

**C L I F F O R D  
C H A N C E**

**CLIFFORD CHANCE LLP**

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THE BABCOCK EMPLOYEE SHARE PLAN -  
INTERNATIONAL

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Approved by shareholders of the Company on 30 July 2015

Adopted by the Board on 29 July 2015

Amended by shareholder resolution on 19 September 2024

## CONTENTS

Clause	Page
<b>PART 1 – GENERAL REQUIREMENTS .....</b>	<b>1</b>
1. Definitions.....	1
2. Eligibility Of Individuals .....	6
3. Invitations .....	7
4. Limits .....	7
5. Alterations.....	7
6. Miscellaneous.....	8
7. Regulatory And Tax Issues .....	10
8. Voting Rights And Directions.....	10
9. Money's Worth Received By The nominee .....	11
<b>PART 2 - FREE SHARES .....</b>	<b>12</b>
10. General.....	12
11. Maximum Annual Award .....	12
12. Performance Conditions .....	12
13. Vesting Period For Free Shares.....	12
<b>PART 3 - PARTNERSHIP SHARES .....</b>	<b>14</b>
14. General.....	14
15. Maximum Amount Of Contributions .....	14
16. Minimum Amount Of Contributions.....	14
17. Restriction Imposed On Number Of Shares Awarded .....	14
18. Payment Of Contributions To The nominee .....	15
19. Plan With No Accumulation Period.....	15
20. Plan With Accumulation Period.....	15
21. Scaling Down .....	16
22. Withdrawal From Partnership Share Agreement .....	16
23. Stopping, Varying And Restarting Contributions .....	16
24. Access To Partnership Shares .....	17
<b>PART 4 - MATCHING SHARES .....</b>	<b>18</b>
25. General.....	18
26. General Requirements For Matching Shares .....	18
27. Ratio Of Matching Shares To Partnership Shares.....	18
28. Vesting Period For Matching Shares.....	18
<b>PART 5 - DIVIDEND SHARES .....</b>	<b>20</b>
29. General.....	20

|

30.	Reinvestment Of Cash Dividends .....	20
31.	Access To Dividend Shares .....	20
32.	Dividend Equivalent For Free and Matching Shares.....	21
PART 6 - COMPANY RECONSTRUCTIONS, RIGHTS ISSUES AND VARIATION OF CAPITAL.....		22
33.	General.....	22
34.	Rights Issues.....	22
35.	Variation Of Capital .....	22

# THE BABCOCK EMPLOYEE SHARE PLAN - INTERNATIONAL

## PART 1

### GENERAL REQUIREMENTS

#### 1. DEFINITIONS

1.1 In this Plan, unless the context otherwise requires:

**"Accumulation Period"** means in relation to Partnership Shares, a period specified by the Board not exceeding twelve months during which the Nominee accumulates Partnership Share Money before acquiring Partnership Shares or repaying it to the employee;

**"Acquisition Date"** means:

- (a) in relation to Partnership Shares, where there is no Accumulation Period, the date set by the Nominee in relation to the Award, being a date not later than 30 days (or such other period as may be selected by the Board) after the last date on which the Partnership Share Money to be applied in relation to the Partnership Shares was contributed by a Participant;
- (b) in relation to Partnership Shares, where there is an Accumulation Period, the date set by the Nominee in relation to the Award, being a date not later than 30 days (or such other period as may be selected by the Board) after the end of the Accumulation Period which applies in relation to the Award; and
- (c) in relation to Dividend Shares, the date set by the Nominee, being a date not later than 30 days (or such other period as may be selected by the Board) after the date on which the cash dividend is received by them in respect of Plan Shares;

**"Associated Company"** has the same meaning as in paragraph 94 of the Schedule;

**"Award Date"** means the date on which a Free or Matching Share Award is granted;

**"Award"** means:

- (a) in relation to Free Shares or Matching Shares, the grant of a Free or Matching Share Award in relation to such Shares in accordance with the Plan; and
- (b) in relation to Partnership Shares or Dividend Shares, the acquisition of such Shares in accordance with the Plan;

**"Board"** means the board of directors of the Company or a committee appointed by them;

**"Company"** means Babcock International Group PLC (registered in England and Wales with registered number 2342138);

"**Company Reconstructions**" means any of the following transactions which affect Plan Shares:

- (a) an offer for any of the Participant's Plan Shares if the acceptance of or agreement to the offer will result in New Shares being acquired in respect of such Plan Shares;
- (b) a transaction affecting the Participant's Plan Shares, or such of them as are of a particular class, if the transaction would be entered into as a result of a compromise, arrangement or scheme applicable to or affecting:
  - (i) all the ordinary shares in the capital of the Company or, as the case may be, all the shares of the class in question; or
  - (ii) all the shares, or all the shares of the class in question, which are held by a class of shareholders identified otherwise than by reference to their employment or their participation in the Plan; or
- (c) an offer for the Participant's Plan Shares of cash, with or without assets or a Qualifying Corporate Bond (whether alone or with other assets or cash or both) if the offer forms part of a general offer that is made:
  - (i) to holders of shares of the same class as the Participant's Plan Shares or to holders of Shares; and
  - (ii) in the first instance on a condition such that if it is satisfied the person making the offer will have Control of the Company;

