

**PEPCO GROUP N.V.**

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**The 2025 Pepco Non-Executive Equity Plan**

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**Adopted by the Board on 28 January 2025**

**Approved by shareholders on [DATE] 2025**

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# THE PEPKO NON-EXECUTIVE EQUITY PLAN

## RULES

### 1. DEFINITIONS

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

**Acting in Concert** (*personen die in onderling overleg handelen*) has the meaning given to it in article 1:1 of the Dutch Financial Supervision Act;

**Adoption Date** means the date of adoption of the Plan by the Company's general meeting;

**Award** means an award granted under rule 2 in the form of an Option, Forfeitable Shares, a Conditional Award or a Phantom Award;

**Award Certificate** means the notification to a Participant setting out the specific terms and conditions of an Award in such form as the Board may determine from time to time;

**Board** means the board of directors of the Company;

**Business Day** means a day other than a Saturday or Sunday or public holiday in England and Wales on which banks are open in London for general commercial business;

**Capital Reorganisation** means any variation in the share capital or reserves of the Company (including, without limitation, by way of capitalisation issue, rights issue, open offer, sub-division, consolidation or reduction);

**Cash Amount** means, in relation to an Award which has Vested, an amount which, in the opinion of the Board, is equal to the Market Value on the Vesting Date of the Vested Shares less any amount which the Participant is required to pay under these rules in order to realise the Award;

**Cause** means the Misconduct of the Participant, or the conviction of the Participant to a felony-level crime, as determined by a final court decision;

**Change of Control** means the transfer (whether through a single transaction or a series of transactions) of Shares (i) as a result of which a person (or persons connected with each other, or persons Acting in Concert with each other) would acquire Control or (ii) as a result of a person having Control of the Company successfully completing a take-private transaction which includes the acquisition of the remaining Shares;

**Closed Period** means a period during which the Participant is prohibited from dealing in Shares under the Dealing Restrictions;

**Company** means Pepco Group N.V. incorporated and registered in the Trade Register of the Netherlands under number 81928491;

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

**Control** means the direct or indirect legal or beneficial ownership of more than 50 per cent of the Shares in issue;

**Date of Grant** means the date on which the Board grants an Award under rule 2;

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

**Dealing Restriction** means a restriction imposed by any law, order, regulation or directive, the Listing Rules, the Market Abuse Regulation (Regulation (EU) 596/2014), the Share Dealing Code, the rules applying to any Listing of the Company and/or any other code adopted by the Company regulating dealings in Shares;

**Dividend Equivalent** means a cash amount which is equal in value to the aggregate dividends paid on a Share between the Date of Grant and the date on which the Award is satisfied multiplied by the number of Shares that have Vested under the Award;

**Forfeitable Shares** means Shares which are the subject of an Award of which the Participant has beneficial ownership from the Date of Grant subject to forfeiture or lapse as set out in the agreement referred to in rule 3.1;

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

**Holding Period** means the post-vesting period applied to Vested Shares in accordance with rule 6 during which the Participant must retain either the Shares which Vest under an Award (including any Shares delivered in satisfaction of Dividend Equivalents) or, in the case of a Vested but unexercised Option, the Option itself;

**Listed** means admitted to trading on the Warsaw Stock Exchange and **Listing** will be construed accordingly;

**Listing Rules** means the Warsaw Stock Exchange Rules adopted in Resolution No. 1/1110/2006 of the Exchange Supervisory Board, as amended from time to time;

**Market Value** means, in relation to a Share on any day:

- (a) if the Shares are Listed, the 20 day volume weighted average ending on the day preceding that date ;
- (b) if the Shares are not Listed, the value of a Share on that date as determined by the Board in its absolute discretion having regard to the relevant tax legislations;

**Misconduct** means gross negligence, willful misconduct and/or commitment of fraud by or with the knowledge of the Participant, in each case as determined by a final court decision;

**Non-Executive Director** means a person who, at the Date of Grant, is a non-executive director of the Company who is not nominated by the Company's majority shareholder;

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

**Option Exercise Date** means the date when the exercise of an Option is effective because it complies with rule 5.4;

**Option Exercise Price** means the price per Share at which a Participant may acquire Shares on the exercise of an Option determined under rule 5.4;

