

Rules of the AO World Plc Value Creation Plan [DRAFT]

Approved by the shareholders of AO World Plc on [date] 2020

Adopted by the board of directors of AO World Plc on [date] 2020



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THE AO WORLD PLC VALUE CREATION PLAN

1 DEFINITIONS AND INTERPRETATION

1.1 In this Plan, unless otherwise stated, the words and expressions below have the following meanings:

"Average Market Value"	the average closing price of a Share (as derived from the Daily Official List of the London Stock Exchange) for the Dealing Days within a period;
"Award"	a right to acquire a number of Shares with a value equal to the value of the Units to which the Award relates (rounded down to the nearest whole number of Shares), subject to and in accordance with the rules of the Plan;
"Board"	subject to rule 12.7, the board of the Company or any duly authorised committee of the board, or duly appointed successor body;
"Company"	AO World Plc registered in England and Wales under number 05525751;
"Control"	the meaning given by section 995 of the Income Tax Act 2007;
"Dealing Day"	any day on which the London Stock Exchange is open for business;
"Dealing Restrictions"	restrictions imposed by the Company's share dealing code, the Listing Rules, the MAR or any applicable laws or regulations which impose restrictions on share dealing;
"Delivery Schedule"	where Shares are to be delivered in satisfaction of an Award on different dates, the schedule setting out the timing of such delivery;
"Eligible Employee"	an employee (including an executive director) of the Company or any of its Subsidiaries;
"Employee Award"	an Award designated as Employee Award on the Grant Date;
"Executive Award"	an Award designated as an Executive Award on the Grant Date;
"FCA"	the United Kingdom Financial Conduct Authority (or any other relevant authority);
"First Measurement Date"	31 March 2025;
"First Plan Period"	the period commencing on 1 st April 2020 and ending on the First Measurement Date;
"First Tranche"	the part of an Award that is measured over the First Plan Period;
"GDPR"	the EU General Data Protection Regulation 2016/679, as amended from time to time;
"Grant Date"	the date on which an Award is granted;
"Grant Period"	the period of 42 days beginning on: <ol style="list-style-type: none">i. the day on which the Plan is approved by shareholders of the Company in general meeting;ii. the first Dealing Day after the day on which the Company makes an announcement of its results for any period; or

- iii. any day on which the Board resolves that exceptional circumstances exist which justify the grant of Awards;

unless the Company is restricted from granting Awards under the Plan during the periods specified above as a result of any Dealing Restrictions, in which case the relevant Grant Period will be 42 days beginning on the Dealing Day after such Dealing Restrictions are lifted;

“Group Member”	the Company, any Subsidiary of the Company, any company which is (within the meaning of section 1159 of the Companies Act 2006) the Company’s holding company or a Subsidiary of the Company’s holding company or, if the Board so determines, any body corporate in relation to which the Company is able to exercise at least 20% of the equity voting rights and “Group” will be construed accordingly;
“Initial Grants”	Awards granted to Eligible Employees in 2020, or otherwise designated by the Board as an Initial Grant on the Grant Date;
“Internal Reorganisation”	where immediately after a change of Control of the Company, all or substantially all of the issued share capital of the acquiring company is owned directly or indirectly by the persons who were shareholders in the Company immediately before the change of Control;
“Listing Rules”	the FCA’s listing rules, as amended from time to time;
“London Stock Exchange”	the London Stock Exchange plc or any successor body;
“MAR”	the EU Market Abuse Regulation 596/2014, as amended from time to time;
“Measurement Date”	any date on which the Plan Value is measured, including but not limited to the First Measurement Date, the Second Measurement Date and the Third Measurement Date;
“Participant”	any person who holds an Award (or, in respect of rule 9, any person to whom Shares have been issued or transferred or to whom cash is paid in respect of an Award) or following their death, their personal representatives;
“Plan Period”	the First Plan Period, the Second Plan Period or the Third Plan Period;
“Plan”	the AO World plc Value Creation Plan as amended from time to time;
“Plan Value”	the amount calculated under rule 4 that may convert into rights to acquire Shares under the Plan on the relevant Vesting Dates;
“Policy”	the Company’s directors’ remuneration policy which has most recently been approved by the Company’s shareholders;
“Recovery Period”	in relation to any Award, the period ending on the third anniversary of the Measurement Date;
“Share”	a fully paid ordinary share in the capital of the Company;
“Second Measurement Date”	31 March 2026;
“Second Plan Period”	the period commencing on the Grant Date and ending on the Second Measurement Date;
“Second Tranche”	the part of an Award that is measured over the Second Plan Period;
“Subsidiary”	the meaning given by section 1159 of the Companies Act 2006;

