



PROVIDENT FINANCIAL DEFERRED BONUS PLAN 2022

Approved by the shareholders of the Company in general meeting on [●] June 2022 and adopted by the Company

CONTENTS

RULE		PAGE
1	DEFINITIONS AND INTERPRETATION	1
2	ELIGIBILITY	3
3	GRANT OF AWARDS.....	3
4	VESTING OF AWARDS.....	6
5	CONSEQUENCES OF VESTING.....	6
6	RESTRICTIONS ON VESTING	6
7	CASH ALTERNATIVE.....	8
8	PLAN LIMITS	9
11	MALUS AND CLAWBACK.....	10
9	FORFEITURE AND LAPSE OF AWARDS	10
10	LEAVERS.....	10
11	TAKEOVERS AND OTHER CORPORATE EVENTS	11
12	ADJUSTMENT OF AWARDS	12
13	AMENDMENTS.....	12
14	EMPLOYMENT RIGHTS	13
15	MISCELLANEOUS.....	14

1 DEFINITIONS AND INTERPRETATION

1.1 In this Plan, unless the context otherwise requires:

Adoption Date means being the day on which the Plan is adopted by the Company in general meeting;

Award means a Basic Award or a Conditional Award;

Basic Award means the transfer of Shares to an eligible employee which are subject to forfeiture on the terms of this Plan;

Board means the board of directors of the Company or a duly authorised committee of the Board (which includes the Committee) or a duly authorised person, or any successor entity;

Bonus means an amount paid or payable under a discretionary bonus arrangement operated by a Participating Company;

Committee means the remuneration committee of the Board or, on and after the occurrence of a corporate event described in Rule 11, the remuneration committee of the Board as constituted immediately before such event occurs;

Company means Provident Financial plc (registered in England and Wales with registered number 668987);

Conditional Award means a conditional right to acquire Shares granted under the Plan which is designated as a conditional award by the Committee under Rule 3.2;

Control means control within the meaning of section 719 of ITEPA;

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

Dividend Equivalent means a benefit (namely cash and/ or Shares) calculated by reference to the dividends that would have been paid on a Participant's Vested Shares in respect of dividend record dates occurring during the period between the Grant Date and the Vesting Date;

Employee Benefit Trust means any employee benefit trust established by a Group Company;

Employees' Share Scheme means an employees' share scheme adopted by a Group Company where participation is offered to employees of a Group Company;

Executive Director means an individual who is an executive director of the Company;

Financial Year means a financial year of the Company within the meaning of section 390 of the Companies Act 2006;

Forfeiture Period means in relation to a Basic Award, the period starting with the Grant Date and ending on the Vesting Date or the date the Basic Award is forfeited, as the case may be;

Good Leaver means a Participant who ceases to be a director or employee of a Group Company as a result of:

(a) ill health, injury or disability;

- (b) redundancy (within the meaning of the Employment Rights Act 1996);
- (c) a transfer of the undertaking or part undertaking in which the Participant is employed to a person who is not a Group Company;
- (d) the company in which the Participant is employed ceasing to be under the Control of the Company;
- (e) retirement with the consent of the Participant's employing company; or
- (f) such other reason as the Committee may in its discretion approve.

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

Group Company means:

- (a) a Participating Company or a body corporate which is the Company's holding company (within the meaning of section 1159 of the Companies Act 2006) or a Subsidiary of the Company's holding company;
- (b) a body corporate which is a subsidiary undertaking (within the meaning of section 1162 of the Companies Act) of a body corporate within paragraph (a) above and has been designated by the Board for this purpose; and
- (c) any other body corporate in relation to which a body corporate within paragraph (a) or (b) above is able (whether directly or indirectly) to exercise 20% or more of its equity voting rights and has been designated by the Board for this purpose;

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

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

London Stock Exchange means London Stock Exchange plc or any successor body;

Malus and Clawback shall have the meanings given to them in the Malus & Clawback Policy;

Malus and Clawback Policy means the Company's Malus & Clawback Policy which was adopted by the Committee in March 2018 (as amended from time to time);

Participant means a person who holds an Award including their personal representatives;

