

De La Rue plc



DeLaRue

**RULES OF THE DE LA RUE PLC INVESTOR RETURNS PLAN
2023**

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PART A – Tax-approved Investor Returns Plan

Introduction

Part A of the Plan sets out the rules of the De La Rue plc Tax-Approved Investor Returns Plan (the “**Tax-approved IRP**”).

1. Purpose and definitions

1.1 Purpose

The Tax-approved IRP is intended to qualify as a Schedule 4 CSOP. The purpose of the Tax-approved IRP is to provide, in accordance with Schedule 4, benefits for employees and directors in the form of share options and the Tax-approved IRP must not provide benefits to employees of directors otherwise than in accordance with Schedule 4.

1.2 Definitions

In this Part A of these rules:

“**Acquiring Company**” has the meaning given to it by paragraph 26 of Schedule 4;

“**Associate**” has the meaning given to it by paragraph 12 of Schedule 4;

“**Associated Company**” has the meaning given to it paragraph 35 of Schedule 4;

“**Business Day**” means a day on which the London Stock Exchange (or, if relevant and if the Committee determines, any other stock exchange nominated by the Committee on which the Shares are traded) is open for the transaction of business;

“**Close Company**” has the meaning given to it by section 439 of the Corporation Tax Act 2010;

“**Committee**” means, subject to rule 9.7, the remuneration committee of the board of directors of the Company, or any committee or person duly authorised by it;

“**Company**” means De La Rue plc incorporated in England and Wales with registered number 03834125;

“**Control**” means, in relation to a body corporate, the power of a person to secure by means of the holding of shares or the possession of voting power in or in relation to that or any other body corporate, or as a result of any powers conferred by the articles of association, or other document regulating that or any other body corporate, that the affairs of the first mentioned body corporate are conducted in accordance with the wishes of that person;

“**Controlling Company**” has the meaning given to it by paragraph (b) or (c) of paragraph 16 of Schedule 4;

“**Data Protection Laws**” has the meaning given in rule 12.7.1;

“Dealing Restrictions” means any restrictions relating to dealing in Shares imposed by law, order, regulation, Government directive or any dealing code adopted by the Company;

“Directors’ Remuneration Policy” means the Company’s directors’ remuneration policy within the meaning of section 421(2A) of the Companies Act 2006;

“Eligible Employee” means an individual who is:

- (i) an employee (other than a director) of a Participating Company; or
- (ii) a director (other than a non-executive director) of a Participating Company who is contracted to work at least 25 hours per week for the Group (excluding meal breaks);

“Exercise Date” has the meaning given in rule 5.2.2;

“Exercise Period” means the period beginning on the Expected Vesting Date or, if there is a Holding Period, on the Expected Release Date and ending, in either case, subject to rule 7.3, on the tenth anniversary of the Grant Date (unless the Committee determines a shorter period under rule 2.8.9);

“Exercise Price” means such amount per Share as the Committee may determine, which must not be manifestly less than the higher of:

- (i) the nominal value of a Share; and
- (ii) the Market Value of a Share,

on the Grant Date and which, subject to any adjustment in accordance with rule 8, a Participant must pay to exercise a Tax-approved Option;

“Expected Vesting Date” means the date specified under rule 2.8.6 on which the Tax-approved Option will normally Vest in accordance with the Plan rules;

“Expected Release Date” means the date specified under rule 2.8.7 on which the Tax-approved Option will normally be Released in accordance with the Plan rules;

“Expiry Date” means [7] September 2033, being the tenth anniversary of the date the Plan is approved by the Company’s shareholders;

“Grant Date” means the date on which a Tax-approved Option is granted;

“Group” means the Participating Companies;

“Holding Period” means a period beginning on the Expected Vesting Date and ending on the Expected Release Date as determined by the Committee in accordance with rule 2.8.7;

“ITEPA” means the Income Tax (Earnings and Pensions) Act 2003;

“London Stock Exchange” means the London Stock Exchange or any successor body;

“Market Value” means:

- (i) subject to the below, the market value of a Share determined in accordance with Part VIII of the Taxation of Chargeable Gains Act 1992; and
- (ii) in the case of an option granted under any other Schedule 4 CSOP, the market value of an ordinary share determined under the rules of that Schedule 4 CSOP for the purposes of the grant of the option.