"**Connected Company**" has the same meaning as in paragraph 18(3) of the Schedule;

"**Control**" has the same meaning as in section 719 of ITEPA;

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

"**Dividend Shares**" means Shares, including fractions of Shares, acquired on behalf of a Participant from reinvestment of dividends under Part 5 of the Plan and which are subject to the Plan and which are:

- (a) of the same class and carry the same rights as the Plan Shares in respect of which the cash dividend is received; and
- (b) not subject to forfeiture

and where the context so requires includes any New Shares held by the Nominee on behalf of the Participant pursuant to the Plan;

"**Free Share Award**" means a conditional right to receive Free Shares granted under Part 2 of the Plan;

"**Free Shares**" means Shares, including fractions of Shares, in respect of which a Free Share Award has been granted and which are subject to the Plan;

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

"**Holding Period**" means a period set by the Board during which a Participant cannot sell or transfer their Dividend Shares;

"**Initial Market Value**" means the Market Value of a Share on an Award Date;

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

"**London Stock Exchange**" means London Stock Exchange plc;

"**Market Value**" means on any day:

- (a) where all Shares to which an Award relates are quoted on the Daily Official List of the London Stock Exchange and were purchased by the Nominee over five or fewer consecutive Dealing Days ending on the day in question, the price at which such Shares were purchased and, where Shares were purchased at different times and at different prices, the average of the prices paid by the Nominee in the purchase of those Shares; or
- (b) if paragraph (a) above does not apply and the Shares are quoted on the Daily Official List of the London Stock Exchange, the average of the middle market quotations of a Share as derived from that list on the three preceding Dealing Days or such other Dealing Day or Days determined by the Board; or
- (c) if the Shares have not been admitted to the Daily Official List of the London Stock Exchange, the market value of a Share determined in accordance with the provisions of Part VIII of the Taxation of Chargeable Gains Act 1992;

"**Matching Share Award**" means a conditional right to receive Matching Shares granted under Part 4 of the Plan;

"**Matching Shares**" means Shares, including fractions of Shares, in respect of which a Matching Share Award has been granted and which are subject to the Plan;

"**New Shares**" means:

- (a) shares or other securities acquired in respect of Plan Shares where such shares or securities are equated with Plan Shares for the purposes of UK capital gains tax; or
- (b) shares or other securities that would fall within paragraph (a) above but for the fact they consist of or include a Qualifying Corporate Bond;

"**Nominee**" means, as the context requires, the persons holding Plan Shares or acting as Plan administrator, as selected by the Board from time to time;

"**Participant**" means an individual who has received an Award;

"**Participating Company**" means the Company and those of its Subsidiaries which participate in the Plan and which are bound by the provisions of the Plan;

"**Participating Territory**" means a jurisdiction in which the Board has determined that invitations to participate in the Plan will be issued under Rule 3;

"**Partnership Shares**" means Shares, including fractions of Shares, acquired under Part 3 of the Plan and which are subject to the Plan;

"**Partnership Share Agreement**" means an agreement relating to Partnership Shares entered into between a Qualifying Employee, the Nominee and the Company (in a form as determined by the Board from time to time) under which the Qualifying Employee authorises the Company to deduct (or procure that his employing Participating Company deducts) part of his Salary for the acquisition of Partnership Shares and either:

- (a) the Company agrees to give effect to the agreement by making (or procuring that the relevant employing Participant Company makes) deductions from such Qualifying Employee's Salary of such amount and at such intervals as may be agreed from time to time (subject to the limits in Rule 4) and undertakes to arrange for the acquisition of Partnership Shares by the Nominee on behalf of such Qualifying Employee in accordance with the Plan using the amounts so deducted; or
- (b) the Qualifying Employee otherwise agrees to make payments for the acquisition of Partnership Shares (subject to the limits in Rule 4) on terms approved by the Company

(all such deductions or payments being referred to as "contributions" (or related expressions) in these Rules);

"**Partnership Share Money**" means amounts contributed by a Qualifying Employee pursuant to a Partnership Share Agreement;

"**Performance Conditions**" means the criteria for the grant of a Free Share Award where:

- (a) whether the Free Share Award is granted; or
- (b) the number or value of Free Shares under a Free Share Award

is conditional on performance targets being met;

"**Plan**" means the Babcock Employee Share Plan - International, as amended from time to time;

"**Plan Shares**" means Free Shares, Matching Shares, Partnership Shares, Dividend Shares and New Shares (but in the case of Free or Matching Shares, only on or after the date of Vesting of the related Free or Matching Share Award);

"**Qualifying Company**" means a company that:

- (a) is a Participating Company at the end of the Qualifying Period; or
- (b) when the individual was employed by it was a Participating Company; or

- (c) when the individual was employed by it was an Associated Company of a company qualifying under paragraph (a) or (b) or another company qualifying under paragraph 17 of the Schedule;

