incentive plan (other than the Plan and any tax advantaged share plan that is intended to comply with any of Schedules 2 to 5 of ITEPA) operated by any Group Member.
- (b) The Committee may require the relevant individual to pay to such Group Member as the Committee may direct, and on such terms as the Committee may direct (including, but without limitation to, on terms that the relevant amount is to be deducted from the relevant individual's salary or from any other payment to be made to the relevant individual by any Group Member), such amount as is required for the Clawback to be satisfied in full.

#### **14.6 Timing of effect of Clawback**

- (a) Any reduction made pursuant to Rule 14.5(a)(ii) and/or Rule 14.5 (a)(iii) above shall take effect immediately prior to the Award Vesting or the right vesting or becoming exercisable (as applicable) unless the Committee decides on a different time for such reduction to take effect.
- (b) Any reduction made pursuant to Rule 14.5(a)(iv) and/or Rule 14.5(a)(v) shall take effect at such time as the Committee decides.

#### **14.7 Reduction in Awards to give effect to clawback provisions in other plans**

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 Member. 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.

### **15. ALTERATIONS**

#### **15.1 General rule on alterations**

Except as described in Rule 15.2 (*Shareholder approval*) and Rule 15.4 (*Alterations to disadvantage of Participants*) the Committee may at any time alter the Plan or the terms of any Award.

#### **15.2 Shareholder approval**

Except as described in Rule 15.3 (*Exceptions to shareholder approval*), no alteration to the advantage of an individual to whom an Award has been or may be granted shall be made under Rule 15.1 to the provisions concerning:

- (a) eligibility;

- (b) the individual limits on participation;
- (c) the overall limits on the issue of Shares or the transfer of treasury Shares;
- (d) the basis for determining a Participant's entitlement to, and the terms of, Shares or cash provided under the Plan;
- (e) the adjustments that may be made in the event of any variation of capital; and
- (f) the terms of this Rule 15.2

without the prior approval by ordinary resolution of the members of the Company in general meeting.

### **15.3 Exceptions to shareholder approval**

Rule 15.2 (*Shareholder approval*) shall not apply to:

- (a) any minor alteration to benefit the administration of the Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for Participants or any Group Member; or
- (b) any alteration relating to the Performance Condition made under Rule 15.5.

### **15.4 Alterations to disadvantage of Participants in respect of outstanding Awards**

No alteration to the material disadvantage of Participants (other than a change to any Performance Condition) shall be made under Rule 15.1 to Awards held at the time the alteration becomes effective unless:

- (a) the Board shall have invited every relevant Participant to indicate whether or not he approves the alteration; and
- (b) the alteration is approved by a majority of those Participants who have given such an indication.

For the avoidance of any doubt this Rule 15.4 shall not apply to Awards that are granted after the alteration becomes effective.

### **15.5 Alterations to a Performance Condition**

The Committee may waive and replace, or vary and amend any Performance Condition without prior shareholder approval if:

- (a) an event, or series of related or connected events, has occurred which causes the Committee reasonably to consider that it would be appropriate to waive and replace, or amend the Performance Condition;
- (b) the replacement or altered Performance Condition will, in the reasonable opinion of the Committee, be not materially less difficult to satisfy than the original or unaltered Performance Condition would have been but for the event in question; and
- (c) the Committee shall act fairly and reasonably in making the replacement or alteration.

## **16. MISCELLANEOUS**

### **16.1 Employment**

The rights and obligations of any individual under the terms of his office or employment with any Group Member shall not be affected by his participation in the Plan or any right which he may have to participate in it. An individual who participates in the Plan waives any and all rights to compensation or damages in consequence of the termination of his office or employment for any reason whatsoever insofar as those rights arise or may arise from him ceasing to have rights under an Award as a result of such termination. Participation in the Plan shall not confer a right to continued employment upon any individual who participates in it. The grant of any Award does not imply that any further Award will be granted nor that a Participant has any right to receive any further Award.

### **16.2 Disputes**

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 (including the rectification of errors and/or mistakes), the decision of the Committee shall be final and binding upon all persons.

### **16.3 Exercise of powers and discretions**

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

### **16.4 Share rights**

All Shares allotted under the Plan shall rank equally in all respects with Shares then in issue except for any rights attaching to such Shares by reference to a record date before the date of the allotment.

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 or release of such restrictions.

