



**RULES OF THE BRITVIC PLC
2015
PERFORMANCE SHARE PLAN**

Adopted by the shareholders of the Company in general meeting on 27 January 2015 and amendments approved by shareholders of the Company in general meeting on 27 January 2016 [and on [28 January] 2021]

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1 DEFINITIONS AND INTERPRETATION

1.1 In this Plan, unless the context otherwise requires:

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

Award means a Conditional Award, a Cash Award or an Option granted under this Plan;

Bad Leaver means a Participant ceasing to be a director or employee of a Group Company in circumstances where his employing company is entitled to dismiss him without notice;

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;

Cash Award means a right to receive a cash amount which relates to the value of a certain number of notional Shares granted under the Plan which is designated as a cash award by the Committee under Rule 3.2 (*Type of Award*);

Clawback means an obligation to repay all or such part of the additional value which the Committee determines to have been received by the relevant Participant as a result of any an event referred to in Rule 11.1 (*Clawback events*);

Committee means the remuneration committee of the Board or, on and after the occurrence of a corporate event described in Rule 14 (*Takeovers and other corporate events*), the remuneration committee of the Board as constituted immediately before such event occurs;

Company means Britvic plc (registered in England and Wales with registered number 5604923);

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 (*Type of Award*);

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

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

Dividend Equivalent means a benefit calculated by reference to dividends paid on Shares as described in Rule 3.6 (*Dividend Equivalents*);

Eligible Employee means an employee or executive director of 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;

Exercise Period means the period commencing on the date on which the Option Vests and ending on the tenth anniversary of the Grant Date (or such earlier date as the Committee may determine for such Option prior to the Grant Date) subject to it lapsing earlier under Rule 13 (*Leavers*) or Rule 14 (*Takeovers and other corporate events*);

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

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 or any comparable overseas provision);
- (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 provided that this may not in any circumstances include a Bad Leaver;

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

Group Company means:

- (a) the Company, a Subsidiary of the Company, a body corporate which is the Company's holding company (within the meaning of section 1159 of the Companies Act 2006) or a Subsidiary of the Company's holding company;
- (b) a body corporate which is a subsidiary undertaking (within the meaning of section 1162 of the Companies Act 2006) of a body corporate within paragraph (a) above and has been designated by the Committee 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 Committee for this purpose;

Holding Period means such period (if any) from the Vesting Date, as may be specified by the Committee under Rule 3.1(d), during which the Vested Shares may only be sold, transferred, assigned or disposed of in accordance with Rule 6.5 (*Holding Period*);

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

Listing Rules means the Listing Rules published by the United Kingdom Listing Authority or any successor body;

London Stock Exchange means London Stock Exchange plc or any successor to that company;

Option means a conditional right to acquire Shares with a nil or nominal exercise price which is designated as an option by the Committee under Rule 3.2 (*Type of Award*);

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

Performance Condition means the performance condition imposed as a condition of the Vesting of an Award under Rule 4.1 (*Imposition of Performance Condition*), as determined by the Committee;

Performance Period means the period over which the Performance Condition must be satisfied which, in respect of an Award granted to an executive director of the Company, will normally be a period of three years, unless the Committee determines it shall be a different period (to the extent permitted by the Company's Directors' Remuneration Policy in effect from time to time);

Plan means the Britvic plc 2015 Performance Share Plan as amended from time to time;

Plan Period means the period starting on the Adoption Date and ending on the day before the tenth anniversary of that date;

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, employee's national insurance 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;

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 a Participant becoming entitled to have Shares transferred to him (or his nominee), in the case of a Conditional Award, or to exercise his Option over such Shares, in the case of an Option, or becoming entitled to have a cash sum paid to him, in the case of a Cash Award, to the extent the Performance Condition has been satisfied 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 or later date as may be specified by the Committee under Rule 3.1(c) (*Terms on grant*).

1.2 Where the context admits or requires references to the singular shall include the plural and vice versa and references to the masculine shall include the feminine.

1.3 Reference in this Plan to any statutory provisions are to those provisions as amended, extended or re-enacted from time to time and shall include any regulations made under them.

1.4 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 he is an Eligible Employee at the time of the grant of an Award.

3 GRANT OF AWARDS

3.1 Terms of grant

Subject to Rule 3.8 (*Approvals and consents*) and Rule 3.4 (*Timing of grant*), the Committee may resolve that an Award should be granted:

- (a) on the terms set out in the Plan;
- (b) on such additional terms or conditions as the Committee may specify;
- (c) subject to such Vesting Date as the Committee may specify; and
- (d) subject to such Holding Period (if any) as the Committee may specify,

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

Awards granted to executive directors of the Company will be subject to a Holding Period of two years from the Vesting Date (or such other period as the Committee may determine in accordance with the Company's Directors' Remuneration Policy in effect from time to time). The Committee will have discretion whether to apply a Holding Period to Awards granted to Eligible Employees who are not executive directors of the Company.