**Participant** means an individual who holds a subsisting Award (including, where the context permits, the legal personal representatives of a deceased Participant);

**Phantom Award** means an Award which takes the form of a right to call for a cash payment calculated by reference to the Market Value of a notional Share;

**the Plan** means this Pepco Group N.V. 2025 Non-Executive Equity Plan as amended from time to time in accordance with the rules;

**Share Dealing Code** means the Company's code on share dealing as in force from time to time;

**Shares** means fully paid ordinary shares in the capital of the Company or shares representing those shares following any Capital Reorganisation;

**Subsidiary** means any company which is a subsidiary of the Company within the meaning of section 2:24a of the Dutch Civil Code;

**Tax** means all liability to income tax (or overseas equivalent) which any member of the Group is liable to account for on behalf of the Participant directly to any taxation authority (including, but without limitation, through the payroll system) and all liability to social security (or overseas equivalent) which any member of the Group is liable to account for on behalf of the Participant to any taxation authority (including, but without limitation, employee's social security contributions) which arises in connection with an Award or Shares;

**Termination Date** means the date on which a Participant ceases to be engaged by the Company as a Non-Executive Director;

**Trustees** means the trustees or trustee for the time being of any employee benefit trust established by the Company or any member of the Group from time to time for the benefit of employees of the Group;

**Vesting Date** means in respect of an Award, each of the first, second and third annual general meetings of the Company following the Date of Grant (with the **Final Vesting Date** construed accordingly), or such other date(s) as the Board may specify at the Date of Grant, provided that if the Vesting Date would otherwise fall in a Closed Period or on a date when the Company and/or the Participant would otherwise be subject to any Dealing Restrictions, it shall be at such later date as when those Dealing Restrictions lift;

***Vesting Period*** means in relation to an Award, the period beginning on the Date of Grant of such Award and ending on the Vesting Date; and

***Vested Shares*** means Shares or notional Shares underlying Awards (or a tranche thereof) of which the Vesting Date has passed, and ***Vest*** and ***Vesting*** shall be construed accordingly.

- 1.2 **Interpretation.** In these rules, unless the context otherwise requires:
- (a) references to a ***person*** include any individual, firm, body corporate (wherever incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representative body (whether or not having separate legal personality); and
  - (b) headings do not affect the interpretation of these rules; the singular shall include the plural and vice versa; and references to one gender include all genders.
- 1.3 **Enactments.** Except as otherwise expressly provided in these rules, any express reference to an enactment includes references to: (i) that enactment as amended, consolidated or re-enacted by or under any other enactment before or after the Adoption Date; (ii) any enactment which that enactment re-enacts (with or without modification); and (iii) any subordinate legislation (including regulations) made (before or after the Adoption Date) under that enactment, as amended, consolidated or re-enacted as described at (i) or (ii) above.
- 1.4 **Conflicts.** In case of any conflicts between this Plan and the Company's prevailing directors' remuneration policy, the latter shall prevail and the Plan shall apply accordingly.

## **2. GRANT OF AWARDS**

- 2.1 The Board shall, in its absolute discretion, determine which Non-Executive Directors (if any) will be selected for the grant of an Award. Awards may then be granted to selected Non-Executive Directors at any time when there are no Dealing Restrictions in place. The Board shall determine whether an Award will take the form of an Option, Forfeitable Shares, a Conditional Award or a Phantom Award.
- 2.2 A Non-Executive Director may be granted any form of Award or any combination of Awards. References to "realise", "realised" or "realisable" shall, in the case of: (i) a Conditional Award or a Phantom Award be construed as Vest, : (ii) an Option, be construed as "call for", "called for" or "may be called for" respectively; and (iii) Forfeitable Shares, be construed as "cease to be subject to forfeiture", and "ceased to be subject to forfeiture" respectively.
- 2.3 Prior to the granting of any Awards, the Board may, in its absolute discretion, enter into a deed poll recording its intention to grant Awards and agreeing to be bound by the Award Certificates issued pursuant to rule 2.5 below. An Award which takes the form of Forfeitable Shares shall be evidenced by the agreement mentioned in rule 3.1.