So long as the Shares are included on the Daily Official List of the London Stock Exchange, the market value for the purposes of (i) above will be the closing middle-market quotation (taken from the Daily Official List of the London Stock Exchange) of a Share on the Business Day before the relevant date or if the Committee so determines, the average of the closing middle-market quotations for the three Business Days occurring before the relevant date provided that such Business Day(s) do not fall within any period when Dealing Restrictions apply to the Participant in respect of the Option or the Shares subject to the Option;

“Material Interest” has the meaning given to it by paragraph 10 of Schedule 4;

“Non-UK Company Reorganisation Arrangement” has the meaning given to it by paragraph 35ZA of Schedule 4;

“Participant” means a person holding a Tax-approved Option or that person’s personal representatives (or, in relation to rule 6, a person who has held a Tax-approved Option or that person’s personal representatives);

“Participating Company” means the Company or a Subsidiary over which the Company has Control;

“Performance Conditions” means any performance conditions imposed under rule 2.3;

“Performance Period” means the period in respect of which any Performance Conditions are to be satisfied as determined by the Committee in accordance with rule 2.3;

“Plan” means the plan constituted by these rules known as the “De La Rue plc Investor Returns Plan 2023”, as amended from time to time;

“Pro-Rating Period” means:

- (i) in relation to an Option subject to a Performance Condition, the Performance Period; and
- (ii) in relation to an Option which is not subject to a Performance Condition, the Vesting Period;

“Recovery Period” has the meaning given in rule 6.1;

“Release” means, in relation to a Tax-approved Option that is subject to a Holding Period, the Participant becoming entitled to exercise that Tax-approved Option to the extent that the Tax-approved Option has Vested, and **“Released”** will be construed accordingly;

“Release Date” means the date on which a Tax-approved Option is Released;

“Relevant Employee Share Plan” means an employee share plan operated by a Participating Company, other than an employee share plan (other than the Plan) which has been registered with HM Revenue & Customs for the purposes of one of Schedules 2 to 5 to ITEPA;

“Restriction” means any contract, agreement, arrangement, or a condition which makes provision to which any of subsections (2) to (4) of section 423 ITEPA would apply if the references in those subsections to the employment-related securities were to Shares;

“Retained Portion” means the percentage of the Shares subject to a Tax-approved Option to be retained and specified under rule 2.8.7 and, unless the Committee determines otherwise on or before the grant of a Tax-approved Option, the Retained Portion will be 100 per cent or, where any tax or social security contributions arise on the exercise of a Tax-approved Option, the Shares remaining (or that would have remained) after the sale of sufficient Shares to meet such tax or social security contributions;

“Schedule 4” means Schedule 4 to ITEPA;

“Schedule 4 CSOP” has the meaning given to it by Schedule 4;

“Shares” means fully paid ordinary shares in the capital of the Company which satisfy the conditions in paragraphs 16, 17 and 18 of Schedule 4;

“Subsidiary” means a company which is a subsidiary of the Company within the meaning of section 1159 of the Companies Act 2006;

“Summary Dismissal” means, in relation to a Participant, the cessation of the Participant’s employment with a Participating Company in circumstances where that Participating Company is entitled to terminate the Participant’s employment contract summarily without payment;

“Tax-approved Option” means a right to acquire Shares granted under the Tax-approved IRP, being this Part A of the Plan;

“Tax-approved Option Certificate” has the meaning given in rule 2.5.1;

“Treasury Shares” means Shares which are governed by Chapter 6 of Part 18 of the Companies Act 2006;

“Vest” means the Participant becoming entitled, subject to the Plan rules and the expiry of any Holding Period (if applicable), to exercise the Tax-approved Option during the Exercise Period; or

and “**Vesting**”, “**Vested**” and “**Unvested**” will be construed accordingly;

“**Vesting Date**” means the date on which a Tax-approved Option Vests; and

“**Vesting Period**” means the period beginning on the Grant Date and ending on the day before the Expected Vesting Date.

References in these rules to any statutory provision are to that provision as amended or re-enacted from time to time (and any regulations made under it), and, unless the context otherwise requires, words in the singular will include the plural and vice versa. The wording “to the extent that” means “if, but only to the extent that”.

2. Grant of Tax-approved Options

2.1 Eligibility

2.1.1 Subject to rule 2.1.2, any Dealing Restrictions and the requirements of Schedule 4, the Committee may grant a Tax-approved Option to any Eligible Employee.