3.2 Type of Award

On or before the Grant Date the Committee shall determine:

- (a) the size of the Award (if any) to be granted to the Participant; and
- (b) whether an Award shall be an Option, a Conditional Award or a Cash Award.

If the Committee does not specify the type of Award on or before the Grant Date, the Award will be a Conditional Award.

3.3 Individual limit

Any Award shall be limited and take effect so that immediately following such grant no Participant has been granted in any Financial Year Awards over Shares (including notional Shares for Cash Awards) with a total market value, measured on their Grant Dates in excess of 200 per cent of his salary (being the annual basic rate of pay for the Participant at the relevant Date of Grant).

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 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, including notional Shares in the case of a Cash Award, 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 3.8 (*Approvals and consents*), Awards may only be granted within the period of forty two days starting on:

- (a) the Dealing Day after Adoption Date;
- (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; or
- (c) if Awards cannot be granted under (a) or (b) above due to restrictions on the grant of Awards under Rule 3.8 (*Approvals and consents*), the Dealing Day after the day on which any such restrictions are lifted.

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**

An Award shall be granted by deed executed by the Company.

3.6 **Dividend Equivalents**

The Committee may decide on or before the grant of an Award that a Participant (or his nominee) shall be entitled to cash and/or Shares (as determined by the Committee) of a value determined by reference to the dividends that would have been paid on his Vested Shares in respect of dividend record dates occurring during the period between the Grant Date and the Vesting Date. The Committee shall decide the basis on which the value of such dividends shall be calculated which may assume the reinvestment of dividends and/or the inclusion or exclusion of any dividend tax credit. In giving effect to this Rule 3.6, the Committee shall have complete discretion to decide the basis on which the Dividend Equivalent should be calculated or paid.

3.7 **Method of satisfying Awards**

Subject to Rule 9 (*Cash Alternative*), 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).

3.8 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.

3.9 Non-transferability and bankruptcy

An Award granted to any person shall lapse immediately if:

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

4 PERFORMANCE CONDITION

4.1 Imposition of Performance Condition

On the grant of an Award, the Committee shall impose the Performance Condition.

4.2 Performance Condition can no longer be satisfied

If the Committee determines that the Performance Condition has been satisfied neither in whole nor in part in relation to an Award and can no longer be satisfied either in whole or in part, the Award shall lapse to that extent immediately.

4.3 Substitution or variation of Performance Condition

- (a) If an event occurs which causes the Committee to consider that the Performance Condition, or any condition imposed pursuant to Rule 3.1(b), subject to which the outstanding Award has been granted is no longer appropriate, the Committee may substitute or vary the Performance Condition or the condition in such manner (and make such consequential amendments to the Rules) as:
 - (i) is reasonable in the circumstances; and
 - (ii) produces a more appropriate measure of performance and is materially no easier to satisfy.
- (b) The outstanding Award shall then take effect subject to the Performance Condition or the condition as so substituted or varied.

4.4 Notification of Participant

The Committee shall, as soon as reasonably practicable, notify the Participant concerned of any determination made by it under Rule 4.2 (*Performance Condition can no longer be satisfied*) or any substitution, variation or waiver of the Performance Condition under Rule 4.3 (*Substitution or variation of Performance Condition*) and explain how it affects his position under the Plan.

5 VESTING OF AWARDS

5.1 Vesting of Awards

Subject to Rule 8.1 (*Regulatory and tax issues*), an Award shall Vest on the Vesting Date to the extent the Performance Condition has been satisfied, except where earlier Vesting occurs under Rule 13 (*Leavers*) or Rule 14 (*Takeovers and other corporate events*).

5.2 Testing of the Performance Condition

As soon as practicable after the end of the Performance Period or on such date as the Committee determines, the extent to which the Performance Condition has been satisfied shall be determined by the Committee and, subject to Rule 5.3 (*Formulaic outcomes*), the number of Shares (or notional Shares in the case of a Cash Award) in respect of which the Award shall Vest shall be calculated.

5.3 Formulaic outcomes

The Committee retains the absolute discretion to override the outcome achieved by the operation of any Performance Condition on an individual Participant by Participant basis where it considers that, when assessing the overall total remuneration for that Participant, the outcome achieved by the operation of the Performance Condition:

- (a) does not reflect the underlying performance of the business;
- (b) does not align to individual performance and results achieved by that individual;
- (c) would not deliver the intention of the remuneration policy; and/or
- (d) is not reasonable and/or does not reflect the Participant's contribution due to unexpected or unforeseen circumstances. Such circumstances may include, but are not limited to: share price growth and currency fluctuations, the impact of a share repurchase scheme or a government support initiative.

In these circumstances, the Committee may, in its absolute discretion, alter the number of Shares in respect of which the Award Vests (which may include a reduction down to zero, if the Committee considers it appropriate).

5.4 Decision binding

The determination of the Committee under Rule 5.2 and/or Rule 5.3 above shall be final and binding (save in the case of manifest error), and the Company and the Committee shall be under no liability to any person by reason of such determination.