- 2.4 No cash amount shall be payable in respect of the grant of an Award.
- 2.5 Each Award shall be evidenced by an Award Certificate issued by the Company or such other documentation as the Board may determine in its absolute discretion.
- 2.6 The Board may, at any time between the Date of Grant and the Vesting Date, determine that an Award granted as a Conditional Award should instead be treated as if it had been granted as a Share Option and vice versa.
- 2.7 The Board shall arrange for a Participant to be notified as soon as reasonably practicable of any determination pursuant to rule 2.6 or rule 9.2 and, where relevant, to receive revised information on (or an updated Award Certificate setting out) the revised terms of their Award (electronically or in hard copy). Any Award subject to a determination pursuant to rule 2.6 or rule 9.2 shall not be treated as a grant of a new Award for the purposes of these rules so that the Date of Grant, number of Shares under the Award, Holding Period and Vesting Date shall be unaffected.
- 2.8 Every Award granted under this Plan shall be personal to the Participant to whom it is granted and, except to the extent necessary to enable a personal representative to realise the Award following the death of a Participant, neither the Award nor the benefit of that Award may be transferred, assigned, charged or otherwise alienated, except that the Board, at its sole discretion, may permit the Participant to transfer the Award to or for the benefit of any immediate family member, family trust or other entity established for the benefit of the Participant and/or an immediate family member thereof. An Award will lapse immediately if the Participant to whom it was made purports to transfer, charge or otherwise alienate that Award otherwise than as permitted by this rule 2.8.
- 2.9 If the Board so requires, the Participant will enter into an agreement or election pursuant to paragraphs 3A or 3B of Schedule 1 to the UK Social Security Contributions and Benefits Act 1992 and/or a joint election under Section 431 of the Income Tax (Earnings and Pensions) Act 2003 (or such overseas equivalent) (as the Board shall determine) with the relevant member of the Group by the fourteenth day following the transfer of Shares to the Participant pursuant to the Award, in which case the number of Shares subject to an Award may, at the discretion of the Board, be increased (at the Date of Grant) to reflect that the Participant is bearing this liability provided that any such increase shall not breach the limits set out in rule 4.
- 2.10 The grant of any Award under the Plan shall be subject to any applicable Dealing Restrictions.

### **3. AWARDS WHICH TAKE THE FORM OF FORFEITABLE SHARES**

- 3.1 If an Award takes the form of Forfeitable Shares, the Non-Executive Director must, before the Date of Grant, enter into an irrevocable agreement with the Company and, if different, the relevant Group Company to which they are appointed as a director, in such form as the Company may prescribe, which shall include an agreement by the Non-Executive Director:

- (a) not to transfer, assign, sell, pledge, charge or otherwise dispose of any Shares subject to the Award except to the extent that the Award has Vested; and
  - (b) to transfer (or procure the transfer) to or to the order of the Company, for a total of one penny, all the Shares in respect of which the Award lapses.
- 3.2 If the Non-Executive Director does not enter into the agreement before the Date of Grant, the Award will not be granted.
- 3.3 Within 14 days of the Date of Grant for an Award which takes the form of Forfeitable Shares, the Company shall (or the relevant Group Company shall procure that the Company shall) issue or transfer to the Participant or to another person to be held as trustee or nominee for the Participant the number of Shares subject to the Award.
- 3.4 To the extent that an Award which takes the form of Forfeitable Shares Vests, the agreement referred to in rule 3.1 shall cease to have effect in relation to the Shares subject to it.

#### **4. NUMBER OF SHARES IN RESPECT OF WHICH AWARDS MAY BE GRANTED**

##### *Individual Limits*

- 4.1 The Board may determine the value of an Award to be granted to a particular Non-Executive Director provided that the maximum aggregate value for Awards under this Plan to an individual Non-Executive Director is €1 million. For this purpose ‘aggregate value’ means the total Market Value of the maximum number of Shares that may be acquired on Vesting of all the Awards granted to the Non-Executive Director (in each case as measured at the Date of Grant of the relevant Award or, such earlier date as the Board determines).
- 4.2 In determining the above limits no account shall be taken of:
  - (a) any Shares attributable to an Award which was released, lapsed, forfeited or otherwise became incapable of realisation; and
  - (b) any Shares which may be acquired pursuant to any Award as a result of the operation of rule 2.9.

