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**RULES OF THE  
MITCHELLS & BUTLERS PLC  
PERFORMANCE SHARE PLAN**

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**Approved by shareholders  
at the annual general meeting of the Company  
held on [ ]**

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## RULES OF THE MITCHELLS & BUTLERS PLC GROUP PERFORMANCE SHARE PLAN

### 1. DEFINITIONS

1.1 In this Plan, unless the context otherwise requires, the following words and expressions shall have the following meanings, namely:

***Adoption Date*** means [ ];

***Award*** means an award (or where the context permits, part of an award) granted under rule 2.1 in the form of an Option, a Conditional Award or a Phantom Award as the Committee may determine, which is for the time being subsisting;

***Award Certificate*** means the certificate, or any other document issued in respect of the grant of an Award under rule 2.2;

***Capital Reorganisation*** means any capitalisation issue, rights issue, sub-division, consolidation or reduction of capital or any other variation of the share capital of the Company;

***Committee*** means the remuneration committee of the Company or some other duly authorised committee of the board of directors of the Company;

***the Company*** means Mitchells & Butlers plc registered in England with registered number 04551498;

***Control*** shall have the meaning given to that word by section 995 of the Income Tax Act 2007;

***Conditional Award*** means an Award which takes the form of a contingent right to acquire or receive Shares at no or nominal cost;

***Date of Grant*** means the date on which the Committee grants an Award;

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

***Dealing Restrictions*** means any restrictions on, or requirement for approvals for dealing in Shares whether under applicable law, under the Company's share dealing rules, the provisions of the Listing Rules, the Market Abuse Regulation or the City Code on Takeovers and Mergers or any of their equivalents in any applicable jurisdiction;

***Directors' Remuneration Policy*** means the directors' remuneration policy most recently approved by the Company's shareholders in accordance with section 439 of the Companies Act 2006;

***Dividend Equivalent*** means an entitlement to Shares which reflect the value of dividends paid on the Vested Shares under an Award between the Date of Grant and the Vesting Date of the Award;

***Eligible Employee*** means any employee of any member of the Group, including the executive directors of the Company;

***Employees' Share Scheme*** has the meaning given by section 1166 of the Companies Act 2006;

***Employer*** means the Company or any Subsidiary that, with the consent of the Company, participates under this Plan;

**Final Value** means, in the case of Vested Shares, their aggregate market value calculated by reference to the closing middle-market quotation of a Share (as derived from the Daily Official List of the London Stock Exchange) on the relevant Vesting Date;

**Financial Year** means an accounting reference period of the Company as determined in accordance with section 391 of the Companies Act 2006;

**Grant Period** means the period of 42 days commencing on:

- (a) the Adoption Date;
- (b) the day immediately following the day on which the Company makes an announcement of its results for the last preceding financial year, half year or other period; or
- (c) any day on which the Committee resolves that circumstances exist which justify the grant of Awards outside the periods (a) and (b) above;

**the Group** means the Company and its Subsidiaries from time to time and the expressions **member of the Group** and **Group Company** shall be construed accordingly;

**Holding Period** means in relation to an Award a period of two years starting on the date on which the Award Vests, or such other period as the Committee may, in its absolute discretion, determine at the Date of Grant;

**Listing Rules** means the UK Listing Rules published by the Financial Conduct Authority (as amended from time to time);

**London Stock Exchange** means the London Stock Exchange Plc or any successor body thereto;

**Market Abuse Regulation** means the Market Abuse Regulation (EU) 596/2016 which came into force on 3 July 2016, as amended by the Market Abuse Exit Regulations 2019 (or any equivalent or successor legislation);

**Market Value** means in relation to a Share or a Notional Share:

- (a) if and for so long as the Shares are quoted on the London Stock Exchange, the middle-market quotation for a Share (as derived from the Daily Official List of the London Stock Exchange) on the Dealing Day before the Date of Grant or, if the Committee so determines, the average of the middle-market quotations during such period as the Committee may determine but not exceeding 30 Dealing Days ending with the Dealing Day before the Date of Grant provided that such Dealing Day(s) fall within a Grant Period; or
- (b) if the Shares are not quoted on the London Stock Exchange, the market value of a Share as determined in accordance with Part VIII of the Taxation of Chargeable Gains Act 1992;

**Notional Share** means a share equal in value to a Share, but having no legal rights attributable to a Share;

**Option** means an Award which takes the form of an option to acquire Shares at no or nominal cost;

**Participant** means an Eligible Employee who has been granted an Award (including, where the context permits, the legal representative of a deceased Participant) which has not lapsed or been surrendered or forfeited;

**Performance Conditions** means the performance conditions set by the Committee for the purpose of determining the extent to which an Award Vests;