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

Plan means the Provident Financial Deferred Bonus Plan 2022, as amended from time to time;

Plan Period means the period starting on the Adoption Date and ending on [●] June 2032 (that is the day before the tenth anniversary of that date);

Relevant Amount means an amount equal to the Bonus (or part of the Bonus) that is required to be deferred as determined under Rule 3.2(b);

Rule means a rule of the Plan;

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

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

Tax Liability means any amount of tax, social security contributions or other similar charges for which a Participant would or may be liable and for which any Group Company or former Group Company would or may be obliged to (or would or may suffer a disadvantage if it were not to) account to any relevant authority, together with any related fines, penalties and interest;

Trustees means the trustee(s) of the Employee Benefit Trust from time to time;

Variation means in relation to the equity share capital of the Company a capitalisation issue, a rights issue or open offer, a subdivision, a consolidation, reduction or other variation or any special dividend or dividend in specie, demerger or such other circumstances as the Committee may determine;

Vest means in the case of a Basic Award, the Participant's Shares no longer being subject to forfeiture and in the case of a Conditional Award, a Participant becoming entitled to have Shares transferred to them (or their nominee) subject to the Rules and **Vesting** shall be construed accordingly;

Vested Shares means those Shares in respect of which an Award Vests; and

Vesting Date means the date when an Award Vests being the third anniversary of the Grant Date or such earlier date as may be specified by the Committee under Rule 3.1(b).

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 Expressions in italics and headings are for guidance only and do not form part of the Plan.

2 ELIGIBILITY

An individual is eligible to be granted an Award in any Financial Year of the Company only if:

- (a) they are an employee (including an Executive Director) of a Participating Company;
- (b) they have received or will receive a Bonus in the same Financial Year; and
- (c) the Committee has determined that all or part of their Bonus in the same Financial Year shall be deferred into an Award.

3 GRANT OF AWARDS

3.1 Terms on grant

Subject to Rule 3.9 and Rule 3.4, the Committee may resolve that an Award should be granted:

- (a) on the terms set out in the Plan; and
- (b) on such additional terms or conditions as the Committee may specify,

to any person who is eligible to be granted an Award under Rule 2.

3.2 Type of Award

On or before the Grant Date the Committee shall determine:

- (a) whether an Award shall constitute a Basic Award or a Conditional Award; and
- (b) whether an eligible employee's Bonus for any Financial year is required to be deferred into an Award, the Relevant Amount.

3.3 Number of Shares subject to Award

If the Committee resolves that an Award should be granted to an eligible employee at any time the Award shall be granted over such number of Shares as have a market value which is equal to the Relevant Amount. The Committee shall have the discretion to adjust the number of Shares over which an Award has been granted to take into account the estimated value of dividends that would have been paid on such Shares between the Grant Date and the Vesting Date.

For the purposes of this Rule 3.3 :

- (i) the **market value** of the Shares over which the Award is granted shall be taken to be an amount equal to:
 - (A) the middle-market quotation of such Shares (as derived from the London Stock Exchange Daily Official List) on the Dealing Day immediately prior to the Grant Date; or
 - (B) if the Committee so determines, the average of the middle-market quotations during a period determined by the Committee not exceeding the period of five Dealing Days ending with the Dealing Day immediately prior to the Grant Date,provided that, in all cases such Dealing Day(s) do not fall within any period when dealings in Shares are prohibited under the Company's share dealing code; and
- (ii) the number of Shares comprised in an Award shall be the nearest whole number of Shares (rounded down).

3.4 Timing of grant

The Committee may decide, at its absolute discretion, when Awards should be granted. However, subject to Rule 3.9 , Awards may only be granted within the period of 42 days starting on:

- (a) the Dealing Day after the Adoption Date; or
- (b) the Dealing Day after the day on which the Company makes an announcement of its results for the last preceding financial year, half-year or other period.

If the Committee considers that there are exceptional circumstances which justify the grant of Awards outside any of the periods set out above, the Committee may decide for the purpose of that grant that Awards may be granted at another time.