2.1.2 If:

- (i) the Eligible Employee;
- (ii) the Eligible Employee together with the Eligible Employee’s Associates; or
- (iii) any Associate of the Eligible Employee (either alone or with other such Associates)

has or has had during the preceding 12 months a Material Interest in a Close Company which is the Company or a company which has Control of the Company or a member of a consortium which owns the Company, the Eligible Employee may not be granted a Tax-approved Option.

2.2 Timing of Tax-approved Option

Tax-approved Options may not be granted at any time after the Expiry Date. Tax-approved Options may only be granted:

2.2.1 within 42 days beginning on:

- (i) the date on which the Plan (or any amendment to the Plan) is approved by the Company’s shareholders;
- (ii) the Business Day after the day on which the Company’s results are announced for any period;
- (iii) the day on which the Directors’ Remuneration Policy (or any amendment to it) is approved by the Company’s shareholders; or

- (iv) to the extent Dealing Restrictions apply at any time during the periods referred to in (i) to (iii) above, the day on which the grant of Tax-approved Options is no longer prohibited by any Dealing Restrictions; or

2.2.2 on any other day on which the Committee resolves that exceptional circumstances exist which justify the grant of a Tax-approved Option.

2.3 Performance Conditions

2.3.1 When granting a Tax-approved Option, the Committee may make its Vesting conditional on the satisfaction of one or more performance-related conditions determined by the Committee. Any such condition will be:

- (i) objective; and
- (ii) such that, once satisfied, the exercise of the Tax-approved Option is not subject to the discretion of any person.

2.3.2 The Committee may amend a Performance Condition either:

- (i) in accordance with its terms; or
- (ii) if anything happens which causes the Committee to consider it appropriate,

provided that:

- (iii) the Committee considers that any amended Performance Condition will not be materially less or more challenging to satisfy than the original condition would have been but for the relevant circumstances occurring, and
- (iv) the amendment satisfies the conditions specified in paragraph 21A of Schedule 4.

2.3.3 When the Committee grants a Tax-approved Option which is subject to one or more Performance Conditions, the Committee must also determine the Performance Period relating to such Performance Condition.

2.4 Other conditions

2.4.1 The Committee may impose other conditions additional to the Plan rules on the Vesting and/or Release of a Tax-approved Option, provided that they are specified at the Grant Date. Any such condition will be:

- (i) objective; and
- (ii) such that, once satisfied, the exercise of the Tax-approved Option is not subject to the discretion of any person.

- 2.4.2 The Committee may waive or amend any such condition, provided that the waiver or amendment satisfies the conditions specified in paragraph 21A of Schedule 4.

2.5 Tax-approved Option Certificate

- 2.5.1 Each Participant will receive a certificate (in such form as the Committee may determine) specifying the terms of the Tax-approved Option as soon as reasonably practicable after the Grant Date (a “**Tax-approved Option Certificate**”). The Tax-approved Option Certificate may be the deed referred to in rule 2.8 or any other document or notification determined by the Committee. The Tax-approved Option Certificate may be distributed in hard copy, by email or by any other electronic means. If any Tax-approved Option Certificate is lost or damaged the Company may replace it on such terms as it determines.

- 2.5.2 The terms of a Tax-approved Option included in a Tax-approved Option Certificate will include the information required under paragraph 21A of Schedule 4, namely:

- (i) the Exercise Price;
- (ii) the number and description of the Shares which may be acquired by the exercise of the Tax-approved Option;
- (iii) details of the Restrictions to which those Shares may be subject;
- (iv) the times at which the Tax-approved Option may be exercised, whether in whole or in part; and
- (v) the circumstances under which the Tax-approved Option will lapse or be cancelled either in whole or in part, including any conditions to which the exercise of the Tax-approved Option is subject.

- 2.5.3 Unless the Committee determines otherwise, a Participant must, before a date determined by the Committee and notified to the Participant, agree in writing to be bound by the Plan rules and the terms of the Tax-approved Option Certificate. If the Participant does not do so, the Committee may determine that either:

- (i) the Tax-approved Option lapses; or
- (ii) the Tax-approved Option will not Vest until the Participant does so agree in writing.

2.6 No payment

A Participant is not required to pay for the grant of any Tax-approved Option.

2.7 **Administrative errors**

If the Committee purports to grant a Tax-approved Option which is inconsistent with rule 3, the Tax-approved Option will be limited and will take effect from the Grant Date on a basis determined by the Committee and agreed with HMRC to be consistent with that rule.