**Performance Period** means, unless the Committee determines otherwise at the Date of Grant, in relation to an Award, the period of three Financial Years commencing with the Financial Year in which the Date of Grant falls;

**Phantom Award** means an Award which takes the form of a right to receive a cash payment calculated by reference to the Final Value of a Notional Share on the Vesting Date;

**the Plan** means this Mitchells & Butlers plc Performance Share Plan as amended from time to time;

**Relevant Date** means:

- a) if the Relevant Event falls within rule 9.1.1, the date on which Control is obtained and any conditions to which the offer is made subject are satisfied;
- b) if the Relevant Event falls within rule 9.1.2, either the date on which the scheme of arrangement is approved at the shareholders' meeting or is sanctioned by the Court (as determined by the Committee in its absolute discretion);
- c) if the Relevant Event falls within rule 9.1.3, the date on which the person first becomes so bound or entitled; or
- d) if the Relevant Event falls within rule 9.1.4, the date on which notice of the resolution for winding up is given;

**Relevant Event** shall have the meaning given to that term in rule 9.1;

**Salary** means an Eligible Employee's annual gross basic salary in respect of their employment with the Group on the Date of Grant;

**Shares** means fully paid ordinary shares in the capital of the Company or such shares following any reorganisation of the share capital of the Company;

**Subsidiary** means any subsidiary of the Company within the meaning of section 1159 of, and Schedule 6 to, the Companies Act 2006 (or its equivalent under applicable law) over which the Company has Control;

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

**Termination Date** means the date on which a Participant ceases to be an employee of a member of the Group and, for the avoidance of doubt, where the employee dies, shall be taken to mean the date of death;

**Vest** means (i) in the case of an Award granted in the form of an Option, when the Option becomes exercisable, or (ii) in the case of an Award granted in the form of a Conditional Award, when the Participant becomes entitled to have the Shares which are the subject of the Conditional Award transferred to them, or (iii) in the case of an Award granted in the form of a Phantom Award, a Participant becoming entitled to receive a cash sum, and **Vesting and Vested** shall be construed accordingly;

**Vesting Date** means the date (or dates) determined by the Committee under rule 4.1 on which an Award (or part thereof) shall ordinarily Vest;

**Vesting Period** means the period (or periods) from the Date of Grant to the Vesting Date (or Dates); and

**Vested Shares** means those Shares or Notional Shares in respect of which an Award has Vested.

1.2 **Interpretation.** In these rules, unless the context otherwise requires:

1.2.1 references to a **person** include any individual, firm, body corporate (wherever incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representative body (whether or not having separate legal personality); and

1.2.2 headings do not affect the interpretation of these rules; the singular shall include the plural and vice versa; and references to one gender include all genders.

1.3 **Enactments.** Except as otherwise expressly provided in these rules, any express reference to an enactment includes references to: (i) that enactment as amended, consolidated or re-enacted by or under any other enactment before or after the Adoption Date; (ii) any enactment which that enactment re-enacts (with or without modification); and (iii) any subordinate legislation (including regulations) made (before or after the Adoption Date) under that enactment, as amended, consolidated or re-enacted as described at (i) or (ii) above.

## 2. GRANT OF AWARDS

2.1 **Grant by Committee.** The Committee may, during a Grant Period, grant an Award to any Eligible Employee. When the Committee grants an Award, it shall decide the terms which will apply to the Award in accordance with these rules including whether the Award will take the form of an Option, a Conditional Award or a Phantom Award. An Eligible Employee may be granted any form of Award or any combination of Awards and may be granted more than one Award on any Date of Grant.

2.2 **Award Certificate.** The Committee shall procure that an Award Certificate in respect of an Award is issued to the Participant as soon as reasonably practicable following the Date of Grant. An Award Certificate may take such form as the Committee determines from time to time but shall specify:

2.2.1 the Date of Grant of the Award;

2.2.2 the number of Shares (or, in the case of an Award granted in the form of a Phantom Award, Notional Shares) comprised in the Award;

2.2.3 whether the Award is in the form of an Option, a Conditional Award or a Phantom Award;

2.2.4 the exercise price payable by the Participant on exercise of the Award (if any);

2.2.5 the date or dates on which the Award will ordinarily Vest;

2.2.6 if more than one Vesting Date is specified, the number or proportion of the Shares comprised in an Award which will ordinarily Vest on each of the specified Vesting Dates;

2.2.7 details of any Holding Period that applies to the Award;

2.2.8 whether Performance Conditions apply to the Award and, if so, the terms of the applicable Performance Conditions;

2.2.9 whether Dividend Equivalents will be paid on the Award; and

2.2.10 details of the clawback and malus terms that apply to an Award.

2.3 The Company may enter into a deed poll agreeing to be bound by the Award Certificates issued pursuant to rule 2.2. If the Committee has not entered into a deed poll prior to the granting of the Awards, the Company shall procure that the Award Certificates are issued under the seal of the Company or otherwise to take effect as a deed.