The Committee shall, as soon as reasonably practicable after the Grant Date, issue to each Participant an award certificate.

No Award can be granted after the expiry of the Plan Period.

3.5 Method of grant – Basic Awards

On or as soon as practicable after the Grant Date, the Trustee shall transfer, or procure that there is transferred to each eligible employee either:

- (a) the beneficial interest in their Shares comprised in the Basic Award; or
 - (b) the legal and beneficial interest in their Shares comprised in the Basic Award,
- as determined by the Committee on or before the Grant Date.

3.6 Method of grant – Conditional Awards

A Conditional Award shall be granted by deed executed by the Company.

3.7 Dividends and Dividend Equivalents

- (a) A Participant shall not be entitled to any dividends in respect of a Basic Award, or Dividend Equivalents in respect of a Conditional Award, in connection with the Shares subject to either type of Award, unless the Committee decides otherwise.
- (b) To the extent the Committee decides that any dividends shall be paid in respect of a Basic Award, or Dividend Equivalents in respect of a Conditional Award, it will notify the Participant(s). In respect of Dividend Equivalents, the Committee will also notify the Participant as to the whether these will be paid in cash or Shares prior to the relevant Vesting Date. For the avoidance of doubt, the Committee shall decide the basis on which the value of any such Dividend Equivalent shall be calculated which may assume the reinvestment of dividends. In giving effect to this Rule 3.7(b), the Committee shall have complete discretion to decide the basis on which the Dividend Equivalent should be calculated or paid and may decide to exclude the value of all or part of a special dividend or any other dividend from the amount of the Dividend Equivalent.

3.8 Method of satisfying Awards

Unless specified otherwise by the Committee on or before the Grant Date, an Award may be satisfied by:

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

3.9 Approvals and consents

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

3.10 Non-transferability and bankruptcy

A Conditional Award granted to any person shall lapse immediately if:

- (a) transferred, assigned, charged or otherwise disposed of (except on their death when it may be transmitted to their personal representatives); or
- (b) they are declared bankrupt (unless the Committee decides otherwise).

4 VESTING OF AWARDS

Subject to Rule 6.2 , an Award shall Vest on the Vesting Date, except where earlier Vesting occurs under Rule **Error! Reference source not found.** or Rule 11**Error! Reference source not found.**

5 CONSEQUENCES OF VESTING

5.1 Basic Award

On or as soon as reasonably practicable after the Vesting of a Basic Award, the Committee shall, subject to Rule 6.1 , Rule 6.4 and any arrangements made under Rule 6.2 arrange for the transfer of the legal title to the Shares to the Participant or send to the Participant the share certificate or other document of title for the relevant number of Shares which it has previously been holding to their order or arrange the transfer to them of those Plan Shares if held in uncertificated form and any signed but undated stock transfer form shall be destroyed.

5.2 Conditional Awards

On or as soon as reasonably practicable after the Vesting of a Conditional Award, the Board shall, subject to Rule 6.4 and any arrangements made under Rule 6.2 , procure the transfer of the Vested Shares to the Participant (or a nominee for them).

5.3 Provision of Dividends and Dividend Equivalents

- (a) If the Committee so determines that a Dividend Equivalent is payable to a Participant, the provision of such Dividend Equivalent to the Participant shall be made as soon as practicable after the issue or transfer of Vested Shares and:
 - (i) in the case of a cash payment, shall be subject to such deductions (on account of tax or similar liabilities) as may be required by law or as the Committee may reasonably consider to be necessary or desirable; or
 - (ii) in the case of a provision of Shares, Rule 6.2 and Rule 6.4 shall apply as if such provision was the Vesting of a Conditional Award.
- (b) If the Committee exercised its discretion under Rule 3.3 to adjust the number of Shares over which an Award has been granted to take into account the estimated value of dividends that would have been paid on such Shares between the Grant Date and the Vesting Date and the actual value of dividends paid in that period was higher or lower than the estimated value, the Committee may determine to vary the number of Shares that Vest to take account of the actual value of dividends paid.