"Tax Liability"	any tax or social security contributions liability in connection with an Award for which the Participant is liable and for which any Group Member or former Group Member is obliged to account to any relevant authority;
"Third Measurement Date"	31 March 2027;
"Third Plan Period"	the period commencing on the Announcement Date and ending on the Third Measurement Date;
"Third Tranche"	the part of an Award that is measured over the Third Plan Period;
"Tranche"	the First Tranche, the Second Tranche or the Third Tranche;
"Units"	the units comprised in an Award;
"Vest"	the occurrence of the Vesting Date (which will normally be the relevant Measurement Date subject to rules 11 and 12) and " Vesting ", " Vested " and " Unvested " will be construed accordingly; and
"Vesting Date"	the date on which an Award Vests.

1.2 References in the Plan to:

- 1.2.1 any statutory provisions are to those provisions as amended or re-enacted from time to time;
- 1.2.2 the singular include the plural and vice versa; and
- 1.2.3 the masculine include the feminine and vice versa.

1.3 Headings do not form part of the Plan.

2 GRANT OF AWARDS

2.1 Subject to rule 2.7, during a Grant Period, the Board may grant an Award to an Eligible Employee in its discretion subject to the rules of the Plan and upon such additional terms as the Board may determine.

2.2 Awards must be granted in such written form as the Board determines and, as soon as reasonably practicable after the Grant Date, Participants must be notified of the terms of their Award including:

- 2.2.1 whether the Award is an Employee Award or an Executive Award;
- 2.2.2 the Units comprised in the Award;
- 2.2.3 how the Plan Value will be calculated in accordance with rule 4.1;
- 2.2.4 the Measurement Date(s);
- 2.2.5 any Delivery Schedule;
- 2.2.6 if the provisions of rule 7 and (for Employee Awards only) rule 11.5 apply to the Award; and
- 2.2.7 any additional terms imposed under rule 2.4.

2.3 An Executive Award will be divided equally between a First Tranche, a Second Tranche and a Third Tranche, unless the Board determines otherwise.

2.4 An Award may be subject to such additional terms as the Board may determine, which may include restrictions on the disposal of some or all of the Shares acquired pursuant to an Award for such period as the Board may determine, and that any Shares so restricted may be forfeited if the Participant ceases to hold office or employment with a Group Member during such period on account of gross misconduct. The Board may make the Vesting of an Award conditional on the Participant taking any action (including entering into any agreement) reasonably required by the Board in relation to such additional terms.

- 2.5 In relation to Executive Awards, the rules of the Plan will be construed as if each Tranche were a separate Award.
- 2.6 An Employee Award will not be divided into Tranches.
- 2.7 Except in relation to the Initial Grants:
- 2.7.1 unless the Board in its discretion determines otherwise, Employee Awards may only be granted to Eligible Employees who will (provided they remain in office or employment) have held the employment or office by virtue of which they fall within the definition of Eligible Employees, for a continuous period of at least two years on a Measurement Date of their Award; and
- 2.7.2 the number of Units comprised in an Award will be calculated to reflect the period of time in employment or office (or time at a particular grade where the Award is made as a result of promotion) between the date the Plan was approved by the shareholders of the Company and 31 March 2025.
- 2.8 The grant of an Award will be subject to obtaining any approval or consent required by the FCA (or other relevant authority), any Dealing Restrictions and any other applicable laws or regulations (whether in the UK or overseas).
- 2.9 No Award may be granted under the Plan after the tenth anniversary of the date on which the Plan was approved by shareholders.
- 2.10 The Board may approve an operational guide for the Plan to assist management in its implementation (including arrangements for new and departing Eligible Employees), subject always to the Plan rules.