#### **5. VESTING OF AWARDS**

- 5.1 Except as otherwise permitted in these rules and unless the Board decides otherwise at the Date of Grant, an Award shall Vest as to one third of the Shares under the Award on each Vesting Date.
- 5.2 Save as otherwise permitted in these rules, and subject to any applicable Holding Period, a tranche of an Award may only be realised:
  - (a) if such tranche of the Award has Vested; and
  - (b) by a Participant who has remained a Non-Executive Director until the Vesting Date.



- 5.3 Vested Shares under Conditional Awards will be released to Participants, subject to any arrangements to give effect to the Holding Period in accordance with rule 6, automatically within 30 days of the Vesting Date. A Participant need take no action to realise a Conditional Award other than pay the Company any amount specified at the Date of Grant to realise the Award.
- 5.4 Vested Options are exercisable up until the tenth anniversary of the Date of Grant after which they will lapse. Where an Award is granted in the form of an Option, a Participant may, subject to any Dealing Restrictions, exercise a Vested tranche of the Option by written notice to the Company in the form required by the Company at any time following the Vesting Date of the relevant tranche of the Award . A notice of exercise will take effect on the date it is accepted as valid by the Company or, if there are any Dealing Restrictions in place on that date, such later date when all Dealing Restrictions have lifted. Subject to any Dealing Restrictions and any arrangements to give effect to the Holding Period in accordance with rule 6, the Shares comprised in a Vested Option will be issued or transferred to the Participant as soon as reasonably practicable (and not more than 30 days) following the date the notice of exercise takes effect.
- 5.5 Vested Forfeitable Shares will cease to be subject to the risk of forfeiture on the Vesting Date.
- 5.6 Vested Phantom Awards shall be satisfied in the next available payroll following the Vesting Date by a payment equal to the Market Value of the Vested notional Shares under the Phantom Award on the Vesting Date.
- 5.7 Save as otherwise provided in these rules, an Award shall lapse automatically and unvested Forfeitable Shares shall be forfeited on the Participant ceasing to be a Non-Executive Director at any time before the Vesting Dates applicable to the Award.
- 5.8 Notwithstanding the above, a Participant's Award shall not Vest if they have been suspended from their appointment during the Board's formal investigation of a potential Misconduct.

## **6. HOLDING PERIOD**

- 6.1 At the Date of Grant the Board shall in its absolute discretion determine whether or not to impose a mandatory holding period on the Vested Shares to be issued or transferred pursuant to all or some of the Vesting of the Award (including Shares to be issued or transferred on exercise of an Option that has Vested) (a *Holding Period*).
- 6.2 Notwithstanding any other provisions of these rules, the Shares subject to the Holding Period may not be transferred, assigned, sold, pledged or otherwise disposed of during the Holding Period save as to satisfy any Tax liability of the Participant incurred in connection with the Award. The Board may impose such requirements as it considers necessary or desirable to ensure Participants observe the Holding Period including, but not limited to, requiring Participants to hold the Shares via a nominee.

- 6.3 A Participant shall take such steps as the Board may reasonably require to satisfy the Board as to the Participant's observance of the Holding Period.

## **7. ENTITLEMENT TO DIVIDEND EQUIVALENTS**

- 7.1 Dividend Equivalents shall apply to all Awards (other than Forfeitable Shares) granted under the Plan, to the extent the Awards are not adjusted in accordance with rule 11.9.
- 7.2 From the Date of Grant to the date the Award is satisfied, a Participant will, subject to rule 7.4, be entitled to a cash payment, equal in value to the ordinary and special dividends which would have been paid on the Vested Shares, such Dividend Equivalent to accrue on the date on which the Company pays the ordinary or special dividend in respect of Shares and to be paid on or around the date the Award is satisfied by the Company.
- 7.3 The cash payment to which the Participant becomes entitled under rule 7.2 will be calculated in such manner as the Board in its absolute discretion determines save that it will be calculated without regard to distributions, super dividends or dividends-in-specie in a non-cash form or where in consequence of the payment of the distribution or dividend the Award has been adjusted in accordance with rule 11.9.
- 7.4 Instead of making a cash payment, the Committee may in its absolute discretion satisfy any entitlement to Dividend Equivalents arising in accordance with rule 7.2 by issuing or transferring Shares with an equivalent value as determined at the time of Vesting.
- 7.5 For the avoidance of doubt, any payment referred to in this rule 7 does not represent an entitlement to actual dividends on the underlying Shares, by reason of the Participant not being the beneficial owner of the Shares at that time.