**"Qualifying Corporate Bond"** has the same meaning as in section 117 of the Taxation of Chargeable Gains Act 1992;

**"Qualifying Employee"** means an employee who may be invited to participate in the Plan in accordance with Rule 3;

**"Qualifying Period"** means:

- (a) in the case of Free Shares, a period of 18 months ending with the date on which the Free Share Award is granted or such shorter period as the Board may determine in relation to the Award;
- (b) in the case of Partnership Shares and Matching Shares where there is an Accumulation Period, a period of 6 months ending with the start of the Accumulation Period or such shorter period as the Board may determine in relation to the Award; and
- (c) in the case of Partnership Shares and Matching Shares where there is no Accumulation Period, a period of 18 months ending with the contribution of Partnership Share Money relating to the Award or such shorter period as the Board may determine in relation to the Award;

**"Redundancy"** has the same meaning as in the Employment Rights Act 1996 or such local process as the Board determines in its absolute discretion is equivalent;

**"Relevant Employment"** means employment by the Company or an Associated Company of the Company;

**"Salary"** means:

- (a) the pre-tax cash earnings of the Participant's employment for the purposes of the 10 per cent limit specified in Rule 4; or
- (b) in all other cases, the post-tax cash earnings of the Participant's employment, with, in each case, the reference to employment being to the employment by reference to which the Participant is eligible to participate in the Plan;

**"Schedule"** means Schedule 2 to ITEPA;

**"Shares"** means ordinary shares in the capital of the Company or, where the context permits, New Shares;

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

**"Tax Liability"** means any amount of tax or social security contributions for which any Participant would or may be liable and for which any member of the Group would or

may be obliged to (or would or may suffer a disadvantage if it were not to) account to any relevant authority;

"**UK SIP**" means the Babcock Employee Share Plan (governed by the rules of the Babcock Approved Employee Share Ownership Plan);

"**Vesting**" means in relation to Free or Matching Share Awards, a Participant becoming entitled to have a whole number of Free or Matching Shares transferred to him, subject to the rules of the Plan, together with a cash sum in respect of any fractional Shares;

"**Vesting Period**" means in relation to Free or Matching Share Awards, a period determined not later than the Award Date, after which a Participant shall be entitled to have a whole number of Free or Matching Shares transferred to him subject to the rules of the Plan, together with a cash sum in respect of any fractional Shares;

and expressions not otherwise defined in the Plan have the same meanings as they have in the Schedule.

- 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.
- 1.3 Words of the feminine gender shall include the masculine and vice versa and words in the singular shall include the plural and vice versa unless, in either case, the context otherwise requires or it is otherwise stated.
- 1.4 Expressions in italics are for guidance only and do not form part of the Plan.

## 2. **ELIGIBILITY OF INDIVIDUALS**

2.1 Individuals may participate in an Award only if:

- 2.1.1 they are employees of a Participating Company in a Participating Territory;
- 2.1.2 they have been employees of a Qualifying Company at all times during any Qualifying Period;
- 2.1.3 they are eligible on the relevant date(s) as set out in Rule 2.3; and
- 2.1.4 they are not at the same time eligible to participate in an award of shares under the UK SIP or other similar share incentive plan established by the Company or a Connected Company which meets the requirements of the Schedule, or would be eligible to participate in such a plan but for their failure to meet the relevant performance conditions.

2.2 If an individual participates in the Plan in a calendar year in which he has already participated in an award of Shares under the UK SIP or another plan established by the Company or a Connected Company and approved under the Schedule, then Rule 11 (*maximum annual award of free shares*) and Rule 15 (*maximum amount of partnership share money contributions*) shall apply as if the Plan and the other plan or plans were a single plan.

2.3 The relevant dates mentioned in Rule 2.1.3 are:

- 2.3.1 in the case of Free Shares, the date on which the Free Share Award is granted;
- 2.3.2 in the case of an Award of Partnership Shares or a grant of a Matching Share Award in respect of such Partnership Shares where there is no Accumulation Period, the date on which the Partnership Share Money relating to the Award of Partnership Shares is contributed; and
- 2.3.3 in the case of an Award of Partnership Shares or a grant of a Matching Share Award in respect of such Partnership Shares where there is an Accumulation Period, the date on which the Partnership Share Money relating to the Award is first contributed.

### 3. **INVITATIONS**

Subject to Rule 6.5, an individual shall be invited to participate in the Plan if he meets the requirements in Rule 2.1 and is selected by the Board to participate.

### 4. **LIMITS**

- 4.1 An Award shall not be made in any calendar year if, at the time of its proposed Award Date (in the case of Free Shares Awards or Matching Share Awards) or proposed Acquisition Date (in the case of Partnership Shares) it would cause the number of Shares allocated in the period of 10 calendar years ending with that calendar year under the Plan or 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 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.
- 4.3 Treasury Shares shall cease to count as "allocated" for the purposes of Rule 4.1 if institutional investor guidelines cease to require such Shares to be so counted.
- 4.4 Any Award shall be limited and take effect so that the limits in this Rule 4 are not exceeded.