6 CONSEQUENCES OF VESTING

6.1 Conditional Awards

Within 30 days of the Vesting of a Conditional Award, the Board shall, subject to Rule 8.1 (*Regulatory and tax issues*) and Rule 8.3 (*Payment of Tax Liability*), procure the transfer of the Vested Shares to the Participant (or a nominee for him).

6.2 Options

An Option shall, subject to Rule 8.1 (*Regulatory and tax issues*) and Rule 8.3 (*Payment of Tax Liability*), be exercisable in respect of Vested Shares during the Exercise Period subject to Rule 13 (*Leavers*) or Rule 14 (*Takeovers and other corporate events*).

6.3 Cash Awards

Within 30 days of the Vesting of a Cash Award (or as soon as reasonably practicable), the Board shall, subject to Rule 8.1 (*Regulatory and tax issues*), pay to the Participant a cash sum (after making all necessary 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) equal to the market value of the notional Vested Shares. For the purposes of this Rule 6.3, the **market value** of the notional Vested Shares shall be taken to be an amount equal to the middle-market quotation of such Shares (as derived from the London Stock Exchange Daily Official List) on the date of Vesting Date (or if the date of Vesting is not a Dealing Day, the Dealing Day immediately prior to the date of Vesting).

6.4 **Provision of Dividend Equivalents**

The provision of the Dividend Equivalent to the Participant shall be made as soon as practicable after the issue or transfer of Vested Shares, payment of a cash sum under Rule 6.3 (*Cash Awards*) or payment of a cash equivalent under Rule 9.4 (*Payment of cash equivalent*) and:

- (a) in the case of a cash payment, shall be subject to such deductions (on account of tax or similar liabilities) as may be required by law or as the Committee may reasonably consider to be necessary or desirable; or
- (b) in the case of a provision of Shares, Rule 6.5 (*Holding Period*), Rule 8.1 (*Regulatory and tax issues*) and Rule 8.3 (*Payment of Tax Liability*) shall apply as if such provision was the Vesting of an Award.

Should the Vesting of the relevant Award be delayed due to the Company being in a closed period as determined by the Listing Rules (as appropriate) or any relevant share dealing code of the Company, then the Committee may determine at the time of Vesting that the calculation of the Dividend Equivalent should be extended to include any dividends that would have been paid on the Participant's Vested Shares, or notional Vested Shares, in respect of dividend record dates occurring during the period between the Vesting Date and the date of Vesting.

6.5 **Holding Period**

- (a) Subject to Rule 6.5(b) below, if an Award is subject to a Holding Period, Vested Shares may only be sold, transferred, assigned or disposed of during the Holding Period in order to pay:
 - (i) a Tax Liability arising in respect of the Vested Shares;
 - (ii) if the Award is an Option, the exercise price payable in respect of the Vested Shares acquired on the exercise of the Option.
- (b) However, in exceptional circumstances, the Committee may, at any time and at its absolute discretion, allow a Participant (or his personal representatives) to sell, transfer, assign or dispose of some or all of the Vested Shares during the Holding Period, subject to such additional terms and conditions as the Committee may specify.

7 **EXERCISE OF OPTIONS**

7.1 **Exercise in whole or in part**

An Option must be exercised to the maximum extent possible at the time of exercise unless the Committee decides that a Participant may exercise his Option in respect of such fewer number of Shares as it decides.

7.2 Manner of exercise

The exercise of any Option shall be effected in the form and manner prescribed by the Committee. Unless the Committee, acting fairly and reasonably determines otherwise, any notice of exercise shall, subject to Rule 8.1 (*Regulatory and tax issues*), take effect only when the Company receives it, together with, where applicable, payment relating to:

- (a) the exercise price payable on the exercise of the Option (if any); and
- (b) the Tax Liability,

or an agreement to secure that such a payment is made under arrangements acceptable to the Committee.

7.3 Exercise Date

If any conditions must be fulfilled before an Option may be exercised, the Option will not be validly exercised unless and until the Committee is satisfied that those conditions have been fulfilled. Otherwise, the exercise date will be the date of receipt of the items referred to in Rule 7.2 (*Manner of exercise*).

7.4 Issue or transfer of Shares

Subject to Rule 8.1 (*Regulatory and tax issues*) and Rule 8.3 (*Payment of Tax Liability*), Shares will be allotted or transferred to a Participant (or his nominee) pursuant to the exercise of an Option within thirty days following the exercise date.

8 RESTRICTIONS ON VESTING AND EXERCISE

8.1 Regulatory and tax issues

An Award shall not Vest, and in the case of an Option which has Vested, shall not be exercised unless and until the following conditions are satisfied:

- (a) the Vesting (or exercise) of the Award and the issue or transfer of Shares after such Vesting (or exercise) would be lawful in all relevant jurisdictions and in compliance with the Listing Rules, any relevant share dealing code of the Company, the City Code on Takeovers and Mergers and any other relevant UK or overseas regulation or enactment;
- (b) if, on the Vesting (or exercise) of the Award, a Tax Liability would arise by virtue of such Vesting (or exercise) and the Committee decides that such Tax Liability shall not be satisfied by the sale of Shares pursuant to Rule 8.3 (*Payment of Tax Liability*) 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 8.1 references to Group Company include any former Group Company.