6 RESTRICTIONS ON VESTING

6.1 Forfeiture Period

During the Forfeiture Period the Participant shall either hold the beneficial interest in their Shares or hold the legal and beneficial interest in their Shares which are the subject of the Basic Award. However, until the Vesting Date, the Participant agrees that they shall:

- (a) where they hold both the legal and beneficial interest in the Shares, deposit with the Company (or such other person as is nominated by the Company) the relevant share certificate or document of title in respect of such Shares where the Shares are in certificated form together with a signed but undated stock transfer form;

- (b) in the event of the Shares being forfeited, authorise the Company to transfer such Shares to the Trustees or any other person who it nominates provided that such person is a beneficiary of the Employee Benefit Trust;
- (c) not assign, transfer or charge their Shares which are the subject of the Basic Award, or of any interest in them at any time during the Forfeiture Period;
- (d) not assign, transfer or change any value which they receive in respect of their Shares which are the subject of the Basic Award which shall itself be treated as forming part of the Shares, which for the avoidance of doubt shall not include cash dividends paid in relation to the Shares; and
- (e) be bound by the Rules of this Plan and, in particular but without limitation, to the circumstances in which some or all of their Basic Shares will be forfeited, including as a result of being subject to Malus and Clawback or any other malus and/or clawback provision in any bonus or incentive plan operated by any Group Company.

The Trustees and the Company may enter into such arrangement as they think fit in order to enforce the obligations of the Participants under this Rule.

6.2 **Regulatory and tax issues**

An Award shall not Vest unless and until the following conditions are satisfied:

- (a) the Vesting of the Award and the issue or transfer of Shares after such Vesting would be lawful in 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;
- (b) if, on the Vesting of the Award, a Tax Liability would arise by virtue of such Vesting and the Board decides that such Tax Liability shall not be satisfied by the sale of Shares pursuant to Rule 6.4 then the Participant must have entered into arrangements acceptable to the Board that the relevant Group Company will receive the amount of such Tax Liability; and
- (c) where the Committee requires, the Participant has entered into, or agreed to enter into, a valid election under Part 7 of ITEPA or any similar arrangements in any overseas jurisdiction.

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

6.3 **Tax Liability before Vesting**

If a Participant will, or is likely to, incur any Tax Liability before the Vesting of an Award then that Participant must enter into arrangements acceptable to any relevant Group Company to ensure that it receives the amount of such Tax Liability. If no such arrangement is made then the Participant shall be deemed to have authorised the Company to sell or procure the sale of sufficient of the Shares subject to their Award on their behalf to ensure that the relevant Group Company receives the amount required to discharge the Tax Liability and the number of Shares subject to their Award shall be reduced accordingly.

For the purposes of this Rule 6.3, references to Group Company include any former Group Company.

6.4 **Payment of Tax Liability**

The Participant authorises the Company to sell or procure the sale of sufficient Vested Shares on or following the Vesting of their Award on their behalf to ensure that any relevant Group Company or former Group Company receives the amount required to discharge the Tax Liability which arises on Vesting except to the extent that the Board decides that all or part of the Tax Liability shall be funded in a different manner.

7 **CASH ALTERNATIVE**

7.1 **Committee determination**

Where a Conditional Award Vests and Vested Shares have not yet been issued or transferred to the Participant (or their nominee), the Committee may determine that, in substitution for their right to acquire such number of Vested Shares as the Committee may decide (but in full and final satisfaction of their right to acquire those Shares) they shall be paid by way of additional employment income a sum equal to the cash equivalent (as defined in Rule 7.3) of that number of Shares in accordance with the following provisions of this Rule **Error! Reference source not found.** .

7.2 **Limitation on the use of this Rule**

This Rule shall not apply in relation to Conditional Awards made in relation to any jurisdiction where the presence of this Rule would cause:

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

7.3 **Cash equivalent**

For the purpose of this Rule **Error! Reference source not found.****Error! Reference source not found.**, the cash equivalent of a Share is the market value of a Share on the day when the Award Vests.