2.8 **Terms of Tax-approved Options**

Tax-approved Options must be granted by deed, in such form as the Committee determines. The terms of the Tax-approved Option, as determined by the Committee, must be specified in the deed. These should include:

- 2.8.1 the Exercise Price;
- 2.8.2 the number of Shares subject to the Tax-approved Option;
- 2.8.3 the Grant Date;
- 2.8.4 any Performance Conditions and any Performance Period;
- 2.8.5 any other condition imposed under rule 2.4;
- 2.8.6 the Expected Vesting Date;
- 2.8.7 whether a Holding Period applies and, if it does, the Expected Release Date and the Retained Portion;
- 2.8.8 whether and on what basis rule 2.11 applies to the Tax-approved Option; and
- 2.8.9 the Exercise Period.

2.9 **Section 431 elections**

Each Participant irrevocably agrees to enter into a joint election in respect of any Shares acquired under a Tax-approved Option under section 431(1) or section 431(2) (as determined by the Committee) of ITEPA, if required to do so by the Committee.

2.10 **Tax-approved Options in tranches**

The Committee may grant a Tax-approved Option in any number of tranches, where the terms (as referred to in rule 2.8) of each tranche are different. In these circumstances, the Plan rules will be interpreted as if each tranche was a standalone Tax-approved Option.

2.11 **Post-tax holding of Shares**

The Committee may determine on or before the grant of a Tax-approved Option that is not to be subject to a Holding Period that, except in the case of the Participant's death, a Participant may not, without the prior consent of the Committee (and subject to such conditions as the Committee may impose), transfer, assign, charge or otherwise dispose of any Shares in respect of which the Tax-approved Option has been exercised or any

rights in respect of them until such date as the Committee determines. This rule 2.11 will apply whether or not a Participant ceases (or has ceased) to be employed by any Participating Company (unless the Committee, in its absolute discretion, determines otherwise). In order to facilitate the operation of this rule 2.11 the Committee may require that any Shares to which this rule 2.11 applies will be held by a nominee selected by the Committee, on such terms as the Committee may determine, on behalf of the Participant.

3. Limits

3.1 HMRC limit

3.1.1 A Tax-approved Option may not be granted to an Eligible Employee if the result of the grant of the Tax-approved Option would be that the aggregate Market Value of the shares subject to all outstanding options granted to that Eligible Employee under the Tax-approved IRP or any other Schedule 4 CSOP established by the Company or an Associated Company of the Company would exceed (or further exceed) £60,000 or such other limit as may be specified from time to time in paragraph 6 of Schedule 4.

3.1.2 For the purposes of this rule 3.1:

- (i) the Market Value of shares is to be determined at the time the relevant option is granted;
- (ii) the Market Value of shares subject to a Restriction is to be determined as if they were not subject to the Restriction; and
- (iii) shares subject to an option which has been exercised, lapsed, renounced or otherwise become incapable of being exercised will be disregarded.

3.2 Scaling down

If the grant of a Tax-approved Option would cause the limit in rule 3.1 to be exceeded, the Tax-approved Option will take effect as a Tax-approved Option over the maximum number of Shares which does not cause the limit to be exceeded and the remainder of the Tax-approved Option will be treated as having being granted as an Option under Part B of the Plan rules.

3.3 Dilution limits

The number of Shares over which the Committee may grant Tax-approved Options on any date will be limited so that it does not exceed the limits specified in rule 3.4. The limits specified in rule 3.4 only apply to Tax-approved Options which are to be satisfied (directly or indirectly) by the issue of new Shares or the transfer of Treasury Shares.

3.4 5% and 10% in ten years

The limits are:

- 3.4.1 the number of Shares representing ten per cent. of the Company's equity share capital on the Grant Date less the aggregate of:
- (i) the number of Shares allocated in respect of awards granted within the previous ten years under any employee share scheme;
 - (ii) the number of Shares remaining to be allocated in respect of awards granted on the same date or within the previous ten years under any employee share scheme; and
 - (iii) the number of Shares allocated on the same date or within the previous ten years under any employee share scheme otherwise than in respect of an award; and
- 3.4.2 the number of Shares representing five per cent. of the Company's equity share capital on the Grant Date less the aggregate of:
- (i) the number of Shares allocated in respect of awards granted within the previous ten years under any executive share scheme;
 - (ii) the number of Shares remaining to be allocated in respect of awards granted on the same date or within the previous ten years under any executive share scheme; and
 - (iii) the number of Shares allocated on the same date or within the previous ten years under any executive share scheme otherwise than in respect of an award.