## **8. LEAVERS**

- 8.1 Where a Participant ceases to be a Non-Executive Director at any time before the Vesting Date applicable to any tranche of the Award by reason of:
- (a) death;
  - (b) injury, disability or ill health (as determined by the Board);
  - (c) resignation with the Board's agreement;
  - (d) termination of their appointment as a Non-Executive Director without Cause either as a result of non-election at a general meeting of the Company, or in accordance with the Company's Articles of Association; or
  - (e) any other reason where the Board so determines in its absolute discretion,

their Award shall continue, and will Vest on the original Vesting Dates provided that in all cases where the Termination Date occurs before the Final Vesting Date of the Award and the Award is realised pursuant to this rule 8.1, the

number of Shares in respect of which the Award may be realised (inclusive of any tranche that has Vested prior to the Termination Date) shall be the original number of Shares underlying such Award as at Date of Grant (subject to any adjustments under rule 11.9) multiplied by the fraction  $A/B$  (where  $A$  is the number of complete months from the Date of Grant up to the end of the calendar month in which the Termination Date occurs and  $B$  is the number of months between the Date of Grant and the Final Vesting Date) save that the Board may at its discretion, in exceptional circumstances, determine that Awards (or tranches thereof) may be realised immediately.

Failing any such realisation the Awards shall lapse automatically.

- 8.2 Notwithstanding the above, a Participant's Award shall not Vest and, in the case of Awards that have Vested but in respect of which the Holding Period has not been satisfied, the Holding Period shall be extended if and for so long as that Participant has been suspended from their appointment during the Board's formal investigation of a potential Misconduct.
- 8.3 A Participant will not cease to be a Non-Executive Director for the purposes of this rule 8 if they cease to be appointed to a board of a member of the Group but continue to be or are immediately afterwards appointed to the board of another member of the Group.

## **9. ISSUE, TRANSFER OR LISTING OF SHARES**

- 9.1 Subject to rule 9.2, the Board shall issue or procure the transfer of Shares to be issued or transferred pursuant to: (i) the realisation of a tranche of a Conditional Award within 30 days following the Vesting Date of the tranche of the Award; and (ii) pursuant to the exercise of an Option, within 30 days of receipt of the notice of exercise by the Company. Treasury shares may be used to satisfy Awards.
- 9.2 Where for any reason the Board considers that it is impractical to deliver Shares following Vesting, it may instead pay or procure the payment of the equivalent Cash Amount, subject to deductions for any Tax or other levy which the Committee reasonably determines should be deducted from the Cash Amount.
- 9.3 Shares to be issued pursuant to the Plan will rank *pari passu* in all respects with the Shares then in issue, except that they will not rank for any rights attaching to Shares by reference to a record date preceding the Vesting Date.
- 9.4 Shares to be transferred pursuant to the Plan will be transferred free of all liens, charges and encumbrances and together with all rights attaching thereto, and will rank *pari passu* in all respects with the Shares then in issue, except that they will not rank for any rights attaching to Shares by reference to a record date preceding the Vesting Date.
- 9.5 For so long as the Shares are Listed, application will be made for any newly issued ordinary shares to be admitted to such listing and admitted to trading on the Warsaw Stock Exchange.