2.4 **Duration of Plan.** An Award may not be granted later than the tenth anniversary of the Adoption Date.

2.5 **Non-transferability of Awards.** An Award is personal to a Participant and shall not (except to the extent necessary to enable a personal representative to realise the Award following the death of a Participant) be capable of being transferred, charged or otherwise alienated and shall lapse immediately if the Participant purports to transfer, charge or otherwise alienate the Award or if they are declared bankrupt.

2.6 **Approvals and consents.** The grant of an Award is subject to obtaining any approval or consent required under the Listing Rules, the Market Abuse Regulation, any relevant share dealing code of the Company, the City Code on Takeovers and Mergers and any other regulation or enactment related to the grant of Awards to Eligible Employees.

2.7 **Performance Conditions.** Any Performance Conditions will be appropriate to the strategic objectives of the Group. The Committee can set different Performance Conditions (i) for Awards granted in different years (in terms of the type of condition, the weighting given to that condition and the targets applicable to each condition); and (ii) for Awards granted to different Participants in the same year. The Committee may also determine that an Award should be subject to multiple Performance Conditions or that an Award should be sub-divided and that each part be subject to a different condition.

### 3. AWARD AND PLAN LIMITS

3.1 **Individual Limits.** Subject to rule 3.2, the maximum Market Value of Shares over which an Award (or Awards) may be granted to any Eligible Employee in respect of any Financial Year is the maximum value permitted for an executive director of the Company under the Directors' Remuneration Policy in force at the Date of Grant.

3.2 **Plan Limits.** No Award may be granted under the Plan to the extent that the result of that grant would be that the aggregate number of Shares that could be issued on the vesting of that Award and any other Award granted at the same time, when added to the number of Shares that:

3.2.1 could be issued on the vesting of any subsisting awards or options granted during the preceding ten years under the Plan or any other Employees' Share Scheme established by the Company; and

3.2.2 have been issued on the vesting of any awards or options granted during the preceding ten years under the Plan or any other Employees' Share Scheme established by the Company,

would exceed 10 per cent of the ordinary share capital of the Company for the time being in issue.

3.3 No Award may be granted under the Plan to the extent that the result of that grant would be that the aggregate number of Shares that could be issued on the vesting of that Award and any other Award granted at the same time, when added to the number of Shares that:

3.3.1 could be issued on the vesting of any subsisting awards or options granted during the preceding ten years under the Plan or any other discretionary (executive) share plans adopted by the Company; and

3.3.2 have been issued on the vesting of any awards or options granted during the preceding ten years under the Plan or any other discretionary (executive) share plans adopted by the Company,

would exceed 5 per cent of the ordinary share capital of the Company for the time being in issue.

3.4 References in this rule 3 to the issue of Shares means, for the avoidance of doubt, the issue and allotment of Shares but not the transfer of Shares. In determining the above limits no account shall be taken of any Shares attributable to an Award which was released, lapsed, forfeited or otherwise became incapable of vesting.

#### 4. VESTING OF AWARDS

4.1 **Timing of Vesting.** Save as otherwise provided in these rules and unless the Committee determines otherwise at or prior to the Date of Grant, the Vesting Date of an Award will be the business day after the announcement of the Company's results for the third financial year after the financial year in which the grant takes place.

4.2 **Performance Conditions.** Where Performance Conditions apply to an Award, the Vesting of the Award will be dependent on the satisfaction of the Performance Conditions. An Award will Vest as to the percentage of Shares (or, in the case of an Award granted in the form of a Phantom Award, Notional Shares) determined by the Committee in accordance with the Performance Conditions. An Award shall lapse to the extent the Performance Conditions are not met at the Vesting Date.

4.3 **Outcome assessment.** Prior to the Vesting Date, the Committee shall determine whether an Award will Vest by reference only to achievement of any Performance Conditions or whether there should be a downward adjustment in the number of Shares over which an Award Vests.

4.4 **Restrictions on Vesting.** An Award will not Vest unless and until the transfer of Shares after such Vesting and the sale of any Shares to meet any Tax Liability in respect of the Award would be lawful in all relevant jurisdictions and in compliance with the Listing Rules, the Market Abuse Regulation, 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 related to the Vesting of an Award in the jurisdictions in which the relevant Participant is resident for tax purposes.

4.5 **Vesting of a Conditional Award.** On the Vesting of a Conditional Award a Participant need take no action and the Company shall, subject to rules 4.8 and 4.9 and any arrangements to give effect to the Holding Period, procure the transfer of the Vested Shares to the Participant (or their nominee) as soon as reasonably practicable after the Vesting Date and in any event no later than 90 days thereafter. If the Award has Vested due to a Participant's death or if the Participant dies during the 90 day period the Shares shall be transferred to the Participant's legal representatives as soon as reasonably practicable after the date of death.