3.5 Interpretation

For the purposes of this rule 3:

- 3.5.1 “**allocate**” means the issue of new Shares or the transfer of Treasury Shares in satisfaction (directly or indirectly) of a person's right under an award;
- 3.5.2 an “**award**” means any right to acquire or receive Shares whether conditional or unconditional and whether or not for payment;
- 3.5.3 an “**employee share scheme**” means any employees' share scheme (within the meaning given in section 1166 of the Companies Act 2006) for employees of the Group which has been adopted by the Company;
- 3.5.4 “**equity share capital**” has the meaning given in section 548 of the Companies Act 2006;
- 3.5.5 an “**executive share scheme**” means any employees' share scheme (within the meaning given in section 1166 of the Companies Act 2006) which has been adopted by the Company for employees of the Group chosen at the discretion of the body administering the scheme;

- 3.5.6 no account will be taken of Shares acquired by an employee or former employee (or the personal representatives of such a person) where the Shares are acquired for a price equal to their market value at or about the date of acquisition and the cost of those Shares is borne by (or by the estate of) the employee or former employee;
- 3.5.7 no account will be taken of awards which are relinquished or lapse;
- 3.5.8 subject to rule 3.5.9, no account will be taken of an award if and to the extent to which the Committee considers that it will be satisfied by the transfer of existing Shares other than Treasury Shares or cash;
- 3.5.9 any Shares allocated or remaining to be allocated to the trustee of any trust established by a Participating Company which were used or which are to be used to satisfy awards granted under an employee share scheme must be treated as having been allocated or as remaining to be allocated in respect of those awards unless the Shares were acquired by the trustee pursuant to a rights issue or other opportunity offered to the trustee in respect of the Shares;
- 3.5.10 account will only be taken of Treasury Shares for so long as this is required under institutional shareholder guidelines; and
- 3.5.11 where an award was granted in consideration of the release by an individual holding an award previously granted to that individual under an employee share scheme, then the earlier award will be ignored and the later award will be deemed to have been granted at the same time as the earlier award.

3.6 **Multiple related awards**

Where an individual is granted two awards on terms that the exercise, vesting or release of one will automatically result in a reduction to the extent to which the other may be exercised, vest or be released and vice versa, then for the purposes of this rule 3 it will only be necessary to take into account that number of Shares which could be acquired in respect of those awards having regard to those terms.

3.7 **Adjustments for variation of share capital**

The Committee may adjust the limits specified in rule 3.4 in the event of a variation of the equity share capital of the Company.

4. **Vesting and Release of Tax-approved Options**

4.1 **Timing of Vesting and Release**

- 4.1.1 Subject to rules 7 and 9, a Tax-approved Option will Vest on the latest of the following:
 - (i) the date on which the Committee makes its determination under rule 4.3 of the extent to which the Tax-approved Option will Vest;

- (ii) the Expected Vesting Date; and
- (iii) the date on which any Dealing Restrictions which would prevent dealing by the Participant in the Shares subject to the Tax-approved Option on the dates specified above cease to apply.

4.1.2 Subject to rules 7 and 9, a Tax-approved Option that is subject to a Holding Period will be Released, to the extent the Tax-approved Option has Vested, on the later of:

- (i) the Expected Release Date; and
- (ii) the date on which any Dealing Restrictions which would prevent dealing by the Participant in the Shares subject to the Tax-approved Option on the Expected Release Date cease to apply.

4.2 **Determination of Performance Conditions and other conditions**

4.2.1 Subject to rule 4.2.2 below, as soon as reasonably practicable (in the case of any Performance Conditions, after the end of the relevant Performance Period), the Committee will determine whether and to what extent any Performance Conditions and any other conditions imposed under rule 2.4 have been satisfied.

4.2.2 Where the Tax-approved Option Vests under rule 7 or 9, the Committee will have the discretion acting fairly and reasonably to determine the extent to which the Performance Conditions have been satisfied either:

- (i) up to the date the Participant ceases to be an employee of the Group (where rule 7 applies) or the date on which the relevant corporate event occurs (where rule 9 applies), measured against the most recent information available or information to become shortly available to the Committee at that time, as determined by the Committee; or
- (ii) over the full Performance Period(s), having regard to actual or projected performance.