### 5. **ALTERATIONS**

- 5.1 The Board may at any time alter the Plan in any respect.
- 5.2 Subject to Rule 5.3, no alteration to the advantage of the persons who participate or may participate in the Plan shall be made under Rule 5.1 to the provisions concerning eligibility, the individual limits on participation, the overall limits on the issue of Shares under the Plan, the basis for determining how many Shares employees receive and the adjustments that may be made following a rights issue or any other variation of capital without the prior approval by ordinary resolution of the members of the Company in general meeting.
- 5.3 Rule 5.2 shall not apply to 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, the Company, the Nominee or any Subsidiary.

## 6. MISCELLANEOUS

### 6.1 Employment

The rights and obligations of any individual under the terms of his employment with a Qualifying Company 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 shall waive any and all rights to compensation or damages in consequence of the termination of his employment for any reason whatsoever (and regardless of whether such termination is lawful or unlawful) insofar as those rights arise or may arise from his ceasing to have rights under the Plan 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 making of an Award does not imply that any further Awards will be made or that any individual has a right to receive an Award.

### 6.2 Remuneration

Except where required by law, no money or money's worth received by any individual under the Plan shall form part of his remuneration for any purpose whatsoever.

### 6.3 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 related to the Plan, the decision of the Board shall be final and binding upon all persons.

### 6.4 Notices

Any notice or other communication under or in connection with the Plan may be given in such manner as the Board consider to be appropriate which may include communication by email or intranet or by personal delivery or by sending the same by post, in the case of a company to its registered office, and in the case of an individual to his last known address, or, where he is an employee of the Qualifying Company, 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 employment. Where any such notice or other communication is given by a Qualifying Employee or Participant to the Company or the Nominee, it shall be effective only on receipt by the Company or, as the case may be, the Nominee.

### 6.5 Operation of the Plan

The Board shall determine when (if at all) Awards shall be made, the type of Awards that shall be made at that time and, subject to the Rules, the terms of those Awards, and nothing in these Rules shall be interpreted as conferring any obligation on the Company to make Awards on a regular basis or replicate the terms of Awards previously made under the Plan.

### 6.6 Share Rights

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

- 6.6.2 Where the Shares to be the subject of Awards of a particular type (that is to say Free Shares, Partnership Shares or Matching Shares) on any day do not all carry the same rights, the Nominee shall, to the extent reasonably possible, ensure that the number of Shares carrying any particular rights which are awarded to any individual on that day bears to the total number of Shares awarded to him on that day the same proportion as the total number of Shares carrying those rights which are awarded on that day bears to the total number of Shares awarded on that day.

## 6.7 **Errors and Omissions**

If in consequence of an error or omission it is ascertained following an Award Date or Acquisition Date that:

- 6.7.1 a Qualifying Employee has not been given the opportunity to participate in the Plan in respect of any type of Award to which he should have been entitled under the Plan; or
- 6.7.2 the number of Shares expressed to be awarded to any Qualifying Employee on any occasion is found to be incorrect

any Award expressed to have been made in respect of more than the correct number of Shares shall be void as to the excess, and any Award expressed to have been made in respect of fewer than the correct number of Shares shall relate to the correct number of Shares if the Nominee holds unallocated Shares that could otherwise have been used to make that Award and the Company and the Nominee may do all reasonable acts and things to rectify such error or omission notwithstanding that such actions may not otherwise be in accordance with the Rules.

## 6.8 **Third Parties**

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

## 6.9 **Data Protection**

Each individual invited to participate in the Plan acknowledges that there will be collection, processing and transfer of his personal data for any purpose relating to the operation of the Plan. This includes:

- 6.9.1 providing personal data to the Company and any Associated Company and any third party such as trustees of any employee benefit trust, the Nominee, administrators of the Plan, registrars, brokers and any of their respective agents;
- 6.9.2 processing of personal data by the Company or by any such Associated Company or third party (including but not limited to, the Nominee);
- 6.9.3 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

6.9.4 providing personal data to potential purchasers of the Company, the individual's employer or the business in which the individual works.

#### 6.10 Exchange rate

For the purposes of a Participant's compliance with the limits in the Plan, the Board shall from time to time set an exchange rate between the relevant local currency and sterling and shall stipulate the period during which such exchange rate shall apply.

#### 6.11 New Shares

The authority of the Board to issue Shares for the purposes of the Plan expires on ~~29 July 2025~~ 19 September 2034.

#### 6.12 Governing Law

The Plan, all Plan Shares 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 shall have exclusive jurisdiction in any dispute.

### 7. REGULATORY AND TAX ISSUES

7.1 Any event relating to Shares shall not occur unless and until the following conditions are satisfied:

7.1.1 the event 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 regulation or enactment;

7.1.2 if a Tax Liability would arise by virtue of such event, the Participant must have entered into such arrangements acceptable to the Board that the relevant member of the Group will receive the amount of such Tax Liability;

7.1.3 the Participant has entered into such arrangements as the Board requires (and where permitted in the relevant jurisdiction) to satisfy the liability of a member of the Group to pay tax and/or social security contributions in respect of the event;

7.1.4 where the Board 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.