4.6 **Vesting of an Option.** On the Vesting of an Option the Participant may, subject to rules 4.8 and 4.9, exercise the Option over the Vested Shares during the period of 90 days



following the Vesting Date by written notice to the Company in such form as the Company may prescribe. If the Award has Vested due to a Participant's death or if the Participant dies during the 90 days' period, the Award may be exercised during the period of 12 months following the date of death. If, during the 90 days or 12 months' exercise period (as the case may be), the Participant is subject to any Dealing Restrictions, the applicable exercise period shall be suspended until such later date as those Dealing Restrictions lift provided that no Option may be exercised more than 10 years after its Date of Grant. Subject to rules 4.8 and 4.9, and any arrangements to give effect to the Holding Period, the Company shall procure the transfer of the Vested Shares as soon as reasonably practicable after the exercise date and in any event not later than 30 days thereafter.

**4.7 Vesting of a Phantom Award.** On the Vesting of a Phantom Award, the Company shall pay, or procure the payment of, a cash sum to the Participant equal to the Final Value of the Vested Notional Shares under the Phantom Award less such deductions for any Tax Liability as are required by applicable law. The cash sum will be paid as soon as reasonably practicable following the Vesting Date.

**4.8 Payment of Tax Liability.** Any liability of a Participant to taxation or social security contributions in respect of an Award will be for the account of the relevant Participant. By accepting an Award, a Participant agrees to comply with any arrangements specified by the Company for the reporting and payment of tax, duty and social security contributions in any jurisdiction in respect of any Award and any Shares to which they are or may become entitled under the Plan including, without limitation, (i) arranging the sale of sufficient Shares on the Participant's behalf to enable the Company or any member of the Group to satisfy its obligations in respect of deduction or withholding of tax, duty or social security contributions at source and (ii) entering into any election specified by the Company under Chapter 2 of Part 7 of the Income Tax (Employment & Pensions) Act 2003 or pursuant to paragraphs 3A or 3B of Schedule 1 to the Social Security Contributions and Benefits Act 1992. Vesting of an Award is conditional upon a Participant complying with this rule 4.8.

**4.9 Cash settlement.** If for any reason the Committee considers that it is impractical or legally onerous to deliver Shares in satisfaction of an Award, it may instead pay or procure the payment to the Participant of a cash sum equal to the Final Value of the Vested Shares, subject to such deductions for any Tax Liability required by applicable law.

## **5. DIVIDEND EQUIVALENTS**

**5.1** The Committee may in its discretion grant an Award on the basis that it carries a right to Dividend Equivalents.

**5.2** If an Award has been granted on the basis that it carries a right to Dividend Equivalents, the Participant will, subject to rule 5.3, be entitled to be issued with or transferred Shares (or in the case of a Phantom Award, cash), equal in value to the ordinary dividends which would have been paid on the Shares which Vested during the Vesting Period, such Dividend Equivalent to accrue on the date on which the Company pays an interim or final dividend in respect of Shares and to be paid on or around the date an Award is satisfied by the Company.

**5.3** The number of Shares (or in the case of a Phantom Award, cash) to which the Participant becomes entitled under this rule 5 will be calculated in such manner as the Committee in its absolute discretion determines, save that unless the Committee determines

otherwise it will be calculated by reference only to ordinary dividends and without regard to special dividends or distributions, super dividends or dividends-in-specie.

5.4 The Committee may in its absolute discretion satisfy any entitlement to Dividend Equivalents arising in accordance with this rule 5 by making a cash payment with an equivalent value to the Shares representing Dividend Equivalents at the time of Vesting.

5.5 For the avoidance of doubt, any payment referred to in this rule 5 does not represent an entitlement to actual dividends on the underlying Shares that are the subject of an Award.

## **6. HOLDING PERIOD**

6.1 **Duration of Holding Period.** Save as otherwise provided in these rules and unless the Committee determines otherwise at or prior to the Date of Grant, the Holding Period of an Award will be the period of two years starting on the Vesting Date.

6.2 **Obligations during Holding Period.** Save to meet any Tax Liability arising on Vesting or exercise of an Award or as otherwise provided in these rules, a Participant may not sell, pledge, transfer, assign or otherwise dispose of the Vested Shares from an Award during the Holding Period. A Participant shall take such steps as the Committee may reasonably require to satisfy the Committee as to the Participant's observance of the Holding Period.

## **7. LEAVERS**

7.1 **Death.** If a Participant dies, their Awards will Vest on the Termination Date in accordance with rule 7.6. No Holding Period will apply in respect of the Awards once Vested.