## **10. LAPSE OF AWARDS**

- 10.1 Awards shall lapse upon the occurrence of the earliest of the following events:
- (a) the Participant ceasing to be a Non-Executive Director other than in the circumstances specified in rule 8.1 (but only to the extent the Awards remain unvested);
  - (b) in relation to an Award which is granted in the form of an Option, ten years from the Date of Grant;
  - (c) the expiry of any relevant period specified in rule 11;
  - (d) unless the Board determines otherwise, the Participant being deprived of the legal or beneficial ownership of the Award by operation of law, or doing or omitting to do anything which causes them to be so deprived including becoming or being declared bankrupt;
  - (e) any purported transfer of an Award otherwise than as permitted by rule 2.8; or
  - (f) to the extent that the Participant fails to realise the Award under rule 8.1.

## **11. CORPORATE EVENTS**

### **Change of Control**

- 11.1 Subject to rule 11.5 below, in case of a Change of Control as a result of an offer to acquire Shares or where a person having Control of the Company successfully completes a take-private transaction which includes the acquisition of the remaining Shares, all outstanding Awards shall be realised in full (with any Awards in the form of Options deemed automatically exercised) upon (or immediately prior to, if the Board reasonably determines) the closing date of Change of Control or the date any conditions to the offer for the remaining Shares are satisfied. Failing any permitted realisation, the Awards shall lapse automatically.

### **Winding-Up**

- 11.2 If notice is given of a resolution for the voluntary winding-up of the Company, the Company shall, as soon as reasonably practicable thereafter, give notice to each Participant of such event. All outstanding Awards shall be realised in full (with any Awards in the form of Options deemed automatically exercised) following the date of a resolution for the voluntary winding up of the Company being passed. Failing any permitted realisation, the Awards shall lapse automatically.
- 11.3 All Awards shall lapse automatically on the date of a resolution for involuntary winding up of the Company being passed.

### **Demerger**

- 11.4 If the Board becomes aware that the Company is or is expected to be affected by any demerger, dividend in specie or other transaction which, in the opinion

of the Board, would affect the current or future value of any Awards, the Board, acting fairly, reasonably and objectively, may in its absolute discretion allow all Awards to be realised. The Board shall specify the period in which such Awards shall be realisable and whether such Awards shall lapse at the end of the specified period.

### **Internal Reorganisation**

- 11.5 Awards shall not be realisable without the consent of the Board under the foregoing provisions of this rule 11 if the purpose and effect of the Change of Control is to create a new holding company for the Company, such company having substantially the same shareholders and proportionate shareholdings as those of the Company immediately prior to the Change of Control. Awards will in such circumstances continue and be treated as an Award over such number of shares in the new holding company as is determined to be appropriate by the Board, and references in this Plan to “the Company” shall be construed as references to such holding company as appropriate.
- 11.6 If rule 11.5 applies:
- (a) Awards shall not Vest as a result of the relevant event; and
  - (b) an Award shall instead be exchanged for an equivalent award over such shares as the Board determines appropriate.
- 11.7 Where rule 11.5 applies, a Participant will not be treated as ceasing to be a Non-Executive Director until they cease to be engaged by the Group.
- 11.8 For the avoidance of doubt, in this rule 11, **Board** means the Board as constituted immediately before the event by virtue of which the applicable rule applies.

### **Adjustments of awards**

- 11.9 Without prejudice to rule 11.4, in the event of any Capital Reorganisation (or the implementation by the Company of a demerger or payment of a dividend which would otherwise materially affect the value of an Award) the Board may adjust the number of Shares subject to Awards (including, for the avoidance of doubt, Vested Shares in respect of which any Award has been realised but Shares have not yet been transferred to the Participant) to such extent and in such manner as it thinks fit, after accounting for the operation of rule 7 if applicable.
- 11.10 Any adjustments to Awards made pursuant to rule 11.9 shall be notified to the relevant Participants as soon as is reasonably practicable and the Board may call in, cancel, endorse, issue or re-issue any Award certificate as a result of that adjustment.