For the purposes of this Rule, references to a member of the Group include any former member of the Group.

### 8. VOTING RIGHTS AND DIRECTIONS

8.1 A Participant may direct the Nominee to exercise the voting rights in respect of his Plan Shares on a poll at any meeting. The Nominee must act in accordance with any directions given by the Participant in respect of his Plan Shares at least three working

days before the date of the meeting and in the absence of any direction or on a show of hands the Nominee shall not vote in respect of those Plan Shares.

8.2 Notwithstanding clause 8.1 above, the Nominee shall not be under any obligation to demand or join in demanding a poll.

8.3 The Nominee may not vote in respect of Shares (if any) which have not been Awarded pursuant to the Plan.

9. **MONEY'S WORTH RECEIVED BY THE NOMINEE**

The Nominee shall pay over to the Participant, as soon as is reasonably practicable, any money or money's worth received by it in respect of or by reference to any Plan Shares of such Participant other than where such money's worth takes the form of New Shares.

## **PART 2**

### **FREE SHARES**

#### **10. GENERAL**

- 10.1 The Board may from time to time grant Free Share Awards.
- 10.2 The number of Free Share Awards to be granted to each Qualifying Employee on an Award Date shall be determined by the Board in accordance with this Part 2.

#### **11. MAXIMUM ANNUAL AWARD**

The Initial Market Value of the Free Shares awarded to a Qualifying Employee in any calendar year shall not exceed £3,600 (or such other limit as may be permitted from time to time for the purposes of the UK SIP) or the nearest local currency equivalent.

#### **12. PERFORMANCE CONDITIONS**

- 12.1 The Board may stipulate that the number of Free Shares under any Free Share Award to be granted to a Qualifying Employee on a given Award Date shall be determined by reference to Performance Conditions set by the Board.
- 12.2 Where the Board decides to use Performance Conditions, it shall as soon as reasonably practicable notify each employee participating in the Free Share Award of those Performance Conditions.

#### **13. VESTING PERIOD FOR FREE SHARES**

- 13.1 The Board shall, in relation to each Free Share Award, specify a Vesting Period.
- 13.2 The Vesting Period shall, in relation to each Free Share Award, be a specified period of not less than three years nor more than five years (or such other periods determined by the Board from time to time) beginning with the Award Date.
- 13.3 If, during the Vesting Period, a Company Reconstruction occurs in relation to Plan Shares or notices to acquire compulsorily any Plan Shares are issued under Sections 979 to 985 of the UK Companies Act 2006, then the Company shall determine the treatment of any Free Share Awards that have not yet Vested.
- 13.4 If the Participant ceases to be in Relevant Employment at any time during the Vesting Period:
- 13.4.1 because of injury, ill-health or disability;
  - 13.4.2 on being dismissed by reason of Redundancy;
  - 13.4.3 by reason of the transfer to which the Transfer of Undertaking (Protection of Employment) Regulations 2006 apply or such local process as the Board determines in its absolute discretion is equivalent;

13.4.4 by reason of a change in control or other circumstances ending the Associated Company status of the company by which he is employed;

13.4.5 by reason of retirement; or

13.4.6 on his death,

all of the Free Shares Awards will immediately Vest and the Free Shares will be transferred to the Participant (or his personal representatives in the case of death), together with a cash sum in respect of any fractional Free Shares which Vest subject (if required) to deductions in respect of any Tax Liability, as soon as reasonably practicable thereafter.

13.5 If a Participant ceases to be in Relevant Employment for any other reason than those specified in Rule 13.4, then any Free Share Award held by him shall, to the extent not Vested, immediately lapse on such cessation.

13.6 If an order is made for the winding up of the Company, then any Free Share Award that has not yet Vested at that time shall thereupon automatically Vest and the Free Shares will be transferred to the Participant as soon as reasonably practicable thereafter.

13.7 On or as soon as reasonably practicable after the Vesting of a Free Share Award, the Board shall transfer or procure the transfer of the Free Shares in question to the Participant (or to his nominee), together with a cash sum in respect of any fractional Free Shares which Vest, subject (if required) to deductions in respect of any Tax Liability.

13.8 To the extent that Free Shares are sold to satisfy any Tax Liability arising on the Vesting of the Free Share Award and surplus sale proceeds remain that are less than the Market Value of one Share on the date of sale, the Company has discretion to decide whether such surplus sale proceeds shall be paid to the relevant Participant or to a charity chosen by the Company.

## **PART 3**

### **PARTNERSHIP SHARES**

#### **14. GENERAL**

- 14.1 The Board may at any time invite every Qualifying Employee to enter into a Partnership Share Agreement.
- 14.2 Partnership Shares shall not be subject to any provision under which they may be forfeited.