7.2 **Other Leavers.** Where a Participant ceases to be an Eligible Employee at any time before the Vesting Date applicable to their Award by reason of:

- 7.2.1 injury, disability or ill-health (evidenced to the satisfaction of the Committee);
- 7.2.2 retirement (with the consent of the Employer);
- 7.2.3 redundancy;
- 7.2.4 the Participant's Employer ceasing to be under the Control of the Company;
- 7.2.5 the business (or part of a business) in which they are employed being transferred to a person who is not a member of the Group; or
- 7.2.6 any other reason at the discretion of the Committee,

their Award shall continue, and will Vest on the original Vesting Date, in accordance with rule 7.5, save that the Committee may determine that an Award shall instead Vest on the Termination Date in accordance with rule 7.6. Unless the Committee determines otherwise, Awards that Vest pursuant to this rule 7.2 will continue to be subject to a Holding Period commencing on the original Vesting Date or Termination Date as applicable.

7.3 Where a Participant holds Vested Shares that are subject to a Holding Period and ceases to be an Eligible Employee during that Holding Period, such Shares shall continue to be subject to the Holding Period imposed by the Committee save that the Committee may, at its discretion, allow early release of some or all of the Vested Shares prior to the end of the Holding Period.

7.4 Notwithstanding the above, a Participant's Award shall not Vest and, in the case of Awards that have Vested but in respect of which the Holding Period has not been satisfied, the Holding Period shall be extended if and for so long as that Participant has been suspended from their employment by reason of suspected misconduct or resignation.

7.5 **Delayed Vesting.** Where, by reason of rule 7.2, an Award Vests in accordance with this rule 7.5, the number of Vested Shares shall be determined by the Committee:

- (a) having regard to the Performance Conditions and outcome assessment at the original Vesting Date; and
- (b) by multiplying the resulting number of Shares or Notional Shares by the fraction  $A/B$  (where  $A$  is the number of days from the Date of Grant to the Termination Date and which shall not be greater than the total number of days in the Vesting Period and  $B$  is 1,095 or such other number as is equal to the number of days in the Vesting Period), save that the Committee may, in its absolute discretion, disapply in whole or in part the application of this time pro-rating fraction.

7.6 **Immediate Vesting.** Where, by reason of rule 7.1 or rule 7.2, an Award Vests in accordance with this rule 7.6 the number of Vested Shares shall be determined by the Committee:

- (a) having regard to the Performance Conditions and outcome assessment at the Termination Date, or at such other date (whether later or earlier) within such reasonable period of the Termination Date as the Committee considers appropriate; and
- (b) multiplying the resulting number of Shares or Notional Shares by the fraction  $A/B$  (where  $A$  is the number of days from the Date of Grant until the Termination Date and which shall not be greater than the total number of days in the Vesting Period and  $B$  is 1,095 or equal to such other number of days in the original Vesting Period), save that in any particular case, the Committee may, in its absolute discretion, disapply in whole or in part the application of this time pro-rating fraction.

7.7 If a Participant ceases employment in any circumstances other than those described at rules 7.1 or 7.2, their unvested Awards shall lapse automatically on the Termination Date.

7.8 **Meaning of ceasing employment.** For the purposes of rule 7, a Participant shall not be treated as ceasing to be an Eligible Employee until they cease to be employed by or hold office with the Company or any member of the Group. The reason for the termination of office or employment of a Participant shall be determined by reference to rules 7.1 and 7.2 regardless of whether such termination was lawful or unlawful (and howsoever caused).

## 8. MALUS AND CLAWBACK

8.1 Notwithstanding any other rule of the Plan, if one or more of the circumstances set out in rule 8.2 occur, the Committee may: (a) at any time before an Award Vests or Option is exercised (as appropriate); or (b) at any time during the two year period immediately following the Vesting Date in respect of the Award, determine (acting fairly and reasonably) to take one or more of the following actions in relation to any one or more Participants:

8.1.1 reduce (including to nil) the number of Shares or Notional Shares in respect of which any future Award is granted to a Participant; or

8.1.2 reduce (including to nil) the cash amount payable under an unvested Award held by a Participant or the number of Shares or Notional Shares under an unvested Award and/or the number of Shares under a Vested but unexercised Option held by a Participant, by such amount and/or such number as the Committee considers appropriate in the circumstances; or

8.1.3 in relation to a Vested Award, require a Participant to pay to the Company or such other person as the Company may direct within 30 days of a written demand from the Company such number of Shares or such monetary amount with a value to be determined in the Committee's absolute discretion provided such value on the date of demand is no greater than the value of the Vested Shares under Award at the Vesting Date, less any amount paid by or in respect of

the Participant in respect of a Tax Liability incurred as a result of the Vesting of the relevant Award (except to the extent the Participant is able to recover amounts paid in respect of such Tax Liability).