3 RESTRICTIONS ON TRANSFER AND BANKRUPTCY

- 3.1 An Award must not be transferred, assigned, charged or otherwise disposed of in any way (except in the event of the Participant's death, to their personal representatives) and will lapse immediately on any attempt to do so.
- 3.2 An Award will lapse immediately if the Participant is declared bankrupt or, if the Participant is outside the UK, any analogous event occurs.

4 PLAN VALUE AND PLAN LIMITS

- 4.1 Subject to rule 4.4, the Plan Value determined by the Board on any Measurement Date will be:
- 4.1.1 10% of the market cap of the Company (calculated using the Average Market Value less £5.23, times the number of Shares in issue);
- 4.1.2 where the Average Market Value cannot exceed £12.55; and
- 4.1.3 calculated using the Average Market Value of a Share over the three months ending on the Measurement Date.

Provided that if the Plan Value is nil, the Board may determine in its discretion that a different threshold will apply in relation to Employee Awards only.

- 4.2 The maximum amount of the Plan Value that can be allocated to Units comprised in an Executive Award in aggregate is 10% of the Plan Value on any Measurement Date.
- 4.3 The Board may amend or substitute the Plan Value calculation in rule 4.1 if one or more events occur which cause the Board to consider that an amended or substituted Plan Value would be more appropriate and would not be materially less difficult to satisfy.
- 4.4 The aggregate number of Shares that may be allocated under the Plan may not exceed such number as represents five per cent of the ordinary share capital of the Company in issue on the relevant Measurement Date.

- 4.5 The Board must not grant any Award that would cause the number of Shares allocated under the Plan and under any other employee share plan adopted by the Company, to exceed such number as represents ten per cent of the ordinary share capital of the Company then in issue. For the purposes of this rule Shares are treated as allocated if they have been issued to satisfy an option, award or other right (an "award") granted during the period of ten years before that day or in the case of such an award in respect of which Shares are yet to be issued, the Shares that have or may be issued in respect of it. Shares are not treated as allocated to the extent that such awards have lapsed, been relinquished or satisfied in cash or awards have been otherwise satisfied.
- 4.6 Subject to rule 10, Awards may only be satisfied by the issue of Shares.
- 4.7 The Plan Value and the limit set out in rule 4.4 may be adjusted in such manner as the Board determines, in the event of:
- 4.7.1 any variation of the share capital of the Company; or
- 4.7.2 a demerger, delisting, special dividend or other event that may, in the opinion of the Board, affect the current or future value of Shares.

5 INDIVIDUAL LIMIT

- 5.1 The aggregate Average Market Value of Shares (calculated over the three months ending on any relevant Measurement Date) delivered under the Plan to any one Participant cannot exceed £20 million.
- 5.2 Subject to rule 5.1, the Average Market Value of Shares (calculated over the three months ending on the relevant Measurement Date) delivered under the Plan to any one Participant on any Measurement Date cannot exceed £6.67 million.
- 5.3 Any Award that exceeds the limit in rule 5.1 will be reduced accordingly, and the Award will lapse as to the balance on the Measurement Date.

6 DIVIDEND EQUIVALENTS

- 6.1 Subject to limits in rule 5, the Board may decide at any time prior to the issue or transfer of the Shares in respect of which an Award Vests that the Participant will receive an amount (in cash and/or additional Shares) equal in value to any dividends that would have been paid on those Shares on such terms and over the period between the Grant Date and the relevant Measurement Date as the Board may determine. This amount may assume the reinvestment of dividends (on such basis as the Board may determine) and may exclude or include special dividends.