8.2 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 his Award on his behalf to ensure that the relevant Group Company receives the amount required to discharge the Tax Liability and the number of Shares subject to his Award shall be reduced accordingly.

For the purposes of this Rule 8.2, references to Group Company include any former Group Company.

8.3 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 his Award (including, in the case of an Award that is an Option, on the exercise of the Option) on his 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 (or exercise) except to the extent that the Board decides that all or part of the Tax Liability shall be funded in a different manner.

9 CASH ALTERNATIVE

9.1 Committee determination

Where an Award Vests and Vested Shares have not yet been issued or transferred to the Participant (or his nominee), the Committee may determine that, in substitution for his right to acquire such number of Vested Shares as the Committee may decide (but in full and final satisfaction of his right to acquire those Shares) he shall be paid a sum equal to the cash equivalent (as defined in Rule 9.3 (*Cash equivalent*)) of that number of Shares in accordance with the following provisions of this Rule 9.

9.2 Limitation on the use of this Rule

- (a) This Rule shall not apply in relation to Awards made in relation to any jurisdiction where the presence of this Rule would cause:
 - (i) the grant of the Award to be unlawful or for it to fall outside any applicable securities law exemption; or
 - (ii) adverse tax consequences for the Participant or any Group Company as determined by the Committee.
- (b) If a Conditional Award is subject to a Holding Period, this Rule may only apply in respect of such number of Vested Shares as is sufficient to pay the Tax Liability that arises on the Vesting of the Conditional Award.
- (c) If an Option which is subject to a Holding Period is exercised prior to the expiry of the Holding Period, this Rule may only apply in respect of such number of Vested Shares as is sufficient to pay the Tax Liability that arises, and the exercise price payable, on the exercise of the Option.

9.3 Cash equivalent

For the purpose of this Rule 9, 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 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.

9.4 **Payment of cash equivalent**

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

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

9.5 **Deductions**

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

10 **PLAN LIMIT**

10.1 **10% limit**

The number of Shares which may be allocated, as defined in Rule 10.4 (*Meaning of allocated*), 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.

10.2 **5% limit**

The number of Shares which may be allocated, as defined in Rule 10.4 (*Meaning of allocated*), 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 which is a discretionary share plan, exceed that number of Shares that represents 5% of the ordinary share capital of the Company in issue immediately prior to that day.

10.3 **Exclusions from the limits**

In calculating the limits in Rules 10.1 (*10% limit*) and 10.2 (*5% limit*), where:

- (a) the right to acquire any Shares was released or lapsed without being exercised; or

- (b) 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
- (c) partnership shares are awarded under any share incentive plan operated by the Company and satisfying the requirements of Schedule 2 of ITEPA;

such Shares will be disregarded.

10.4 **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 10.4).

10.5 **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 limits in Rule 10.1 (*10% limit*) and 10.2 (*5% limit*) 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.

10.6 **Effect of limits**

Any Award shall be limited and take effect so that the limits in this Rule 10 are complied with.

11 **CLAWBACK**

11.1 **Clawback events**

Notwithstanding any other Rule of the Plan, if, at any time within the period beginning on the Grant Date and ending on the third anniversary of the Vesting of an Award:

- (a) there is a material prior period error requiring restatement of the Company's accounts in accordance with IAS 8 and such error resulted either directly or indirectly in the Award vesting to a greater degree than would have been the case had that error not been made; and/or
- (b) the Committee forms the view that an error was made in assessing the extent to which any Performance Condition and/or any other condition imposed on the Award was satisfied and that such error resulted either directly or indirectly in that Award vesting to a greater degree than would have been the case had that error not been made.

the Committee may determine that the Participant to whom the Award was granted shall be subject to Clawback.

11.2 Satisfaction of Clawback

The Clawback shall be satisfied as set out in clauses (a) and/or (b) below.

- (a) The Committee may reduce (including, if appropriate, reducing to zero) any of the following elements of the remuneration of the relevant individual:
- (i) the amount of the next bonus (if any) which would, but for the operation of Clawback, be payable to the relevant Participant under any bonus plan operated by any Group Company; and/or
 - (ii) the extent to which any other subsisting Awards held by the relevant Participant Vest notwithstanding the extent to which any Performance Condition and/or any other condition imposed on such other Awards have been satisfied; and/or
 - (iii) the number of Shares subject to any exercisable but unexercised Options; and/or
 - (iv) the extent to which any rights to acquire Shares granted to the relevant Participant under any share incentive plan (other than the Plan, any deferred bonus plan and any share plan meeting the requirements of Schedules 2, 3 or 4 of ITEPA) operated by any Group Company vest or become exercisable notwithstanding the extent to which any conditions imposed on such rights to acquire Shares have been satisfied; and/or
 - (v) the number of Shares subject to any vested but unexercised right to acquire Shares granted to the relevant individual under any share incentive plan (other than the Plan, any deferred bonus plan and any share plan meeting the requirements of Schedules 2, 3 or 4 of ITEPA) operated by any Group Company

and any reduction made pursuant to Rule 11.2(a)(ii) or Rule 11.2(a)(iv) above shall take effect immediately prior to the right vesting or becoming exercisable (as applicable) and any reduction made pursuant to Rule 11.2(a)(iii) or Rule 11.2(a)(v) shall take effect at such time as the Committee decides.