Market value on any day shall be taken to be:

- (a) the middle-market quotation of a Share (as derived from the London Stock Exchange Daily Official List) on the Dealing Day immediately prior to the Vesting Date; or
- (b) if the Committee so determines, the average of the middle-market quotations during a period determined by the Committee not exceeding the period of five Dealing Days ending with the Dealing Day immediately prior to the Vesting Date.

7.4 **Payment of cash equivalent**

As soon as reasonably practicable after the Committee has determined under Rule 7.1 that a Participant shall be paid a sum in substitution for their right to acquire any number of Vested Shares:

- (a) the Company shall pay to them or procure the payment to them of that sum in cash; and

- (b) if they have already paid the Company for those Shares, the Company shall return to them the amount so paid by them.

7.5 Deductions

There shall be deducted from any payment under this Rule **Error! Reference source not found.** such amounts (on account of tax or similar liabilities) as may be required by law or as the Board may reasonably consider to be necessary or desirable.

8 PLAN LIMITS

8.1 5% in 10 years

The number of Shares which may be allocated, as defined in Rule 8.4, under the Plan on any day shall not, when added to the aggregate of the number of Shares which have been allocated in the previous 10 years under the Plan and any other discretionary share schemes adopted by the Company, exceed that number of Shares that represents 5% of the ordinary share capital of the Company in issue immediately prior to that day.

8.2 10% in 10 years

The number of Shares which may be allocated, as defined in Rule 8.4, under the Plan on any day shall not, when added to the aggregate of the number of Shares which have been allocated in the previous 10 years under the Plan and any other Employees' Share Scheme adopted by the Company, exceed that number of Shares that represents 10% of the ordinary share capital of the Company in issue immediately prior to that day.

8.3 Exclusions from the limits

In calculating the limit in Rule 8.1 and Rule 8.2, where:

- (a) the right to acquire any Shares was released or lapsed without being exercised; or after the grant of an option, award or contractual right to acquire Shares the Committee determines that:
 - (i) it shall be satisfied by the payment of a cash equivalent; or
 - (ii) it shall be satisfied by the transfer of existing Shares (other than Shares transferred out of treasury); or
- (b) partnership shares are awarded under any share incentive plan operated by the Company under Schedule 2 of ITEPA,

such Shares will be disregarded.

8.4 Meaning of allocated

References to "allocated" Shares mean, in the case of any share option plan, the placing of unissued shares under option and, in relation to other types of Employees' Share Scheme, means the issue and allotment of Shares or transfer of Shares out of treasury (including any issue and allotment of Shares, or transfer of Shares out of treasury, to any trustees to satisfy the exercise of any option, award or contractual right granted under any Employees' Share Scheme unless such Shares are already treated as allocated under this Rule 8.4).

8.5 Adjustment to Shares to be taken into account

Where Shares which have been issued under the Plan or any other Employees' Share Scheme of the Company are to be taken into account for the purposes of the limit in Rule 8.1 and Rule 8.2 and a Variation has taken place between the date of issue of those Shares and the date on which the limit is to be calculated, then the number of Shares taken into account for the purposes of the limit will be adjusted in the manner the Committee considers appropriate to take account of the Variation.

8.6 **Effect of limits**

Any Award shall be limited and take effect so that the limits in this Rule 8 are complied with.

11 **MALUS AND CLAWBACK**

All Awards shall be subject to the provisions of the Company's Malus & Clawback Policy.

9 **FORFEITURE AND LAPSE OF AWARDS**

9.1 **General**

An Award shall be forfeited or lapse in accordance with the Rules.

9.2 **Forfeiture of Basic Awards**

A Basic Award shall be forfeited immediately upon the earliest of:

- (a) the Participant being declared bankrupt;
- (b) the Participant ceasing to be employed by any Group Company in circumstances where the employer is entitled to dismiss summarily and a decision by the Company to that effect shall be, if given in good faith, conclusive; and
- (c) to the extent it is reduced as a result of Malus and Clawback or any other malus or clawback provision in any bonus or incentive plan operated by any Group Company.

10 **LEAVERS**

10.1 **Death**

Subject to Rule 6.1 and Rule 11, **Error! Reference source not found.** if a Participant dies before the Vesting Date, their Award shall Vest immediately upon death.