## **12. MALUS AND CLAW-BACK ARRANGEMENTS**

- 12.1 Notwithstanding any other rule of the Plan, if the Board, at any time prior to the second anniversary of the Vesting Date, determines that one or more of the

circumstances set out in rule 12.2 has occurred, the Board may determine (acting fairly and reasonably having taken into account the scale of loss or damage to the Company or the extent of the risk taken by the Company) to take one or more of the following actions in relation to any one or more Participants:

- (a) withhold any future fees payable to a Participant;
- (b) reduce (including to nil) the number of Shares or notional Shares in respect of which any future Award is granted to a Participant;
- (c) reduce (including to nil) the cash amount payable under an unvested tranche of the Award held by a Participant or the number of Shares or notional Shares and/or Dividend Equivalents under an unvested tranche of the Award or under a Vested but unexercised Option held by a Participant, by such amount and/or such number as the Committee considers appropriate in the circumstances; or
- (d) in relation to any Vested tranche of an Award or exercised Option require a Participant to pay to the Company or such other person as the Company may direct within 30 days of a written demand from the Company such number of Shares or such monetary amount with a value to be determined in the Board's absolute discretion provided such value on the date of demand is no greater than the value of the Vested Shares and Dividend Equivalents under the Award at the Vesting Date, less any amount paid by or in respect of the Participant in respect of a Tax liability incurred as a result of the Vesting of the relevant tranche of the Award (except to the extent the Participant is able to recover amounts paid in respect of such Tax liability).

12.2 The circumstances in which the Board may consider that it is appropriate to exercise its discretion under rule 12.1 are the following:

- (a) the Misconduct of a Participant; or
- (b) the conviction of a Participant to a crime that constitutes a felony, as determined by a final court decision.

If the Board exercises its discretion under this rule 12, it shall confirm this in writing to each affected Participant.

12.3 For the purposes of these rules, if the Board exercises its discretion under rule 12.1(c) before an Award (or any tranche thereof) Vests:

- (a) the Award shall be deemed to have been granted over the reduced number of Shares or notional Shares (as the case may be); and
- (b) any subsequent Vesting of the Award shall be determined by reference to this reduced number of Shares, or notional Shares,

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

- 12.4 By accepting an Award, a Participant will be bound by this rule 12 notwithstanding: (i) that it may only be applicable after the issue or transfer of Shares or notional Shares under these rules; and (ii) whether or not all or any of the terms of this rule 12 have been separately notified to each Participant.

### **13. TAXATION**

- 13.1 Any liability of a Participant to Tax or social security contributions in respect of an Award (including, for the avoidance of doubt, any cash amount paid under rule 9.2) shall be for the account of the relevant Participant, and the delivery and/or release of any Shares the subject of a Forfeitable Award, the release of any Shares the subject of a Conditional Award or the exercise of any Option shall be conditional on the Participant complying with any arrangements specified by the Company or the Trustees for the payment of taxation and any social security contributions (including, without limitation, the sale of sufficient Shares to enable the Company or the Trustees or the relevant Group Company to satisfy its obligations in respect of deduction of taxation and employee's social security contributions at source).
- 13.2 The Company or, where the Board so directs, any member of the Group, will pay the appropriate stamp duty on behalf of Participants in respect of any transfer of Shares on the Vesting of a Share Award or exercise of an Option under the Plan.

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

- 14.1 The decision of the Board shall be final and binding in all matters relating to the Plan (including in any dispute or question concerning the interpretation, construction or effect of the Plan) and it may at any time discontinue the grant of further Awards.
- 14.2 The Board may amend any of the provisions of the Plan in any way it thinks fit, provided that any and all amendments must be consistent with the Company's prevailing directors' remuneration policy and that the Board shall not make any amendment that would materially prejudice the interests of existing Participants except with the prior consent or sanction of the affected Participants.
- 14.3 Notwithstanding any other provision of the Plan, the Board may establish appendices to the Plan for the purpose of granting Awards to Non-Executive Directors who are or may become primarily liable to overseas taxes, subject to such modifications as may be necessary or desirable to take account of overseas tax, exchange control, securities laws or other applicable laws provided that any Shares made available under such appendices shall count towards the limits set out in rule 4.

### **15. GENERAL**

- 15.1 Any member of the Group may provide money to the Trustees or any other person to enable them or such person to acquire Shares to be held for the purposes of the Plan, or enter into any guarantee or indemnity for the purposes of the Plan, to the extent permitted by any applicable law.