### **16.5 Notices**

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

- (a) by personal delivery or by internal or ordinary post, in the case of a company to the company secretary at its registered office or to such other address as may from time to time be notified to an individual, and in the case of an individual to his last known address, or, where he is a director or employee of a Group Member, either to his last known address or to the address of the place of business at which he performs the whole or substantially the whole of the duties of his 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 Board determines.

Where a notice or document is sent to an eligible employee or Participant by ordinary or internal post, it shall be treated as being received 72 hours after it was put into the post properly addressed and, where relevant, stamped. In all other cases, the notice or document shall be treated as received when it is given. A notice or document sent to the Company shall only be effective once it is received by the

Company, unless otherwise agreed by the Company. All notices and documents given or sent to the Company shall be given or sent at the risk of the sender.

#### **16.6 Third parties**

No third party has any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Plan.

#### **16.7 Benefits not pensionable**

Benefits provided under the Plan shall not be pensionable.

#### **16.8 Data Protection**

Each Participant consents to the collection, processing and transfer of his personal data for any purpose relating to the operation of the Plan. This includes:

- (a) providing personal data to any Group Member and any third party such as trustees of any employee benefit trust, administrators of the Plan, registrars, brokers and any of their respective agents;
- (b) processing of personal data by any such Group Member or third party;
- (c) transferring personal data to a country outside the European Economic Area (including a country which does not have data protection laws equivalent to those prevailing in the European Economic Area); and
- (d) providing personal data to potential purchasers of the Company, the Participant's employer or the business in which the Participant works.

#### **16.9 Overseas Plans**

The Board may establish further plans (outside the Plan) or schedules to the Plan for overseas territories, any such plan or schedules to be similar to the Plan, but modified to take account of local tax, exchange control or securities laws, provided that any shares made available under such further plans or schedules are treated as counting against the limits on individual and overall participation in the Plan.

#### **16.10 Governing law**

The Plan and all Awards shall be governed by and construed in accordance with the law of England and Wales and the Courts of England and Wales have exclusive jurisdiction to hear any dispute.

## SCHEDULE 1

### CASH CONDITIONAL AWARDS

The Rules of the Centaur Media Long Term Incentive Plan 2016 shall apply to a right (a “**Cash Conditional Award**”) to receive a cash sum granted or to be granted under this Schedule as if it was a Conditional Award, except as set out in this Schedule. Where there is any conflict between the Rules and this Schedule, the terms of this Schedule shall prevail.

1. The Committee may grant or procure the grant of a Cash Conditional Award.
2. Each Cash Conditional Award shall relate to a given number of notional Shares.
3. On the Vesting of the Cash Conditional Award the holder of that Award shall be entitled to a cash sum which shall be equal to the “**Cash Value**” of the notional Vested Shares, where the Cash Value of a notional Share is the market value of a Share on the date of Vesting of the Cash Conditional Award. For the purposes of this Schedule, the market value of a Share on any day shall be determined in accordance with Rule 9.3 (*Cash equivalent*).
4. The cash sum payable under paragraph 3 above shall be paid by the employer of the Participant as soon as practicable after the Vesting of the Cash Conditional Award, net of any deductions (on account of tax or similar liabilities) as may be required by law.
5. For the avoidance of doubt, a Cash Conditional Award shall not confer any right on the holder of such an Award to receive Shares or any interest in Shares.

## SCHEDULE 2 – VALUE CREATION PLAN

*Subject to approval by shareholders at the 2025 AGM, the Company has proposed an incentive scheme for the grant of 'VCP Awards' to a number of key senior executives. This Schedule 2 sets out the rules of the Value Creation Plan, in its application to such awards which will take the form of a potential share of a cash pool.*

### 1. DEFINITIONS AND INTERPRETATION

1.1 This Schedule 2 of the Centaur Media Long Term Incentive Plan 2016 (the "**Plan**") sets out the rules of the Plan specific to any person that is granted or to be granted a VCP Award. The words and expressions defined in the rules of the Plan shall have the same meaning when used in this Schedule 2, except as otherwise defined herein.