10.2 **Other leavers**

Subject to Rule 6.2 and Rule 11 **Error! Reference source not found.**, if a Participant ceases to be a director or employee of a Group Company prior to the Vesting Date (other than as a result of the death of the Participant):

- (a) in circumstances where the Participant is a Good Leaver, the Participant's Award shall not lapse and shall Vest on the Vesting Date, or such other date as the Committee may, at its absolute discretion, specify within 30 days following the Participant's cessation of office or employment; and
- (b) in circumstances where the Participant is not a Good Leaver, the Participant's Award shall lapse immediately on such cessation.

10.3 **Meaning of ceasing employment**

A Participant shall not be treated for the purposes of this Rule **Error! Reference source not found.** as ceasing to be a director or employee of a Group Company until such time as they are no longer a director or employee of any Group Company. If any Participant ceases to be such a director or employee before the Vesting of their Award in circumstances where they retain a statutory right to return to work then they shall be treated as not having ceased to be such a director or employee until such time (if at all) as they cease to have such a right to return to work while not acting as an employee or director.

The reason for the termination of office or employment of a Participant shall be determined by reference to Rule 10.1 regardless of whether such termination was lawful or unlawful.

11 TAKEOVERS AND OTHER CORPORATE EVENTS

11.1 General offers

If any person (or any group of persons acting in concert):

- (a) obtains Control of the Company as a result of making a general offer to acquire the whole of the issued share capital of the Company; or
- (b) obtains Control of the Company as a result of making a general offer to acquire all the shares in the Company which are of the same class as the Shares,

the Board shall, within seven days of becoming aware of that event, notify every Participant of it and subject to Rule 6.2 and Rule 11.4 , all Awards shall Vest on the date of such notification if they have not then Vested.

11.2 Schemes of arrangement and winding-up

In the event that:

- (a) a compromise or arrangement is sanctioned by the Court under section 899 of the Companies Act 2006 in connection with or for the purposes of a change in Control of the Company; or
- (b) the Company passes a resolution for a voluntary winding up of the Company; or
- (c) an order is made for the compulsory winding-up of the Company,

all Awards shall, subject to Rule 6.2 and Rule 11.4 , Vest on the date of such event if they have not then Vested.

11.3 Demergers and similar events

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

- (a) the Committee shall, as soon as reasonably practicable after deciding to apply these provisions, notify a Participant that, subject to earlier lapse under Rule **Error! Reference source not found.****Error! Reference source not found.**, their Award Vests; and
- (b) if an Award Vests conditional upon the Relevant Event and such event does not occur then the conditional Vesting shall not be effective and the Award shall continue to subsist.

11.4 Internal reorganisations

In the event that:

- (a) a company (**Acquiring Company**) is expected to obtain Control of the Company as a result of an offer referred to in Rule 11.1 or a compromise or arrangement referred to in Rule 11.2(a) ; and
- (b) at least 75% of the shares in the Acquiring Company are expected to be held by substantially the same persons who immediately before the obtaining of Control of the Company were shareholders in the Company,

then the Committee, with the consent of the Acquiring Company, may decide before the obtaining of such Control that a Conditional Award shall not Vest under Rule 11.1 or Rule 11.2 but shall be automatically surrendered in consideration for the grant of a new award which the Committee determines is equivalent to the Award it replaces, except that it will be over shares in the Acquiring Company. In such circumstances, the Basic Award shall continue to be subject to the restrictions under Rule 7.1 but shall be over shares in the Acquiring Company.

The Rules will apply to any new award granted under this Rule 11.4 as if references to Shares were references to shares over which the new award is granted and references to the Company were references to the company whose shares are subject to the new award.

12 ADJUSTMENT OF AWARDS

In the event of a Variation, the Committee may make such adjustments as it considers appropriate to the number of Shares comprised in an Award.

13 AMENDMENTS

13.1 General rule on amendments

Except as described in Rule 13.2 and 13.3 the Committee may at any time amend the Plan or the terms of any Award.