- 15.2 The Plan shall terminate on the tenth anniversary of the Adoption Date or at any earlier time by the passing of a resolution by the Board or a resolution of the Company's general meeting. Termination of the Plan shall be without prejudice to the subsisting rights of Participants.
- 15.3 An Award will not constitute a contract of employment or a contract for services. The rights and obligations of any individual under the terms of their office or appointment with the Group shall not be affected by their participation in the Plan or any right they may have to participate in the Plan. An individual who participates in the Plan waives all and any rights to compensation or damages in consequence of the termination of their office or appointment with any company for any reason whatsoever (whether lawfully or unlawfully), insofar as those rights arise or may arise from their ceasing to have rights under the Plan as a result of such termination, or from the loss or diminution in value of such rights or entitlements. In the event of any conflict between the terms of this rule 15.3 and the Participant's terms of appointment, this rule will take precedence.
- 15.4 The existence of any Award shall not affect in any way the right or power of the Company or its shareholders to make or authorise any or all adjustments, recapitalisations, reorganisations or other changes in the Company's capital structure, or any merger or consolidation of the Company, or any issue of Company shares, bonds, debentures, preferred or prior preference stocks ahead of, or convertible into, or otherwise affecting the Shares or the rights thereof, or the dissolution or liquidation of the Company or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.
- 15.5 Any notice or other document which has to be given to a Participant under or in connection with the Plan may be: (i) delivered or sent by hand, registered post or courier to them at their home address according to the records of the relevant Group Company; (ii) sent by email to any email address according to the records of the relevant Group Company or, in either case, such other address as may appear to the Company to be appropriate; or (iii) provided electronically through a website hosted by the Company or an agent of the Company, provided that the Participant is notified by hand, email, registered post or courier that such notice or document has been or will be provided in this manner.
- 15.6 Notices sent by hand, registered post or courier to a Participant will be deemed to have been given at the time of delivery. Notices sent by email, in the absence of evidence to the contrary, will be deemed to have been received at the time of transmission. Where delivery occurs outside of 9.30am to 5.30pm on a Business Day, notice shall be deemed to have been received at 9.30am on the next following Business Day.
- 15.7 Notices provided through a website will be deemed to have been received on the day they are posted on the website or, if later, the day the Participant is deemed in accordance with rule 15.6 to have received the notification that the notice has been provided there.



- 15.8 Any notice or other document required to be given to the Company under or in connection with the Plan may be delivered or sent by hand, registered post or courier to it at its registered office (or such other place or places as the Committee may from time to time determine and notify to Participants) or sent by email to any email address notified to the sender.
- 15.9 All Share certificates, Award certificates and other communications relating to the Plan will be sent at the Participant's risk.
- 15.10 Benefits under the Plan shall not be pensionable.
- 15.11 Any Shares acquired under the Plan will be subject to the Articles of Association of the Company as amended from time to time.
- 15.12 The invalidity or non-enforceability of one or more provisions of the Plan will not affect the validity or enforceability of the other provisions of the Plan, which will remain in full force and effect.
- 15.13 Nothing in this Plan confers any benefit, right or expectation on a person who is not a Non-Executive Director. No third party has any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Plan. This does not affect any other right or remedy of a third party which may exist.
- 15.14 By participating in the Plan, the Participant's attention is drawn to the Group's data privacy notice provided to them, which sets out how the Participant's personal data will be used and shared by the Company and other Group Companies. The data privacy notice does not form part of these rules and may be updated from time to time. Any such updates shall be notified to the Participant.

## **16. GOVERNING LAW**

- 16.1 These rules and any non-contractual obligations arising out of or in connection with these rules shall be governed by, and interpreted in accordance with, English law.
- 16.2 The English courts shall have exclusive jurisdiction in relation to all disputes (including claims for set-off and counterclaims) arising out of or in connection with these rules including, without limitation, disputes arising out of or in connection with: (i) the creation, validity, effect, interpretation, performance or non-performance of, or the legal relationships established by, these rules; and (ii) any non-contractual obligations arising out of or in connection with these rules. For such purposes each party irrevocably submits to the jurisdiction of the English courts and waives any objection to the exercise of such jurisdiction.

**Schedule 1**  
**US Schedule**