8.2 The circumstances in which the Committee may consider that it is appropriate to exercise its discretion under rule 8.1 are the following<sup>1</sup>:

- 8.2.1 a material misstatement or restatement of the Company's or any Group Company's audited financial accounts or other data as confirmed by the Company's auditors (other than as a result of a change in accounting practice);
- 8.2.2 the assessment of any Performance Conditions or any outcome assessment in respect of an Award were based on erroneous, inaccurate or misleading information;
- 8.2.3 events or behaviour by a Participant which has led or could reasonably lead to a significant detrimental impact on the reputation of any Group Company;
- 8.2.4 action or conduct which the Committee reasonably considers amounts to a serious misdemeanour or serious misconduct by the Participant; or
- 8.2.5 a corporate failure of the Company or any company within the Group which the Committee reasonably considers to be material in the context of the Group and the failure is, in the reasonable view of the Committee, attributable to the actions or behaviours of one or more individuals.

8.3 If the Committee decides to exercise its discretion under this rule 8, it shall confirm this in writing to each affected Participant.

8.4 For the purposes of these rules, if the Committee decides to exercise its discretion under rule 8.1.2 before an Award Vests:

8.4.1 the Award shall be deemed to have been granted over the reduced number of Shares or Notional Shares (as the case may be); and

8.4.2 any subsequent Vesting of the Award shall be determined by reference to this reduced number of Shares or Notional Shares,

save that if the number of Shares or Notional Shares is reduced to nil, the Award shall be treated as if it had never been granted and such Participant (including a Participant who has left employment before the Vesting Date) shall have no rights to any cash amount, Shares or Notional Shares.

## **9. TAKE-OVER AND LIQUIDATION**

9.1 This rule 9 applies if:

9.1.1 any person (either alone or together with any person acting in concert with them) obtains Control of the Company as a result of making (or, already having Control, makes):

- (a) a general offer to acquire the whole of the issued ordinary share capital of the Company which is made on a condition such that if it is satisfied, the person making the offer will have Control of the Company; or

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<sup>1</sup> **Note to M&B:** Given the renewed focus on disclosure of malus and clawback triggers, please review these and confirm that they reflect the areas you want covered.

- (b) a general offer to acquire all of the Shares;
  - 9.1.2 any person proposes to obtain Control of the Company (or, already having Control, proposes to acquire all the other Shares in the Company) in pursuance of a compromise or arrangement sanctioned by the Court under section 899 of the Companies Act 2006;
  - 9.1.3 any person becomes bound or entitled to acquire Shares in the Company under sections 979 and 983 of the Companies Act 2006; or
  - 9.1.4 notice is given of a resolution for the voluntary or compulsory winding-up of the Company,
- (each a **Relevant Event**).

9.2 Where this rule 9 applies and subject to rules 9.3, 9.3.1 and 10 below all outstanding Awards will automatically Vest and, in the case of an Award granted in the form of an Option shall be automatically exercised on the Relevant Date provided that any exercise price payable by the Participant on exercise is equal to or less than the relevant offer price or consideration (as determined by the Committee). Where this rule 9 applies, and subject to rule 9.4 below any outstanding Awards granted in the form of Options that are not exercised on the Relevant Date shall lapse automatically.

9.3 Where an Award Vests on the Relevant Date, the number of Vested Shares shall be determined by the Committee:

- 9.3.1 having regard to any Performance Conditions and outcome assessment at the Relevant Date (or at such other date (whether later or earlier)) within such reasonable period of the Relevant Date as the Committee considers appropriate; and
- 9.3.2 by multiplying the resulting number of Shares or Notional Shares by the fraction  $A/B$  (where  $A$  is the number of days from the Date of Grant to the Relevant Date and which shall not be greater than the total number of days in the Vesting Period and  $B$  is 1,095 or such other number as is equal to the number of days in the Vesting Period), save that the Committee may, in its absolute discretion, disapply in whole or in part the application of the time pro-rating fraction.

9.4 Awards shall not Vest or be exercised without the consent of the Committee under the foregoing provisions of this rule 9 if the purpose and effect of the Relevant Event, together with any associated transactions, is to create a new holding company for the Company, such company having substantially the same shareholders and proportionate shareholdings as those of the Company immediately prior to the Relevant Event. Unless the Committee determines otherwise in its absolute discretion, an Award will in such circumstances be automatically exchanged for an equivalent award in accordance with rule 10 below.