7 REDUCTION AND RECOVERY

- 7.1 Notwithstanding any other rule of the Plan, the Board may determine before the Grant Date that this rule 7 applies to any Award, and will continue to apply after the cessation of a Participant's office or employment with a Group Member for any reason, whether or not any termination is lawful.
- 7.2 The Board may, where rule 7.4 applies:
- 7.2.1 impose further conditions on an Award; and/or
- 7.2.2 reduce (including to nil) the number of Shares or Units to which an Award relates, at any time before the end of the Recovery Period in respect of such Award.
- 7.3 If Shares and/or cash have been delivered in satisfaction of an Award, the Board may, where rule 7.4 applies:
- 7.3.1 require a Participant to make a cash payment to the Company in respect of some or all of the Shares or cash delivered to them under the Award; and/or

7.3.2 require a Participant to transfer for nil consideration some or all of the Shares delivered to them under the Award,

at any time before the end of the Recovery Period in respect of an Award and the Board will have discretion to determine the basis on which the amount of cash or Shares is calculated, including whether and if so to what extent to take account of any tax or social security liability applicable to the Award.

7.4 The Board may take any of the actions set out in rule 7.2 or 7.3 if it determines that any of the following circumstances have occurred before the end of the Recovery Period:

7.4.1 a material misstatement of any Group Member's financial results;

7.4.2 an error in assessing the Plan Value applicable to the Award or in the information or assumptions on which the Award was granted or Vests;

7.4.3 a material failure of risk management, fraud or material financial irregularity in any Group Member or a relevant business unit;

7.4.4 serious reputational damage to any Group Member or a relevant business unit;

7.4.5 serious misconduct or material error on the part of the Participant;

7.4.6 a material corporate failure or a material safety failure in any Group Member or a relevant business unit; or

7.4.7 any other circumstances which the Board in its discretion considers to be similar in their nature or effect to those in rules 7.4.1 to 7.4.7.

7.5 The Board may take any of the actions set out in rule 7.2 or 7.3 if it determines that any of the following circumstances have occurred before the Vesting Date of an Award:

7.5.1 a material downturn in the financial performance of any Group Member or a relevant business unit; or

7.5.2 any other circumstances which the Board in its discretion considers to be similar in their nature or effect to those in rule 7.5.1.

7.6 If the action or conduct of any Participant, Group Member or relevant business unit is under investigation by the Company, or the Company has been notified by a regulatory authority that an investigation into such action or conduct has been commenced, prior to the third anniversary of the relevant Measurement Date and such investigation has not been or is not expected to be concluded by that date, the Board may extend the period referred to in rule 7.6 to end on such later date as the Board considers appropriate to allow such investigation to be concluded.

7.7 The Board may take any of the actions set out in rule 7.2 to effect the recovery of sums paid or Shares delivered under any malus or clawback provisions which are included in any bonus plan or share plan (other than the Plan) operated by any Group Member

7.8 For the purposes of this rule 7, references to a Group Member or a relevant business unit include references to any former Group Member or former business unit and references to Participants includes former Participants.

8 VESTING AND PAYMENT

8.1 In relation to Executive Awards and subject to rules 8.3 and 8.4, on each Measurement Date:

8.1.1 the Board will determine the Plan Value in accordance with rule 4;

8.1.2 if the Plan Value is nil, the relevant Tranche will lapse immediately;

8.1.3 if the Plan Value exceeds nil, the Board will determine:

- i. the aggregate value of the Units comprised in an Award; and
- ii. the number of Shares to which the Executive Award relates calculated using the Average Market Value of a Share over the three months ending on the Measurement Date (rounded down to the nearest whole Share) and reduced if required by rule 4.2 and rule 5;

and the Award will Vest in relation to that number of Shares.

8.2 In relation to Employee Awards and subject to rules 8.3 and 8.4:

8.2.1 on the First Measurement Date the Board will determine the Plan Value in accordance with rule 4 and if the Plan Value exceeds nil, the Board will determine:

- i. the aggregate value of Units comprised in an Award; and
- ii. the number of Shares to which the Employee Award relates calculated using the Average Market Value of a Share over the three months ending on the Measurement Date (rounded down to the nearest whole Share);

and the Award will Vest in relation to that number of Shares.