#### **15. MAXIMUM AMOUNT OF CONTRIBUTIONS**

- 15.1 The amount of Partnership Share Money which may be contributed by a Participant shall not exceed £1,800 in any calendar year (or such other maximum amount as may be permitted from time to time for the purposes of the UK SIP) or the nearest local currency equivalent.
- 15.2 Subject to Rule 15.3, the amount of Partnership Share Money which may be contributed by a Participant in a calendar year shall not exceed 10% of his Salary for that calendar year (or such other maximum amount as may be permitted from time to time for the purposes of the UK SIP).
- 15.3 The Board may either determine a lower percentage than that specified in Rule 15.2 or, in relation to every Qualifying Employee, specify that a particular part of the Qualifying Employee's earnings should be disregarded in calculating the Salary to which such limit shall apply.
- 15.4 The Partnership Share Money shall be deducted from a Participant's Salary each month/week as appropriate. Each deduction shall not exceed the lesser of (i) £150 (or such other amount as may be permitted from time to time for the purposes of the UK SIP) or the nearest local currency equivalent per month or, if the Salary is not paid at monthly intervals, pro rata amount to that monthly amount for the pay interval in question and (ii) such other sum as the Directors may specify.
- 15.5 Any amount contributed in excess of that allowed by Rules 15.1 or 15.2 shall be paid over to the relevant Participant, subject (if required) to deductions in respect of any Tax Liability.

#### **16. MINIMUM AMOUNT OF CONTRIBUTIONS**

The minimum amount to be deducted under the Partnership Share Agreement on any occasion shall not be greater than £10 (or such other minimum amount as may be permitted for the purposes of the UK SIP) or the nearest local currency equivalent.

#### **17. RESTRICTION IMPOSED ON NUMBER OF SHARES AWARDED**

- 17.1 Subject to Rules 15.1 or 15.2, the Board may specify the maximum number of Shares to be included in, or the maximum amount of individual contributions relating to, an Award of Partnership Shares.

17.2 The Partnership Share Agreement shall contain an undertaking by the Company to notify each Qualifying Employee of any restriction on the number of Shares or the maximum amount of individual contributions to be included in an Award before the contribution of Partnership Share Money in respect of that Award.

17.3 The notification in Rule 17.2 shall be given:

17.3.1 if there is no Accumulation Period, before the contribution of Partnership Share Money relating to the Award; and

17.3.2 if there is an Accumulation Period, before the beginning of the Accumulation Period relating to the Award.

## 18. **PAYMENT OF CONTRIBUTIONS TO THE NOMINEE**

The Participating Companies shall, as soon as practicable after contributions are made and subject to any local law restriction, transfer the Partnership Share Money to the Nominee.

## 19. **PLAN WITH NO ACCUMULATION PERIOD**

If there is no Accumulation Period, the Nominee shall apply Partnership Share Money to acquire Shares on behalf of the Qualifying Employee on the Acquisition Date. The number of Shares Awarded to each Qualifying Employee shall be determined in accordance with the Market Value of the Shares on that date. As soon as reasonably practicable after any Partnership Shares have been acquired by the Nominee on behalf of a Participant, the Nominee shall notify the Participant (in such form as may be determined by the Board from time to time) of the acquisition, specifying the number and description of those Shares, the amount of Partnership Money applied by the Nominee in their acquisition and their Market Value.

## 20. **PLAN WITH ACCUMULATION PERIOD**

20.1 If there is an Accumulation Period, the Nominee shall apply the Partnership Share Money to acquire Shares on behalf of the Qualifying Employees on the Acquisition Date. As soon as reasonably practicable after any Partnership Shares have been acquired by the Nominee on behalf of a Participant, the Nominee shall notify the Participant (in such form as may be determined by the Board from time to time) of the acquisition, specifying the number and description of those Shares, the amount of Partnership Money applied by the Nominee in their acquisition and their Market Value.

20.2 The number of Shares acquired on behalf of each Qualifying Employee shall be determined by reference to:

20.2.1 the Market Value of the Shares at the beginning of the Accumulation Period; or

20.2.2 the Market Value of the Shares on the Acquisition Date; or

20.2.3 the lower of the two Market Values referred to in Rules 20.2.1 and 20.2.2 above.

20.3 If a transaction occurs during an Accumulation Period which results in New Shares being equated with Shares to be acquired under the Partnership Share Agreement, the

Participant may agree that the Partnership Share Agreement shall have effect after the time of that transaction as if it were an agreement for the acquisition of New Shares.

## 21. SCALING DOWN

If the Company receives applications for Partnership Shares exceeding the Award maximum determined in accordance with Rule 17.1, then the following steps shall be taken in sequence until the excess is eliminated:

Step 1. the excess of the contribution chosen by each applicant over the amount specified in accordance with Rule 17.1 shall be reduced pro rata;

Step 2. all contributions shall be reduced to the amount specified in accordance with Rule 17.1;

Step 3. no Awards shall be made for that period.

Each application shall be deemed to have been modified or withdrawn in accordance with the foregoing provisions and each employee who has applied for Partnership Shares shall be notified of the change.

## 22. WITHDRAWAL FROM PARTNERSHIP SHARE AGREEMENT

A Qualifying Employee may withdraw from a Partnership Share Agreement at any time by notice in writing to the Company. Unless a later date is specified in the notice, such notice shall take effect 30 days after the Company receives it. Any Partnership Share Money then held on behalf of a Qualifying Employee shall be paid over to that Qualifying Employee as soon as reasonably practicable, subject (if required) to deductions in respect of any Tax Liability.