- (b) If the Clawback has not been, and/or cannot be, satisfied in full by a reduction in any bonus in accordance with Rule 11.2(a)(i) above and/or any reductions made in accordance with Rules 11.2(a)(ii), 11.2(a)(iii), 11.2(a)(iv) and/or 11.2(a)(v) above, the Committee may require the relevant individual to pay to such member of the Group as the Committee may direct, and on such terms as the Committee may direct (including, but without limitation to, on terms that the relevant amount is to be deducted from the relevant individual's salary or from any other payment to be made to the relevant individual by any member of the Group), such amount as is required for the Clawback to be satisfied in full.

For the avoidance of doubt, any reference to the reduction of any Award or right to acquire shares means the lapse of that. In addition, where Clawback takes place directly from the Participant by way of cash any repayment will take place based on the net of tax income received by that Participant.

11.3 Reduction in Awards to give effect to Clawback under other plans

The Committee may decide at any time to reduce the number of Shares subject to an Award (including, if appropriate, reducing to zero) to give effect to a clawback provision of any form contained in any incentive plan (other than the Plan) or any bonus plan operated by any Group Company. The value of the reduction shall be in accordance with the terms of the clawback provision in the relevant plan or, in the absence of any such term, on such basis as the Committee, acting fairly and reasonably, decides is appropriate.

12 LAPSE OF AWARDS

12.1 General

An Award shall lapse in accordance with the Rules.

13 LEAVERS

13.1 Restriction for leavers

The Vesting of Awards and exercise of Options in Rule 13.2 (*Death*), Rule 13.3 (*Other leavers*), Rule 13.4 (*Leavers: exercise of Options*) and Rule 13.5 (*Leavers: Holding Period*) shall be subject to Rule 8.1 (*Regulatory and tax issues*) and Rule 14 (*Takeovers and other corporate events*).

Where a Participant is a Bad Leaver the Award shall lapse immediately upon such cessation.

13.2 Death

If:

- (a) a Participant ceases to be a director or employee of a Group Company by reason of death before the Vesting Date, his Award shall Vest as soon as practicable after the Participant's death. The number of Shares in respect of which the Award shall Vest shall be determined by the Committee having regard to the extent to which the Performance Condition has been satisfied at the date of death and, if appropriate, taking into account the reduction in the Performance Period at the date of death of the Participant; and
- (b) a Participant, holding an Award in the form of an Option which has Vested, dies prior to exercising the Option, his personal representatives shall be entitled to exercise his Option to the extent that it has Vested at any time during the twelve month period following his death. If not so exercised, the Option shall lapse at the end of the twelve month period.
- (c) a Participant dies, the Holding Period will cease to apply.

13.3 Other leavers

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 thirty 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.

The number of Shares in respect of which the Award shall Vest under Rule 13.3(a) shall be determined by the Committee having regard to the extent to which the Performance Condition has been satisfied at the date of cessation of office or employment and, if appropriate, taking into account the reduction in the Performance Period at the date of such cessation.

13.4 **Other leavers: exercise of Options**

An Award in the form of an Option which has Vested but has not been exercised prior to a Participant ceasing to be a director or employee of a Group Company, other than as a result of the death of the Participant, in circumstances that do not cause the Award to lapse under these Rules may be exercised in respect of the Vested Shares for a period of six months from the Vesting Date, or such other date as the Committee may specify under Rule 13.3 (*Other leavers*).

13.5 **Leavers: Holding Period**

Other than in the event of the Participant's death, if a Participant ceases to be a director or employee of a Group Company before the end of the Holding Period (in circumstances in which an Award held by him does not lapse), the Holding Period shall continue to apply unless the Committee exercises its discretion as referred to in Rule 6.5(b).

13.6 **Meaning of ceasing employment**

A Participant shall not be treated for the purposes of this Rule 13 (*Leavers*) as ceasing to be a director or employee of a Group Company until such time as he is 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 his Award in circumstances where he retains a statutory right to return to work then he shall be treated as not having ceased to be such a director or employee until such time (if at all) as he ceases to have such a right to return to work while not acting as an employee or director.

The reason for the termination of office or employment of a Participant shall be determined by reference to Rules 13.2 (*Death*) to 13.4 (*Other Leavers: exercise of Options*) regardless of whether such termination was lawful or unlawful.