8.2.2 on the Second Measurement Date the Board will determine the Plan Value in accordance with rule 4 and if the Plan Value exceeds nil and to the extent it exceeds the Plan Value on the First Measurement Date (and provided any Executive Award Vests on the Second Measurement Date), if the Board so determines in its discretion the Board will determine:

- i. whether any adjustment will be made to increase the number of Units comprised in Awards to reflect the length of continuous service of the Participant on the Second Measurement Date;
- ii. the aggregate value of Units comprised in an Award; and
- iii. the number of Shares to which the Employee Award relates calculated using the Average Market Value of a Share over the three months ending on the Measurement Date (rounded down to the nearest whole Share);

and the Award will Vest in relation to that number of Shares; and

8.2.3 on the Third Measurement Date the Board will determine the Plan Value in accordance with rule 4 and if the Plan Value exceeds nil and to the extent it exceeds the Plan Value on the Second Measurement Date (and provided any Executive Award Vests on the Third Measurement Date), if the Board so determines in its discretion the Board will determine:

- i. whether any adjustment will be made to increase the number of Units comprised in Awards to reflect the length of continuous service of the Participant on the Third Measurement Date;
- ii. the aggregate value of Units comprised in an Award; and
- iii. the number of Shares to which the Employee Award relates calculated using the Average Market Value of a Share over the three months ending on the Measurement Date (rounded down to the nearest whole Share);

and the Award will Vest in relation to that number of Shares

8.2.4 to the extent that any Employee Award is Unvested on the Third Measurement Date, it will lapse immediately.

8.3 As soon as reasonably practicable after the Board's determinations under rules 8.1 and 8.2 and subject to rule 8.4, the Board may, in its discretion, adjust (including by reducing to nil) the extent to which an Award would (but for this rule 8.3) Vest, if it considers that:

- 8.3.1 the Vesting level does not reflect the underlying financial or non-financial performance of the Participant or the Group over the Vesting Period;
- 8.3.2 the Vesting level is not appropriate in the context of circumstances that were unexpected or unforeseen at the Grant Date; or
- 8.3.3 there exists any other reason why an adjustment is appropriate,

taking into account such factors as the Board considers relevant (which will include but not be limited to revenue growth, profitability, cash generation, customer satisfaction, employee engagement and indications of robust business processes and governance).

- 8.4 As soon as reasonably practicable after the Board's determinations under rules 8.1, 8.2 and 8.3, the Board may, in its discretion, adjust (including be reducing to nil) the extent to which an Award would (but for this rule 8.4) Vest, to reflect:

- 8.4.1 periods of absence since the Grant Date; and
- 8.4.2 promotion to a higher grade since the Grant Date;

any such adjustment will be determined on a pro rata basis to reflect the proportion of the Vesting Period that the absence represents or the period between the Vesting Date and the effective date of promotion relative to the Vesting Period.

- 8.5 Subject to rules 9, 11 and 12 an Award will Vest as set out in rules 8.1, 8.2, 8.3 and 8.4 on the Vesting Date unless on the Vesting Date (or on any other date on which an Award is due to Vest under rule 11 or 12):
 - 8.5.1 a Dealing Restriction applies to the Participant, in which case an Award will Vest on the date on which such Dealing Restriction lifts; or
 - 8.5.2 the action or conduct of any Participant, Group Member or relevant business unit is under investigation pursuant to rule 7 and such investigation has not yet been concluded by that date, in which case an Award will Vest on such later date as the Board considers appropriate to allow such investigation to be concluded.

- 8.6 Subject to rules 9 and 10, the number of Shares in respect of which the Award has Vested together with any additional Shares or cash to which a Participant becomes entitled under rule 6 will be issued or paid to the Participant in accordance with any Delivery Schedule or if there is none, within 30 days of the relevant Measurement Date.

- 8.7 Any costs associated with the delivery of Shares to satisfy an Award will be borne by the Company (or another Group Member). Any costs associated with the sale of Shares acquired pursuant to an Award (including on any sale pursuant to rule 9) will be borne by the Participant.