1.2 The Rules shall generally apply to a VCP Award, except as set out in Paragraph 8 (*Application of Rules*).

1.3 In this Schedule 2, the following words and expressions shall have the following meanings:

**"Deferred Payment"** means a payment to a Participant in relation to a VCP Award, in accordance with Paragraph 5.1(c) (*Payment of Vested Award Value*);

**"Interim Payment"** means a payment to a Participant in relation to a VCP Award, in accordance with Paragraph 6 (*Interim Payments*);

**"Market Capitalisation"** means the market capitalisation of the Company as measured at a specified date and calculated by multiplying the Share Price by the total number of Shares in issue (not including treasury shares) at a specified date or during a specified period, unless the Committee considers it appropriate to calculate on an alternative basis in its absolute discretion;

**"Measurement Date"** any date on which the Total Pool and Vested Award Values (if any) are to be measured as set out in this Schedule 2;

**"Paragraph"** means a paragraph of this Schedule 2;

**"Qualifying Distribution"** means a material cash distribution or return to holders of Shares (but not including an ordinary dividend);

**"Share of Pool"** means a potential share of the Total Pool (if any) under a VCP Award, expressed as a percentage and as specified by the Committee on the grant of such VCP Award;

**"Share Price"** means:

- (a) the closing middle market quotation of Shares (as derived from the London Stock Exchange Daily Official List) on a dealing day or, if the Committee so determines, the average of the closing middle market quotations during a period determined by the Committee; or

the price of the Shares as calculated by reference to such alternative market value basis as the Committee determines is appropriate;

<b>"Shareholder Value"</b>	means the sum of: <ul style="list-style-type: none"> <li>(a) Market Capitalisation as calculated at the relevant Measurement Date; <b>plus</b></li> <li>(b) the total value of any returns received by the Company's shareholders during the VCP Performance Period, (calculated on a basis consistent with market standard TSR methodology unless the Committee determines otherwise);</li> </ul>
<b>"Strategy Delivery"</b>	means the successful delivery of positive TSR to shareholders during the VCP Performance Period, as determined by the Committee;
<b>"Total Pool"</b>	means a cash amount (if any) determined by the Committee in accordance with Paragraph 4 ( <i>Calculation of Total Pool and Vested Award Value</i> );
<b>"TSR"</b>	means the total shareholder return achieved by holders of Shares during a specified period as calculated by an independent financial information provider selected by the Committee from time to time by reference to Share Price performance and including any amounts paid to shareholders of the Company during such period including dividends, special dividends, tender offers or any other payments to shareholders as determined by the Committee in its absolute discretion;
<b>"VCP"</b>	means the Centaur Media Value Creation Plan as set out in this Schedule 2 and amended from time to time;
<b>"VCP Award"</b>	means a conditional right to receive a cash sum granted or to be granted under this Schedule 2 and, unless otherwise specified in this Schedule 2, any reference to a VCP Award shall be interpreted as if it was a Conditional Award for the purpose of applying the Rules;
<b>"VCP Participant"</b>	means a person who holds or has held a VCP Award including his personal representatives;
<b>"VCP Performance Period"</b>	the period beginning on 8 May 2025 (being the date of the 2025 AGM) and ending on the third anniversary of such date or such shorter period as may apply under Paragraph 7 ( <i>Curtailment of VCP Performance Period</i> );
<b>"Vest"</b>	means, in relation to a VCP Award, the Vested Award Value is determined and an amount becomes capable of payment in accordance with the terms of this Schedule 2 and <b>"Vesting"</b> shall be construed accordingly; and
<b>"Vested Award Value"</b>	means the carrying value of a VCP Award calculated in accordance with Paragraph 4 ( <i>Calculation of Total Pool and Vested Award Value</i> ) and <b>"Interim Vested Award Value"</b> and <b>"Final Vested Award Value"</b> shall be construed accordingly.

## 2. GRANT OF VCP AWARDS

- 2.1 Subject to Rule 3.5 (*Timing of grant*) and Rule 3.6 (*Approvals and consents*), the Committee may resolve to grant a VCP Award on the terms set out in this Schedule 2, including the terms set out in Paragraph 2.2, below to any person who is eligible to be granted an Award under Rule 2 (*Eligibility*).
- 2.2 As a condition of grant of a VCP Award, the Committee shall determine and specify in respect of each VCP Award;
- (a) the Share of Pool; and
  - (b) any additional terms as the Committee may specify.
- 2.3 The cumulative total of each Share of Pool allocated to outstanding VCP Awards may not exceed 100%.
- 2.4 To the extent that a VCP Award lapses or ceases to be capable of Vesting in connection with their cessation of employment, any Share of Pool associated with such a lapsed VCP Award may be reallocated by the Committee for use in connection with the grant of further VCP Awards under the VCP in accordance with this Paragraph 2 (*Grant of VCP Awards*).