14 **TAKEOVERS AND OTHER CORPORATE EVENTS**

14.1 **Restriction on takeovers**

- (a) The Vesting of Awards and exercise of Options in Rule 14.2 (*General Offers*), Rule 14.3 (*Schemes of arrangement and winding-up*) and Rule 14.4 (*Demergers and similar events*) shall be subject to Rule 8.1 (*Regulatory and tax issues*), Rule 13 (*Leavers*) and Rule 14.5 (*Internal reorganisations*).
- (b) In the event that any of the circumstances in Rule 14.2 (*General offers*), Rule 14.3 (*Schemes of arrangement and winding-up*) or Rule 14.4 (*Demergers and similar events*) apply, then any Holding Period in respect of any Award affected by such circumstances will cease to apply.

14.2 **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 Committee shall, within seven days of becoming aware of that event, notify every Participant of the event and all Awards shall Vest on the date of such notification if they have not then Vested and any Option may be exercised at any time during the period of one month beginning with the time when the person making the offer has obtained Control of the Company and any condition subject to which the offer is made has been satisfied (or, if shorter, at any time until the end of the Exercise Period). Any Option not exercised within this period shall lapse immediately upon the expiry of the period.

Unless the number of Shares in respect of which the Award Vests has already been determined at the end of the Performance Period, the number of Shares in respect of which the Award Vests in accordance with this Rule 14.2 shall be determined by the Committee having regard to the extent to which the Performance Condition has been satisfied on a pro-rated basis, if appropriate, taking into account the reduction in the Performance Period at the date on which the person making the offer has obtained Control of the Company and any condition subject to which the offer is made has been satisfied.

14.3 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

the Committee shall, within seven days of becoming aware of that event, notify every Participant of the event and all Awards shall Vest on the date of such event if they have not then Vested and any Option may be exercised at any time during the period of one month beginning with the date of such notification (or, if shorter, at any time until the end of the Exercise Period). Any Option not exercised within this period shall lapse immediately upon the expiry of the period.

Unless the number of Shares in respect of which the Award Vests has already been determined at the end of the Performance Period, the number of Shares in respect of which the Award Vests in accordance with this Rule 14.3 (*Schemes of arrangement and winding up*) shall be determined by the Committee having regard to the extent to which the Performance Condition has been satisfied on a pro-rated basis, if appropriate, taking into account the reduction in the Performance Period at the date the relevant event specified in (a) to (c) took place.

14.4 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 his Award Vests and, if the Award was in the form of an Option, that the Option may be exercised on such terms as the Committee may

determine and during such period preceding the Relevant Event or on the Relevant Event as the Committee may determine;

- (b) if an Award Vests conditional upon the Relevant Event and such event does not occur then the conditional Vesting and/or exercise shall not be effective and the Award shall continue to subsist; and
- (c) if an Award is an Option that becomes exercisable in accordance with this Rule 14.4 but is not exercised during the relevant period determined by the Committee, the Option shall lapse immediately on the expiry of such period.

14.5 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 14.2 (*General offers*) or a compromise or arrangement referred to in Rule 14.3(a) (*Schemes of arrangement and winding-up*); and
- (b) at least 75% of the shares in the Acquiring Company are expected to be held by substantially the same persons who immediately before the obtaining of Control of the Company were shareholders in the Company

then the Committee, with the consent of the Acquiring Company, may decide before the obtaining of such Control that an Award shall not Vest under Rule 14.2 (*General offers*) or Rule 14.3 (*Schemes of arrangement and winding-up*) 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.

The Rules will apply to any new award granted under this Rule 14.5 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. Any Holding Period shall continue to apply to the new award unless otherwise determined by the Committee.

15 ADJUSTMENT OF AWARDS

In the event of a Variation the Committee may make such adjustments as it considers appropriate to the number of Shares (including, in the case of an Option, any nominal exercise price) comprised in an Award.

16 AMENDMENTS

16.1 General rule on amendments

Except as described in Rule 16.2 (*Shareholder approval*) and 16.3 (*Amendments to the disadvantage of Participants*) the Committee may at any time amend the Plan or the terms of any Award.

16.2 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 16.2;

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.

16.3 Amendments to the disadvantage of Participants

No amendment to the material disadvantage of Participants shall be made under Rule 16.1 (*General rule on amendments*) unless:

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

17 EMPLOYMENT RIGHTS

17.1 Employment

The rights and obligations of any Participant under the terms of his office or employment with the Company (or any Group Company or former Group Company) shall not be affected by being an 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 of the Company (or any Group Company or former Group Company) to terminate the employment of the Participant.

17.2 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.

17.3 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. 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.

17.4 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.

17.5 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.

18 MISCELLANEOUS

18.1 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.

18.2 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.

18.3 Share rights

Where Vested Shares are allotted or 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 allotment or transfer.

18.4 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 his last known address, or, where he is a director or employee of a Group Company, either to his last known address or to the address of the place of business at which he performs the whole or substantially the whole of the duties of his 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.

18.5 **Third parties**

No third party has any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Plan, save for any company whose shares are subject to any new award under Rule 14.5 (*Internal reorganisations*).