13.2 Shareholder approval

Without the prior approval of the Company in general meeting, an amendment to the Rules may not be made for the benefit of a Participant relating to:

- (a) eligibility;
- (b) the overall limits on the issue of Shares or transfer of treasury shares under the Plan;
- (c) the basis for determining a Participant's entitlement to, and the terms of, Shares (or cash) provided under the Plan;
- (d) any adjustment of Awards on a Variation; and
- (e) the terms of this Rule 13.2,

except for:

- (i) an amendment which is of a minor nature and benefits the administration of the Plan; or

- (ii) an amendment which is necessary or desirable in order to take account of the provisions of any proposed or existing legislation, including overseas legislation, or to take advantage of any change of legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for the Participant, the Company or some other Group Company.

13.3 Amendments to the disadvantage of Participants

No amendment to the material disadvantage of Participants shall be made under Rule 13.1 unless:

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

14 EMPLOYMENT RIGHTS

14.1 Employment

The rights and obligations of any Participant under the terms of their office or employment with the Company (or any Group Company or former Group Company) shall not be affected by being a Participant. Nothing in this Plan confers upon the Participant any right to continue in the employment of the Company (or any Group Company or former Group Company), or will affect the right the Company (or any Group Company or former Group Company) to terminate the employment of the Participant.

14.2 Benefits not pensionable

The value of any benefit realised under the Plan by Participants shall not be taken into account in determining any pension or similar entitlements.

14.3 No consequential losses on termination

Participants shall have no rights to compensation or damages from the Company, any Group Company or any former Group Company on account of any loss in respect of Awards where such loss arises (or is claimed to arise), in whole or in part, from:

- (a) termination of office or employment with; or
- (b) notice to terminate office or employment given by or to,

the Company, any Group Company or any former Group Company (and regardless of whether such termination is lawful or unlawful). This exclusion of liability shall apply however termination of office or employment, or the giving of notice, is caused and however compensation or damages may be claimed.

14.4 No consequential losses on transfer of employer

Participants shall have no rights to compensation or damages from the Company, any Group Company or any former Group Company on account of any loss in respect of Awards where such loss arises (or is claimed to arise), in whole or in part, from:

- (a) any company ceasing to be a Group Company; or

- (b) the transfer of any business from a Group Company to any person that is not a Group Company.

This exclusion of liability shall apply however the change of status of the relevant Group Company, or the transfer of the relevant business, is caused, and however compensation or damages may be claimed.

14.5 No expectation of grant

The granting of an Award on a particular basis or to a particular Participant in any year does not create any right or expectation of the grant of Awards on the same basis, or at all, or to any particular individual in that or any subsequent year.

15 MISCELLANEOUS

15.1 Disputes

In the event of any dispute or disagreement as to the interpretation of the Plan, or as to any question or right arising from or relating to the Plan, the decision of the Committee shall be final and binding upon all persons.

15.2 Exercise of powers and discretions

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

15.3 Share rights

Where Vested Shares are transferred to Participants (or their nominee), Participants shall be entitled to all rights attaching to such Shares by reference to a record date on or after the date of such transfer.

15.4 Notices

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

- (a) by personal delivery or by post, in the case of a company to its registered office, and in the case of an individual to their last known address, or, where they are a director or employee of a Group Company, either to their last known address or to the address of the place of business at which they perform the whole or substantially the whole of the duties of their office or employment;
- (b) in an electronic communication to their usual business address or such other address for the time being notified for that purpose to the person giving the notice; or
- (c) by such other method as the Committee determines.

15.5 Third parties

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

15.6 Data protection

If a Participant is employed outside the European Economic Area or the United Kingdom and consent is needed for the collection, processing or transfer of their personal data under applicable local law, by participating in the Plan, the Participant gives their consent for the purposes of the Plan.

For the purposes of compliance with the General Data Protection Regulation (EU) 2016/679, and any UK or other legal or regulatory equivalent, the Company will separately provide a Participant with information on the collection, processing and transfer of their personal data, including the grounds for processing.

If UK law diverges from EU law, then any references in the Plan documentation to EU legislation will be interpreted as to the UK equivalent legislation, as in force from time to time.

15.7 **Governing law**

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