## 23. STOPPING, VARYING AND RESTARTING CONTRIBUTIONS

23.1 A Participant may at any time give notice to the Company to stop contributions under the Partnership Share Agreement. A Participant may vary his contributions under the Partnership Share Agreement with the agreement of the Company. Unless a later date is specified in the notice, the Company will ensure within 30 days of receiving the notice that either no such contributions are made or that such variation of contributions shall take effect.

23.2 A Participant who has stopped contributions may subsequently give notice in writing to the Company to restart contributions under the Partnership Share Agreement but the employee may not make up any contributions that have been missed. A Participant may not restart contributions more than such number of times in any Accumulation Period as the Board shall determine before the beginning of that period. On receipt of a restart notice the Company will ensure that contributions are restarted under the Partnership Share Agreement not later than the date of the first contribution due under the Partnership Share Agreement more than 30 days after receipt of the notice to restart contributions.

24. **ACCESS TO PARTNERSHIP SHARES**

When Partnership Shares have been awarded to a Participant, the Participant may at any time request the transfer of any or all of his Partnership Shares from the Nominee, together with a cash sum in respect of the value of any fractional Partnership Shares, subject (if required) to deductions in respect of any Tax Liability.

## **PART 4**

### **MATCHING SHARES**

#### **25. GENERAL**

- 25.1 The Partnership Share Agreement sets out the basis on which a Participant is entitled to be granted a Matching Share Award in accordance with this Part 4 of the Plan.
- 25.2 Unless the Board determines otherwise, Matching Share Awards shall be granted at the same time (so far as reasonably possible) as the Partnership Shares to which they relate are awarded.

#### **26. GENERAL REQUIREMENTS FOR MATCHING SHARES**

Matching Shares under a Matching Share Award shall be Shares of the same class and carrying the same rights as the Partnership Shares to which they relate.

#### **27. RATIO OF MATCHING SHARES TO PARTNERSHIP SHARES**

The Partnership Share Agreement shall specify the ratio of Matching Shares to Partnership Shares for the time being offered by the Company and that ratio shall not exceed 2:1 (or such other ratio as may for the time being be permitted for the purposes of the UK SIP). The Board may vary the ratio before Partnership Shares are acquired. Employees shall be notified of the terms of any such variation before the relevant Partnership Shares are awarded under the Partnership Share Agreement.

#### **28. VESTING PERIOD FOR MATCHING SHARES**

- 28.1 The Board shall, in relation to each Matching Share Award, specify a Vesting period.
- 28.2 The Vesting Period shall, in relation to each Matching Share Award, be a specified period of not less than three years nor more than five years (or such other periods determined by the Board from time to time) beginning with the Award Date.
- 28.3 If, during the Vesting Period, a Company Reconstruction occurs in relation to Plan Shares or notices to acquire compulsorily any Plan Shares are issued under Sections 979 to 985 of the UK Companies Act 2006, then the Company shall determine the treatment of any of Matching Share Awards that have not yet Vested.
- 28.4 If the Participant ceases to be in Relevant Employment at any time during the Vesting Period:
- 28.4.1 because of injury, ill-health or disability;
  - 28.4.2 on being dismissed by reason of Redundancy;
  - 28.4.3 by reason of the transfer to which the Transfer of Undertaking (Protection of Employment) Regulations 2006 apply or such local process as the Board determines in its absolute discretion is equivalent;

28.4.4 by reason of a change in control or other circumstances ending the Associated Company status of the company by which he is employed;

28.4.5 by reason of retirement; or

28.4.6 on his death,

all of the Matching Shares Awards will immediately Vest and Vested Matching Shares will be transferred to the Participant (or his personal representatives in the case of death), together with a cash sum in respect of any fractional Matching Shares that Vest, subject (if required) to deductions in respect of any Tax Liability, as soon as reasonably practicable thereafter.

28.5 If a Participant withdraws from the Plan the Partnership Shares in respect of which the Matching Shares were awarded (other than following, and by reason of, an event referred to in Rule 28.3), then any related Matching Share Award held by him shall, to the extent not Vested, immediately lapse on such withdrawal.

28.6 If a Participant ceases to be in Relevant Employment for any other reason than those specified in Rule 28.4, then any Matching Share Award held by him shall, to the extent not Vested, immediately lapse on such cessation.

28.7 If an order is made for the winding up of the Company, then any Matching Shares that have not yet Vested at that time shall thereupon automatically Vest and Vested Matching Shares will be transferred to the Participant as soon as reasonably practicable thereafter.

28.8 On or as soon as reasonably practicable after the Vesting of a Matching Share Award, the Board shall transfer or procure the transfer of the Matching Shares in question to the Participant (or to his nominee), together with a cash sum in respect of the value of any fractional Matching Shares that Vest, subject (if required) to deductions in respect of any Tax Liability.