## **10. ROLLOVER OF AWARDS**

- 10.1 If any other business entity (the **acquiring company**):
  - 10.1.1 obtains Control of the Company as a result of making (or, already having Control, makes):
    - (a) a general offer to acquire the whole of the issued ordinary share capital of the Company which is made on a condition such that if it is satisfied the acquiring company will have Control of the Company; or
    - (b) a general offer to acquire all the Shares; or

10.1.2 proposes to obtain Control of the Company (or, already having Control, proposes to acquire all the other Shares in the Company) in pursuance of a compromise or arrangement sanctioned by the Court under section 899 of the Companies Act 2006; or

10.1.3 becomes bound or entitled to acquire shares in the Company under sections 979 and 983 of the Companies Act 2006, and notice of a replacement Award is given pursuant to rule 9.4 (with the consent of the acquiring company), then, on the Relevant Date,

any Award which has not lapsed (*the old award*) shall automatically be released and shall be replaced by an award (*the new award*) which (in the opinion of the Committee) is equivalent to the old award but relates to shares in a different company (whether the acquiring company itself or another company) (*the new grantor*).

10.2 The provisions of the Plan shall be construed as if:

10.2.1 the new award was an award granted under the Plan at the same time as the old award;

10.2.2 references to the Company in the rules were references to the new grantor;

10.2.3 references to the Committee in the rules were references to the board of directors of the new grantor or any duly authorised committee thereof;

10.2.4 references to Shares were references to shares in the new grantor; and

10.2.5 the Vesting Date in relation to the new award was the same as that in relation to the old award.

## **11. RIGHTS ATTACHING TO SHARES**

11.1 All Shares transferred on the Vesting of an Award will rank pari passu in all respects with the Shares in issue at the date of Vesting except in respect of any rights attaching to such Shares by reference to a record date prior to the date of Vesting and all Shares transferred on the exercise of an Option will rank pari passu in all respects with the Shares in issue at the date of exercise except in respect of any rights attaching to such Shares by reference to a record date before the date of exercise.

11.2 Any Shares acquired by a Participant under this Plan will be subject to the articles of association of the Company from time to time.

## **12. RELATIONSHIP OF PLAN TO CONTRACT OF EMPLOYMENT**

12.1 The rights and obligations of a Participant under their terms and conditions of employment shall not be affected by their participation in the Plan or any right they may have to participate in the Plan. An individual who participates in the Plan waives all and any rights to compensation or damages in consequence of the termination of their employment with any member of the Group (or former member of the Group if applicable) for any reason whatsoever (whether lawfully or unlawfully) insofar as those rights arise, or may arise from ceasing to have rights under or be entitled to exercise any Award under the Plan, as a result of such termination or from the loss or diminution in value of such rights or entitlements. In the event of any conflict between the terms of this rule 12 and the Participant's terms of employment, this rule shall take precedence.

12.2 Notwithstanding any other provision of the Plan:

12.2.1 the Plan shall not form part of any contract of employment between the Company or any Subsidiary and a Participant;

- 12.2.2 no Eligible Employee has any right to be granted an Award and the fact that an Eligible Employee may have participated in the Plan and/or been granted an Awards under the Plan shall not entitle any Eligible Employee to future participation or grants;
- 12.2.3 the benefit to a Participant of participation in the Plan (including, in particular but not by way of limitation, any Awards held by them) shall not form any part of their contractual remuneration or benefits or count as their contractual remuneration or benefits for any purpose and shall not be pensionable;
- 12.2.4 nothing in the Plan shall in any way be construed as imposing upon any member of the Group a contractual obligation as between the member of the Group and a Participant to contribute to the Plan;
- 12.2.5 if a Participant ceases to be employed within the Group, they shall not be entitled to compensation for the loss of any right or benefit or prospective right or benefit under the Plan (including, in particular but not by way of limitation, any Awards held by them which lapse by reason of them ceasing to be employed within the Group, whether lawfully or unlawfully) by way of damages for unfair dismissal, wrongful dismissal, breach of contract or otherwise (or by way of similar provisions of the law of the jurisdiction in which the Participant is resident); and
- 12.2.6 by accepting the grant of an Award and not renouncing it a Participant is deemed to have agreed to the provisions of the Plan and in particular, this rule 12.2.

### **13. ADJUSTMENT OF AWARDS**

In the event of any Capital Reorganisation (or the implementation by the Company of a demerger or payment of a super dividend which would otherwise materially affect the value of an Award), the price payable by a Participant on Vesting (or exercise of an Option) (if any), the description of Shares, the number of Shares comprised in an Award and any Performance Conditions (provided that, in the reasonable opinion of the Committee, the new conditions are not materially less challenging than the original conditions would have been but for the event or circumstances in question) and outcome assessment may be adjusted in such manner as the Committee may determine. Any adjustment to Awards made pursuant to this rule 13 shall be notified to the relevant Participant.

### **14. ADMINISTRATION AND AMENDMENT**

14.1 **Committee responsible for administration.** The decision of the Committee will be final and binding in all matters relating to the Plan including the exercise of any discretion under these rules, the interpretation of the rules and any dispute relating to any matter in connection with the rules.