9 TAXATION AND REGULATORY ISSUES

- 9.1 A Participant will be responsible for and indemnifies each relevant Group Member against any Tax Liability relating to their Award. Any Group Member may withhold an amount equal to such Tax Liability from any amounts due to the Participant (to the extent such withholding is lawful) and/or make any other arrangements as it considers appropriate to ensure recovery of such Tax Liability including, without limitation, the sale of sufficient Shares acquired subject to the Award to realise an amount equal to the Tax Liability.
- 9.2 The issue or transfer of Shares under the Plan will be subject to obtaining any approval or consent required by the FCA (or any other relevant authority), any Dealing Restrictions or any other applicable laws or regulations (whether in the UK or overseas).

10 CASH EQUIVALENT

- 10.1 Subject to rule 10.2, at any time prior to the date on which Shares in respect of which an Award has Vested have been issued to a Participant, the Board may determine that, in substitution for their right to acquire some or all of the Shares to which their Tranche relates, the Participant will instead receive a cash sum. The cash sum will be equal to the market value (as determined by the Board) of that number of the Shares which would otherwise have been issued and for these purposes:
- 10.1.1 market value will be determined on the Measurement Date; and
 - 10.1.2 the cash sum will be paid to the Participant in accordance with any Delivery Schedule or if there is none, within 30 days of the relevant Measurement Date (or, if later, the date of the determination by the Board under this rule 10.1) net of any Tax Liability.
- 10.2 The Board may determine that this rule 10 will not apply to an Award, or any part of it.

11 CESSATION OF EMPLOYMENT

- 11.1 If a Participant ceases to hold office or employment with a Group Member prior to the Vesting Date of their Award, their Awards will lapse on the date of cessation unless the Board determines in its discretion (except where a Participant is dismissed for gross misconduct or leaves to join (or otherwise provides services to) a competitor in which case their Awards will lapse immediately) that subject to rule 11.5 an Award will continue and, subject to it Vesting or lapsing under rule 12, the Award will be satisfied in accordance with rule 11.2 following the relevant Measurement Dates applying to that Award or if the Participant ceased to hold office or employment by reason of their death (or such other reason as the Board may determine in its discretion), such earlier date as the Board may determine.
- 11.2 The number of Shares in respect of which an Award Vests pursuant to rule 11.1 will be determined by the Board in its discretion, taking into account:
- 11.2.1 the Plan Value calculated in accordance with rule 4 on the Measurement Date or the date of cessation of office or employment (if the Board has so determined under rule 11.1) and, accordingly, the number of Shares that have a market value (as determined by the Board) equal to the value of such Award on the date of such cessation;
 - 11.2.2 whether it is appropriate to adjust (including by reducing to nil) the extent to which the Award would (but for this rule) Vest, if it considers that rule 8.3 or 8.4 applies, taking into account such factors as the Board considers relevant; and
 - 11.2.3 the proportion of the period between the Grant Date and the relevant Measurement Date that has elapsed at the date of cessation of office or employment; and
- any part of an Award that is not Vested will lapse immediately.
- 11.3 If a Participant ceases to hold office or employment with a Group Member after the Vesting Date of their Award for any reason (other than gross misconduct or leaving to join (or otherwise provide services to) a competitor, in which case that Award will lapse on the date of such cessation), their Award will continue and be satisfied in accordance with rule 8.
- 11.4 For the purposes of the Plan, no person will be treated as ceasing to hold office or employment with a Group Member until that person no longer holds:
- 11.4.1 an office or employment; or
 - 11.4.2 a right to return to work

with any Group Member unless the Board determines that a person will be treated as ceasing to hold office or employment with a Group Member on the date such person serves notice of termination of office or employment.

11.5 If a Participant who holds either an Executive Award, or an Employee Award in relation to which the Board determined before the Grant Date that this rule 11.5 applies, ceases to hold office or employment with a Group Member and within 12 months of the cessation the Participant joins (or otherwise provides services to) a competitor then:

11.5.1 if the Board has exercised its discretion in rule 11.1; or

11.5.2 rule 11.3 applies and the Award has not already lapsed;

that Award will lapse immediately, or if it has already been satisfied the Board may require the Participant to transfer for nil consideration some or all of the Shares delivered to them under the Executive Award or require the Participant to make a cash payment to the Company in respect of some or all of the Shares or cash delivered to them under the Executive Award.