## 3. VESTING OF VCP AWARDS

Subject to earlier Vesting under Rule 11 (*Leavers*) or Rule 12 (*Takeovers and other corporate events*), a VCP Award may Vest:

- (a) at the end of the VCP Performance Period; and/or
- (b) in part, in accordance with Paragraph 6 (*Interim payments*).

## 4. CALCULATION OF TOTAL POOL AND VESTED AWARD VALUE

### 4.1 Calculation of Total Pool

Subject to Paragraph 4.2 (*Maximum Total Pool*) and Paragraph 7 (*Curtailment of VCP Performance Period*), the Total Pool shall be expressed as an amount in Pounds sterling and calculated on a Measurement Date using the following formula:

$$\text{Total Pool} = 6.5\% \times (\text{End SV} - \text{Base SV})$$

where:

'**Base SV**' means a Shareholder Value of £45.4m (*being the implied Market Capitalisation using a reference Share Price of 30.0 pence per Share*);

'**End SV**' means the Shareholder Value as at the relevant Measurement Date calculated as:

- (i) the Market Capitalisation at the Measurement Date, calculated by reference to the average Share Price for each dealing day during the one-month period ending with the dealing day immediately preceding the Measurement Date or on such other basis as the Committee considers appropriate including by reference to a spot price or transaction value; **plus**
- (ii) the total value of any other returns received by shareholders during the VCP Performance Period, calculated on a basis consistent with standard TSR methodology; **plus**



- (iii) any adjustments approved by the Committee in respect of any variation of the share capital of the Company in accordance with Rule 15 (*Alterations*) or any other adjustment deemed appropriate by the Committee at its absolute discretion.

If the result of the above formula is a negative number, then the Total Pool shall be nil.

#### 4.2 Maximum Total Pool

Notwithstanding Rule 4.1, the Total Pool will be capped at a maximum value of £2.46m (*being the projected value of the Total Pool if the Company share price were to increase to 55 pence per share and assuming that no other distributions and/or returns are made to shareholders during the VCP Performance Period*).

#### 4.3 Calculation of Vested Award Value

The Vested Award Value of a VCP Award shall be expressed as an amount in Pounds sterling and calculated as at a Measurement Date using the following formula:

$$\text{Vested Award Value} = \text{Total Pool} \times \text{Share of Pool}$$

For the purpose of this Schedule 2:

- (a) the Vested Award Value calculated in connection with a Qualifying Distribution under Paragraph 6 (*Interim Payments*) shall be an "**Interim Vested Award Value**"; and
- (b) the Vested Award Value calculated in connection with end of the VCP Performance Period under Paragraph 5.1(b) shall be the "**Final Vested Award Value**".

### 5. PAYMENT OF VESTED AWARD VALUE

5.1 A VCP Participant may become entitled to a payment in respect of their VCP Award in the following circumstances:

- (a) Subject to the occurrence of a Qualifying Distribution, an Interim Payment may be made in respect of a VCP Award in accordance with Paragraph 6 (*Interim Payments*);
- (b) At the end of the VCP Performance Period (including where the VCP Performance Period ends early in accordance with Paragraph 7 (*Curtailment of VCP Performance Period*)), the Vested Award Value shall be calculated in accordance with Paragraph 5.2 (the "**Final Vested Award Value**") and a payment made to a VCP Participant equal to the Final Vested Award Value less (i) any Interim Payments already made in respect of such VCP Award; and (ii) the Deferred Payment (as described at Paragraph 5.1(c)); and
- (c) 20% of the Final Vested Award Value (the "**Deferred Payment**") will be retained and will be paid to the relevant VCP Participant when the Committee determines that Strategy Delivery is completed. The Deferred Payment remains subject to the employment contingences set out in Rule 11 (*Leavers*) until the date of such determination.

5.2 On or as soon as reasonably practicable after the end of the VCP Performance Period, the Final Vested Award Value for each outstanding VCP Award shall be calculated in accordance with Paragraph 4 (*Calculation of Total Pool and Vested Award Value*). For the purpose of such calculation, the Measurement Date will be the end of the VCP Performance Period or such other date determined by the Committee, acting fairly and reasonably.

5.3 Any payments to be made under Rule 5.1 shall be made to a VCP Participant (subject to any deductions required by Rule 5.4) at the time of the first practicable payroll date following:

- (a) in the case of an Interim Payment, the date of the Qualifying Distribution;
- (b) in the case of a payment under Paragraph 5.1(b), the end of the VCP Performance Period; and;
- (c) in the case of a Deferred Payment, the date the Committee determines that Strategy Delivery is completed.