14.2 The Committee may at any time discontinue the grant of further Awards or amend any of the provisions of the Plan in any way it thinks fit, provided that:

- 14.2.1 except as expressly provided in these rules, the Committee shall not make any amendment that would materially prejudice the interests of existing Participants except with the prior consent or sanction of Participants who, if their Awards Vested in full, would become entitled to a majority of all the Shares which would fall to be transferred upon satisfaction of all outstanding Awards;
- 14.2.2 without prejudice to any provision of the Plan which provides for the lapse of an Award, the Committee may not cancel an Award unless the Participant agrees in writing to such cancellation; and

14.2.3 no amendment to the advantage of Eligible Employees or Participants may be made to:

- (a) the definition of Eligible Employee;
- (b) the limitations on the numbers of Shares subject to the Plan;
- (c) the maximum entitlement of an Eligible Employee under the Plan;
- (d) the basis for determining an Eligible Employee's entitlement to Shares under the Plan;
- (e) the terms of Shares to be provided under the Plan;
- (f) the adjustment provisions of rule 13 of the Plan;

without the prior approval of the Company in general meeting except in the case of minor amendments 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 Eligible Employees and/or Participants or any member of the Group.

14.3 **Overseas Countries.** Notwithstanding any other provision of the Plan, the Committee may make appropriate amendments to the Plan and/or establish schedules to the Plan for the purpose of granting Awards to Employees, based on the Plan but modified to take account of such factors as the Committee determines appropriate including, but not limited to, local tax, exchange control or securities laws in any territory.

## 15. DATA PROTECTION

15.1 By accepting the grant of an Award, a Participant acknowledges that the Company or any member of the Group may hold, process and transfer personal data relating to them to other members of the Group or to any third parties engaged by them for any and all purposes related to the operation and administration of the Plan in accordance with Company privacy and data protection policies and notices and where the processing is necessary for:

- 15.1.1 the operation of the Plan;
- 15.1.2 the Company or any member of the Group to comply with its legal obligations; or
- 15.1.3 the purposes of the legitimate interests pursued by the Company or any member of the Group.

15.2 A Participant also acknowledges that the Company or any member of the Group may, in accordance with Company privacy and data protection policies and notices and applicable law, transfer or store personal information outside the European Economic Area (*EEA*), and that personal data may also be processed outside the EEA by the Company or any member of the Group or for one or more of its or their service providers.

## 16. GENERAL

16.1 **Trustee Funding.** Any member of the Group may provide money to the trustee or trustees of any trust or any other person or persons to enable any such person or persons to acquire Shares to be held for the purposes of satisfying Awards, or enter into any guarantee or indemnity for those purposes, to the extent permitted by the Companies Act 2006.

16.2 **Changes to the Company's capital structure.** The existence of any Award shall not affect in any way the right or power of the Company or its shareholders to make or authorise any or all adjustments, recapitalisations, reorganisations or other changes in the Company's capital structure, or any merger or consolidation of the Company, or any issue of shares, bonds, debentures, preferred or prior preference stocks ahead of or convertible into, or otherwise affecting the Shares or the rights thereof, or the dissolution or liquidation of the Company or



any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

16.3 **Notices.** Any notice or other document which has to be given to a Participant under or in connection with the Plan may be (i) delivered or sent by post to them at their home address according to the records of their employing company, (ii) sent by email to any email address according to the records of their employing company or, in either case, such other address as may appear to the Company to be appropriate, or (iii) provided electronically through a website hosted by the Company or an agent of the Company, provided that the Participant is notified by email or post that such notice or document has been or will be provided in this manner.

16.4 Notices sent by post to a Participant in the UK will be deemed to have been given two days after the date of posting.

16.5 Notices sent by email in the absence of evidence to the contrary, will be deemed to have been received on the day after sending.

16.6 Notices provided through a website will be deemed to have been received on the day they are posted on the website or, if later, the day the Participant is deemed in accordance with rule 16.4 or rule 16.5 to have received the notification that it has been provided there.

16.7 Any notice or other document required to be given to the Company under or in connection with the Plan may be delivered or sent by post to it at its registered office (or such other place or places as the Committee may from time to time determine and notify to Participants) or sent by email to any email address notified to the sender.

16.8 All Share certificates, Award certificates and other communications relating to the Plan will be sent at the Participant's risk.

16.9 **Stamp Duty.** The Company, or where the Committee so directs any Subsidiary, shall pay the appropriate stamp duty on behalf of the Participants in respect of any transfer of Shares on the Vesting or exercise of the Awards.

16.10 **Awards non-pensionable.** Benefits under this Plan shall not be pensionable.

16.11 **Governing Law.** This Plan and any Award Certificate shall be governed by, and construed in accordance with, the laws of England and the courts of England and Wales will have exclusive jurisdiction in relation to any dispute arising in connection with the Plan or any Award Certificate.