11.6 For the purposes of this rule 11, satisfaction or satisfied will mean the issue of Shares or payment of cash in respect of an Award.

12 CORPORATE EVENTS

12.1 Where any of the events described in rule 12.3 occur, subject to rules 12.6 and 12.7, all Unvested Awards will Vest in accordance with rule 12.2 at the time of such event.

12.2 The number of Shares in respect of which Vest pursuant to rule 12.1 will be determined by the Board in its discretion, taking into account:

12.2.1 the Plan Value (as determined in accordance with rule 4) on the date of the relevant event; and

12.2.2 whether it is appropriate to adjust (including by reducing to nil) the extent to which the Award would (but for this rule) Vest, if it considers that rule 8.3 or 8.4 applies, taking into account such factors as the Board considers relevant;

and any part an Award that does not Vest, or is not exchanged in accordance with rules 12.6 and 12.7, will lapse immediately.

General offer and scheme of arrangement

12.3 The events referred to in rule 12.1 are:

12.3.1 if any person (either alone or together with any person acting in concert with them):

i. obtains Control of the Company as a result of making a general offer to acquire Shares; or

ii. already having Control of the Company, makes an offer to acquire all of the Shares other than those which are already owned by them,

and such offer becomes wholly unconditional; or

12.3.2 a compromise or arrangement in accordance with section 899 of the Companies Act 2006 for the purposes of a change of Control of the Company being sanctioned by the Court.

Winding up

- 12.4 On the passing of a resolution for the voluntary winding-up or the making of an order for the compulsory winding up of the Company, the Board will determine whether and to what extent Awards will Vest taking into account, in respect of any Unvested Award, the factors set out in rules 12.2.1 and 12.2.2, any part of an Award that does not Vest will lapse immediately.

Other events

- 12.5 If the Company is or may be affected by a demerger, delisting, special dividend or other event which, in the opinion of the Board, may affect the current or future value of Shares to a material extent, the Board may determine that Awards will Vest, taking into account the factors set out in rules 12.2.1 and 12.2.2, and any part of the Award that does not Vest will lapse immediately.

Exchange

- 12.6 The Award will not Vest under rule 12.1 but will be exchanged on the terms set out in rule 12.7 if:
- 12.6.1 an offer to exchange the Award is made and accepted by a Participant;
 - 12.6.2 there is an Internal Reorganisation, unless the Board determines that an Award should Vest; or
 - 12.6.3 the Board decides (before the relevant event) that an Award will be exchanged automatically.
- 12.7 If this rule 12.7 applies, the Award will not Vest but will be exchanged in consideration of the grant of a new award (the "New Award") which, in the opinion of the Board, is equivalent to the Award, but relates to shares in a different company (whether the acquiring company or a different company).

Meaning of Board

- 12.8 Any reference to the Board in this rule 12 means the members of the Board immediately prior to the relevant event.

13 ADJUSTMENTS

- 13.1 The Plan Value and the number of Shares or Units subject to an Award may be adjusted in such manner as the Board determines, in the event of
- 13.1.1 any variation of the share capital of the Company; or
 - 13.1.2 a demerger, delisting, special dividend or other event that may, in the opinion of the Board, affect the current or future value of Shares.

14 AMENDMENTS

- 14.1 Except as described in this rule 14, the Board may at any time amend the rules of the Plan or the terms of any Award.
- 14.2 Subject to rule 14.3, no amendment to the advantage of Eligible Employees and/or Participants will be made under this rule 16 to the provisions relating to:
- 14.2.1 the persons to whom, or for whom, Shares or cash are provided under the Plan;
 - 14.2.2 limitations on the number or amount of Shares or cash subject to the Plan;
 - 14.2.3 the maximum entitlement for any one Participant;

- 14.2.4 the basis for determining a Participant's entitlement to, and the terms of, Shares or cash to be provided under the Plan;
- 14.2.5 the adjustments that may be made in the event of a variation of capital; and
- 14.2.6 the terms of this rule 14.2

without prior approval of the members of the Company in general meeting.