**5.4** Where a Group Member is obliged to account for or could suffer a disadvantage if it did not account for any Tax Liability by virtue of the payment of any amount of Vested Award Value, the Group Member, or any other person on its behalf, may deduct and pay over an amount equal to the Tax Liability from such payment.

## **6. INTERIM PAYMENTS**

**6.1** If a Qualifying Distribution is proposed, the Committee may determine that an Interim Payment is made in relation to any outstanding VCP Awards, in accordance with this Paragraph 6.

**6.2** The value of an Interim Payment will be equal to 60% of the Interim Vested Award Value of a VCP Award calculated as at the date of the proposed Qualifying Distribution in accordance with Paragraph 4.3 (*Calculation of Vested Award Value*). The value of an Interim Payment will deduct any previous Interim Payments made in respect of the relevant VCP Award.

**6.3** The Interim Vested Award Value of a VCP Award shall be calculated in accordance with Paragraph 4.3 (*Calculation of Vested Award Value*), on the following basis:

- (i) the date of the Qualifying Distribution will be the Measurement Date; and
- (ii) the End SV will include the projected impact of the Qualifying Distribution, calculated on such reasonable basis as the Committee determines.

**6.4** Unless determined otherwise by the Committee, the VCP Performance Period will not end on a Qualifying Distribution, and any outstanding VCP Awards will be retained and can accrue further value and/or the remaining value may be paid out at the end of the VCP Performance Period.

## **7. CURTAILMENT OF VCP PERFORMANCE PERIOD**

Where, under Rule 11 (*Leavers*) or Rule 12 (*Takeovers and other corporate events*), a VCP Award becomes capable of Vesting before the end of the VCP Performance Period as a result of the Committee determining that an Early Vesting Date has occurred, the VCP Performance Period shall end on the Early Vesting Date and the Committee shall determine the Total Pool and Vested Award Value up to such date on such reasonable basis as it decides which may include by reference to the value implied by a transaction relating to the Company.

## **8. APPLICATION OF RULES**

**8.1** For the purposes of interpretation:

- (a) any references to a number of Shares in the Rules shall be deemed to refer to the potential cash amount attributable to a VCP Award; and
- (b) the calculation of the Total Pool and any Vested Award Value (as set out in Paragraph 4) is deemed to be a Performance Condition.

**8.2** Rule 11 (*Leavers*) shall generally apply to a VCP Award except that:

- (a) the Normal Vesting Date of a VCP Award will be the third anniversary of the Grant Date; and
  - (b) for the purpose of Rule 11.4 (*Leavers: reduction in number of Vested Shares*) any reference to a number of 'Vested Shares' shall be read as a reference to 'Vested Award Value'.
- 8.3** Rule 12 (*Takeovers and other corporate events*) shall generally apply to a VCP Award except that:
- (a) the date that the Committee determines that Strategy Delivery has been satisfactorily completed shall be deemed to be an Early Vesting Date in accordance with Rule 12.3 (*Demergers and similar events*).
  - (b) no time pro-rating shall apply under Rule 12.5(b) (*Corporate events: reduction in number of Vested Shares*).
- 8.4** Rule 13 (*Adjustment of Awards*) shall generally apply to a VCP Award except that any references to the number of Shares subject to an Award shall be read as referring to the potential cash amount attributable to a VCP Award.
- 8.5** Rule 14 (*Clawback*) shall generally apply to a VCP Award except that any references to the reduction or repayment of Shares subject to an Award shall be read as referring to reduction or repayment of a cash amount in relation to a VCP Award.
- 8.6** The following provisions of the Rules of the Plan shall not apply to VCP Awards granted under this Schedule 2:
- (a) Rules 3.2 (*Type of Award, Vesting Date, Holding Period and Dividend Equivalent*) and 3.4 (*Method of satisfying Awards*);
  - (b) Rule 4 (*Limits*);
  - (c) Rules 5.1 (*Timing of Vesting*) and 5.2 (*Extent of Vesting*);
  - (d) Rule 6 (*Consequences of Vesting*);
  - (e) Rule 7 (*Exercise of Options*);
  - (f) Rule 8 (*Holding Period*); and
  - (g) Rule 9 (*Cash Alternative*).