18.6 **Data protection**

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

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

18.7 **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.

Schedule One

France

This Schedule is supplemental to the Plan and governs the grant of a Conditional Award (as defined below) to any person who, on the Grant Date, is employed and resident for tax purposes in France and/or subject to French social security contributions regime (**French Participant**). Words and phrases defined in the Plan shall bear the same meaning in this Schedule except as otherwise provided below.

Conditional Awards granted under this Schedule are intended to qualify for favourable tax and social security treatment in France, which is applicable to Shares awarded for no consideration under Sections L.225-197-1 to L.225-197-5 of the French Commercial Code.

The rules of the Plan shall apply to this Schedule without modification or variation save that:

- 1 The term **Conditional Award** shall mean a promise by the Company to a future transfer of Shares to a French Participant for no consideration and for which any dividend and voting rights is attached only upon the transfer of Shares at the time of Vesting.
- 2 The term **Subsidiary** shall mean a company in which the Company holds directly or indirectly, at least 10% of the share capital.
- 3 Only a French Participant who is defined as any individual who on the Grant Date is either bound to the French Subsidiary by an employment contract ("contrat de travail") or is a corporate officer of the French Subsidiary, shall be eligible to receive a Conditional Award under this Schedule. Conditional Awards may not be granted under this Schedule to employees or corporate officers who own (or could own as a result of a Conditional Award vesting) more than 10% of the Company's share capital or to individuals other than employees and corporate officers of the French Subsidiary. Conditional Awards may not be granted to corporate officers of the French Subsidiary, other than the corporate officers (i.e. *Président du Conseil d'Administration, Directeur Général, Directeur Général Délégué, Membre du Directoire, Gérant de Sociétés par actions*), unless the corporate officer is an employee of a French Subsidiary as defined by French law.
- 4 Notwithstanding any rule of the Plan or this Schedule, other than paragraph 10 below, Conditional Awards shall Vest on the date which is the later of:
 - (a) the third anniversary of the Award Date; and
 - (b) the satisfaction of any Performance Conditions as specified by the Committee under Rule 4.1 (**Vesting Date**).

On the Vesting Date, the Shares will be transferred to the French Participant.

- 5 Notwithstanding any rule of the Plan or this Schedule, other than paragraph 10 below, the sale or transfer of the Shares transferred to a French Participant on Vesting, shall not occur prior to the second anniversary of the Grant Date or such other period as is required to comply with the minimum mandatory holding period applicable to Shares underlying French-qualified restricted stock units under Section L.225-197-1 of the French Commercial Code (as amended) or the relevant Sections of the French Tax Code or the French Social Security Code (as amended) to benefit from the favourable tax and social security regime. In addition, the underlying Shares shall not be sold during certain close periods as provided for by Section L.225-197-1 of the French Commercial Code (as amended) and as interpreted by the French administrative guideline, so long as those close periods are applicable to Shares underlying French-qualified restricted stock units. A close period is defined as follows:

- (a) ten quotation days preceding and following the disclosure to the public of the consolidated financial statements or the annual statements of the Company; or
 - (b) the period from the date the corporate management entities (involved in the governance of the company, such as the Board, Committee, supervisory directorate etc) of the Company have been disclosed information, which, had such information been disclosed to the public, significantly impacts the quotation of the Shares, until ten quotation days after the day such information is disclosed to the public.
- 6** If the French Participant qualifies as a corporate officer under French law (“*mandataires sociaux*,” i.e. *Président du Conseil d’Administration, Directeur Général, Directeur Général Délégué, Membre du Directoire, Gérant de Sociétés par actions*), the French Participant is subject to shareholding restrictions under French law and is therefore prohibited from selling or transferring either all or a percentage of the Shares transferred to him on Vesting (such percentage to be determined by the Board and notified to the French Participant), until he ceases to serve as a corporate officer and as long as this restriction is required under French law. For these purposes, the Shares transferred to him may be held until their sale or transfer in a nominative account.
- 7** The Shares acquired on Vesting will be recorded in an account in the name of the French Participant with a broker or in such other manner as the Company may otherwise determine in order to ensure compliance with the applicable law and with the Holding Period, even if the French Participant is no longer employed by a Group Company.
- 8** If Rule 14 (*Takeovers and other corporate events*) applies, this may result in Conditional Awards Vesting early and so would not comply with Section L.225-197-1 of the French Commercial Code. Consequently Conditional Awards would not qualify for the French favourable tax and social security treatment.
- 9** In the event of an adjustment to a Conditional Award (being either an adjustment to the conditions of a Conditional Award or to the underlying Shares) the adjustment can only be made in accordance with the applicable French legal and tax rules.
- 10** In the event of:
- (a) the death of a French Participant, a Conditional Award (whether Vested or unvested at that time) shall Vest in full at that time. The Company shall transfer the underlying Shares to the French Participant’s heirs, at their request, within six months following the death of the French Participant. The French Participant’s heirs shall not be subject to the restriction on the sale of Shares set forth in paragraphs 5 and 6 above; and
 - (b) the disability of a French Participant as determined in categories 2 and 3 under Section L.341-4 of the French Social Security Code (as amended) and subject to the fulfilment of related conditions, a Conditional Award held by a French Participant at the time of his termination of employment due to the disability shall Vest in full at that time. The French Participant shall not be subject to the restriction on the sale of Shares set forth in paragraphs 5 and 6 above.
- 11** No Option or Cash Award shall be granted under this Schedule. Any provision, power, rule or reference to Options and/or Cash Awards in the Plan shall not apply to this Schedule.
- 12** Conditional Awards granted under this Schedule shall not carry any right to a Dividend Equivalent. Any provision, power, rule or reference to Dividend Equivalents shall not apply to this Schedule. A French Participant will acquire rights to dividends and the right to vote the Shares only at the time of Vesting, i.e. when the French Participant becomes a shareholder and not before.