- 14.3 Rule 14.2 will not apply to any minor amendment which is to benefit the administration of the Plan or is necessary or desirable to take account of any change in legislation or to obtain or maintain favourable taxation, exchange control or regulatory treatment for any Group Member or Participant.
- 14.4 No amendment to the material disadvantage of existing rights of will be made under rule 14.1 unless:
 - 14.4.1 every Participant who may be affected by such amendment has been invited to indicate whether or not they approve the amendment; and
 - 14.4.2 the amendment is approved by a majority of those Participants who have so indicated.
- 14.5 No amendment will be made under this rule 14 if it would prevent the Plan from being an employees' share scheme in accordance with section 1166 of the Companies Act 2006.
- 14.6 The Board may establish further schedules to the Plan for overseas territories. Any such schedule will be similar to the Plan but may modify the Plan to take account of local tax, exchange control or securities laws. Any Award granted under any such schedule must be treated as counting against the limits set out in rule 4.

15 LEGAL ENTITLEMENT

- 15.1 This rule 17 applies during a Participant's employment with any Group Member and after the termination of such employment, whether or not the termination is lawful.
- 15.2 Nothing in the Plan or its operation forms part of the terms of employment of a Participant and the rights and obligations arising from a Participant's employment with any Group Member are separate from, and are not affected by, their participation in the Plan. Participation in the Plan does not create any right to continued employment with a Group Member for any Participant.
- 15.3 The grant of any Award to a Participant does not create any right for that Participant to be granted any further Awards or to be granted awards under any incentive plan on any particular terms, including the number of Shares to which awards relate.
- 15.4 By participating in the Plan, a Participant waives all rights to compensation for any loss in relation to the Plan, including:
 - 15.4.1 any loss or reduction of any rights or expectations under the Plan in any circumstances or for any reason (including lawful or unlawful termination of the Participant's employment);
 - 15.4.2 any exercise of a discretion or a decision taken in relation to an Award or to the Plan, or any failure to exercise a discretion or take a decision; and
 - 15.4.3 the operation, suspension, termination or amendment of the Plan.

16 GENERAL

- 16.1 The Plan will terminate upon the date stated in rule 2.10 or at any earlier time by the passing of a resolution by the Board or an ordinary resolution of the Company in general meeting. Termination of the Plan will be without prejudice to the existing rights of Participants.
- 16.2 Shares issued under the Plan will rank equally in all respects with the Shares then in issue, except that they will not rank for any voting, dividend or other rights attaching to Shares by reference to a record date preceding the date of issue.
- 16.3 The personal data of any Eligible Employee and of any person who holds or who has held an Award may be processed in connection with the operation of the Plan in accordance with the Group's prevailing data protection policy and as notified to Eligible Employees in accordance with GDPR. By participating in the Plan, a Participant consents (otherwise than for the purposes of GDPR) to the processing of their personal data in connection with the operation of the Plan.
- 16.4 The Plan will be administered by the Board. The Board will have full authority, consistent with the Plan, to administer the Plan, including authority to interpret and construe any provision of the Plan and to adopt regulations for administering the Plan. Decisions of the Board will be final and binding on all parties.
- 16.5 Any notice or other communication in connection with the Plan may be delivered personally or sent by electronic means or post, in the case of a company to its registered office (for the attention of the company secretary), and in the case of an individual to their last known address, or, where they are a director or employee of a Group Member, 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. Where a notice or other communication is given by post, it will be deemed to have been received 72 hours after it was put into the post properly addressed and stamped, and if by electronic means, when the sender receives electronic confirmation of delivery or if not available, 24 hours after sending the notice.
- 16.6 No benefits received under the Plan will be pensionable.
- 16.7 If any rule of the Plan or any term of an Award is held to be void but would be valid if part of its wording were deleted, such rule will apply with such deletion as may be necessary to make it valid.
- 16.8 No third party will have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Plan (without prejudice to any right of a third party which exists other than under that Act).
- 16.9 The rules of the Plan will be governed by and construed in accordance with the laws of England and Wales. Any person referred to in the Plan submits to the exclusive jurisdiction of the Courts of England and Wales.