28.9 To the extent that Matching Shares are sold to satisfy any Tax Liability arising on the Vesting of the Matching Share Award and surplus sale proceeds remain that are less than the Market Value of one Share on the date of sale, the Company has discretion to decide whether such surplus sale proceeds shall be paid to the relevant Participant or to a charity chosen by the Company.

## PART 5

### DIVIDEND SHARES

#### 29. GENERAL

The Partnership Share Agreement shall set out the rights and obligations of Participants receiving Dividend Shares under the Plan.

#### 30. REINVESTMENT OF CASH DIVIDENDS

30.1 The Board may direct that any cash dividend in respect of Plan Shares held on behalf of Participants may be applied in acquiring Dividend Shares on their behalf.

30.2 Dividend Shares shall be Shares:

30.2.1 of the same class and carrying the same rights as the Shares in respect of which the dividend is paid; and

30.2.2 which are not subject to any provision for forfeiture.

30.3 The Board may decide to:

30.3.1 apply all Participants' dividends, up to any limit set by the Board, to acquire Dividend Shares;

30.3.2 pay all dividends in cash to all Participants; or

30.3.3 offer Participants a choice between 30.3.1 or 30.3.2.

30.4 The Board may revoke any direction for reinvestment of cash dividends.

30.5 If the Board decides to apply Rule 30.1, the Nominee shall apply all the cash dividend to acquire Dividend Shares on behalf of the Participant on the Acquisition Date. The number of Dividend Shares acquired on behalf of each Participant shall be determined by the Market Value of the Dividend Shares on the Acquisition Date. As soon as reasonably practicable after any Dividend Shares have been acquired on behalf of a Participant, the Nominee shall give the Participant a notice stating the number and description of those Dividend Shares and their Market Value on the Acquisition Date.

#### 31. ACCESS TO DIVIDEND SHARES

31.1 When Dividend Shares have been acquired on behalf of a Participant, the Dividend Shares will be subject to a Holding Period unless the Company decides otherwise.

31.2 The Company must notify Participant of the Holding Period when they enter the Partnership Share Agreement.

31.3 After any Holding Period, the Participant may request the transfer of any or all of his Dividend Shares from the Nominee, together with a cash sum in respect of the value of any fractional Dividend Shares, subject (if required) to deductions in respect of any Tax Liability.

32. **DIVIDEND EQUIVALENT FOR FREE AND MATCHING SHARES**

The Board may determine that, in respect of any Free and/or Matching Share Award, a Participant may either:

- 32.1.1 be entitled to receive a benefit on the Vesting of such an Award equivalent to the value of all or any of the dividends (excluding special dividends, unless the Board determines otherwise) that would have been paid on the Shares under Award from the Award Date to Vesting and on the basis that such benefit may (i) be provided in cash or Shares and (ii) include or exclude any dividend tax credits (in each case, at the Board's discretion); or
- 32.1.2 not be entitled to receive any benefit related to such dividends.

## **PART 6**

### **COMPANY RECONSTRUCTIONS, RIGHTS ISSUES AND VARIATION OF CAPITAL**

#### **33. GENERAL**

- 33.1 The following provisions of this Rule 33 apply if there occurs in relation to any of a Participant's Plan Shares a Company Reconstruction.
- 33.2 References in the Plan to a Participant's Plan Shares shall be respectively construed, after the time of the Company Reconstruction, as being or, as the case may be, as including references to any New Shares.
- 33.3 If there is a Company Reconstruction affecting Plan Shares (or notices to acquire compulsorily any Plan Shares are issued under section 979 to 985 of the UK Companies Act 2006), the Participants shall be notified of such event by the Nominee and any Participant may direct how the Nominee shall act in relation to that Participant's Plan Shares. In the absence of any direction, the Nominee shall take no action.

#### **34. RIGHTS ISSUES**

- 34.1 If there is a rights issue affecting Plan Shares, the Participants shall be notified of such event by the Nominee and any Participant may direct how the Nominee shall act in relation to that Participant's Plan Shares. In the absence of any direction the Nominee shall dispose of some of the rights under a rights issue arising from those Plan Shares to obtain enough funds to exercise the remaining rights.
- 34.2 The rights referred to are the rights to buy additional shares or rights in the same company.
- 34.3 Any shares or securities allotted in accordance with this Rule 34 shall be treated as Plan Shares identical to the shares in respect of which the rights were conferred. They shall be treated as if they were awarded to or acquired on behalf of the Participant under the Plan in the same way and at the same time as those shares.
- 34.4 Rule 34.3 does not apply:
- 34.4.1 to shares and securities allotted as the result of taking up a rights issue where the funds to exercise those rights were obtained otherwise than by virtue of the Nominee disposing of rights in accordance with this rule; or
- 34.4.2 where the rights to a share issue attributed to Plan Shares are different from the rights attributed to other ordinary shares of the company.

#### **35. VARIATION OF CAPITAL**

In the event of any variation of the share capital of the Company or a demerger, special dividend or other similar event which affects the market price of Shares to a material extent, the Board may make such adjustments as it considers appropriate to the number of Shares comprised in an Award or, where any Award has Vested but no Shares have

been transferred or allotted after such Vesting, the number of Shares which may be so transferred or allotted.