- 13** Conditional Awards granted under this Schedule may not be satisfied by paying a cash alternative. Rule 9 (*Cash Alternatives*) nor any provision, power, rule or reference to cash equivalents shall not apply to this Schedule.
- 14** A French Participant (or his/her heirs if applicable) is responsible for reporting the receipt of any income under the Plan howsoever made, to the appropriate tax authorities. The Subsidiary with whom a French Participant is or was employed on the date the Shares are transferred will communicate the name of the French Participant and the number of Shares being transferred to the social security authorities competent for that Subsidiary, in accordance with the provisions of Article L.242-1 of the French social security code.
- 15** It is intended that Conditional Awards granted under this Schedule shall qualify for the favourable tax and social security treatment applicable to restricted stock units granted under Sections L.225-197-1 to L.225-197-5 of the French Commercial Code (as amended) and in accordance with the relevant provisions set forth by French tax and social security laws. The terms of this Schedule shall be interpreted accordingly and in accordance with the relevant guidelines published by French tax and social security administrations and subject to the fulfilment of certain legal, tax and reporting obligations. However, certain corporate transactions may impact the qualification of a Conditional Award and the underlying Shares.
- 16** The period during which Conditional Awards can be granted under this Schedule shall be limited to five years from the Adoption Date.

Schedule Two

United States of America

This Schedule is supplemental to the Plan and governs the grant of a Cash Award or a Conditional Award to any person who, on the Grant Date, is a US Employee. Words and phrases defined in the Plan shall bear the same meaning in this Schedule except as otherwise provided below.

Where there is any conflict between the Rules and this Schedule, the terms of this Schedule shall prevail.

- 1 The Committee may grant or procure the grant of a Cash Award or a Conditional Award to US Employees.
- 2 Rules 6.1 and 6.3 shall be amended so that the Shares shall be transferred (in the case of a Conditional Award) or the cash paid (in the case of a Cash Award) in no event later than March 15 of the year following the year in which Vesting occurs.
- 3 Notwithstanding any provision of this Schedule to the contrary, if the Vesting of an Award hereunder (i) would cause a US Participant to become, or contribute to a US Participant becoming, subject to a tax pursuant to Section 4999 of the Code, or any successor provision that may be in effect, or (ii) the full amount of the compensation of the US Participant attributable to the Vesting of such Award would not be deductible by the Company or a Subsidiary by reason of Section 280G(a) of the Code, or any successor provision that may be in effect, then the number of Shares or notional Shares which, in the absence of this paragraph 6, would be considered Vested and delivered to such US Participant shall be reduced, eliminated, or (if not in violation of Section 409A of the Code) delivery postponed to the extent the Board determines, in its sole discretion, is required to reduce the aggregate "present value" (as that term is defined in Section 280G(d)(4) of the Code) of the cash sum delivered to an amount which, when added to all other payments to such US Participant which were, or would be, considered "parachute payments" (as that term is defined in Section 280G(a)(2) of the Code) prior to the reduction, is one dollar less than an amount equal to three times such US Participant's "base amount" (as that term is defined in Section 280G(b)(3)(a) and (d)(1) and (2) of the Code), to the end that such US Participant is not subject to tax pursuant to such Section 4999 and no deduction by the Company or Subsidiary is disallowed by reason of such Section 280G(a).
- 4 The Cash Award or Conditional Award, as the case may be, contemplated hereunder is intended to qualify under the short-term deferral exception contained in U.S. Treasury Regulation Section 1.409A-1(b)(4) and shall be interpreted in accordance therewith. Notwithstanding the foregoing, neither the Company, the employer nor any of their affiliates shall be liable to any participant in the event that the Cash Award or Conditional Award, as the case may be, fails to qualify under such exception and is otherwise found to be in violation of Section 409A of the Code.
- 5 For the **purposes of this Schedule:**

US Employee means an Eligible Employee who is a citizen or resident of the United States of America and/or is otherwise subject to United States federal income taxes or the excise taxes under Section 4999 of the Code;

US Participant means a Participant who is an US Employee on the Award Date;

Code means the Internal Revenue Code of 1986, as amended.