4.3 **Extent of Vesting**

4.3.1 The Committee will determine the extent to which any Tax-approved Option will Vest by reference to:

- (i) the extent to which any Performance Conditions and any other conditions imposed under rule 2.4 have been satisfied; and
- (ii) where rule 7.2 applies, unless the Committee determines otherwise, the proportion of the Pro-Rating Period that has elapsed on the date the Participant ceases to be an employee of the Group.

4.3.2 To the extent the Committee determines in accordance with rule 4.3.1 that a Tax-approved Option will not Vest, it will lapse immediately.

4.3.3 If a Tax-approved Option lapses under any provision of the Plan, it cannot subsequently Vest or be Released and a Participant has no rights in respect of it.

5. Exercise of Tax-approved Options

5.1 Restriction on exercise

If:

- (i) the Participant;
- (ii) the Participant, together with the Participant's Associates; or
- (iii) any Associate of the Participant (either alone or with other such Associates)

has or has had during the preceding 12 months a Material Interest in a Close Company which is the Company or a company which has Control of the Company or a member of a consortium which owns the Company, the Participant may not exercise a Tax-approved Option.

5.2 Method of exercise

5.2.1 A Participant may, subject to rules 5.1, 5.5 and 12.8 and any Dealing Restrictions, exercise a Tax-approved Option at any time during the Exercise Period (or, where rule 7 or 9 applies, any exercise period specified under those rules) by:

- (i) giving notice in the prescribed form to the Company or any person nominated by the Committee;
- (ii) enclosing the relevant Tax-approved Option Certificate (if required by the Committee); and
- (iii) paying to the Company the Exercise Price for each Share in respect of which the Tax-approved Option is exercised (or giving an undertaking in a form acceptable to the Committee to make that payment).

5.2.2 Unless the Committee decides otherwise, the "**Exercise Date**" will be the date of receipt by the Company or its duly appointed agent of the notice (and, if relevant, the Tax-approved Option Certificate, payment and/or undertaking) referred to in rule 5.2.1. However, if an option exercise notice is delivered at a time when any Dealing Restrictions would prohibit the exercise of Tax-approved Options by the Participant, the Exercise Date will be the first Business Day when such Dealing Restrictions cease to apply.

5.2.3 Subject to rules 5.1, 5.5 and 12.8 and any Dealing Restrictions, the Company will, within 30 days of the Exercise Date, arrange for the transfer (including a transfer out of treasury) or the issue to or to the order of the Participant of the number of Shares in respect of which the Tax-approved Option has been exercised.

5.3 Lapse of Options

Subject to rule 7.3, a **Tax-approved Option** will lapse to the extent that it has not been exercised at the end of the Exercise Period, unless it lapses earlier in accordance with the Plan rules.

5.4 Rights

Shares issued or transferred on the exercise of a Tax-approved Option will rank equally in all respects with the Shares in issue at the point of issue or transfer, except as specified in the Plan rules. They will not rank for any rights attaching to Shares by reference to a record date before the date of issue or transfer. Where Shares are transferred (including a transfer out of treasury) on the exercise of a Tax-approved Option, the Participant will be entitled to all rights attaching to the Shares by reference to a record date on or after the transfer date. The Participant will not be entitled to any such rights before that date.

5.5 Tax withholding

Any current or former Participating Company or the trustee of any employee benefit trust established by such current or former Participating Company may (to the extent permitted by law) make such arrangements as it considers necessary to meet any liability to taxation, duties, social security contributions or other amounts in respect of a Tax-approved Option or otherwise in connection with a person's participation in the Plan, whether the liability is a liability of, or is payable by, the Participant, a current or former Participating Company or the trustee of any such trust. These arrangements may include the sale on behalf of the Participant of any of the Shares to which the Participant is entitled under the Plan and the retention of the sale proceeds to meet the liability. References to social security contributions include anything which, in the Committee's opinion, is reasonably comparable to social security contributions.

6. Recovery of Tax-approved Options

6.1 Length of Recovery Period

6.1.1 The period during which the Committee may undertake any of the actions specified in rules 6.3, 6.4 and 6.5 (the "**Recovery Period**") will, subject to rule 6.1.2, be the period of three years beginning on the Normal Vesting Date.

6.1.2 If an investigation into the conduct or actions of any Participant or any Participating Company has started before, but has not been completed by, the end of the Recovery Period, the Committee may, in its absolute discretion, determine that the provisions of rules 6.3, 6.4 and 6.5 may be applied to a Tax-approved Option until such later date as the Committee may determine to allow

that investigation to be completed and for the Committee to consider its findings and determine whether it wishes to undertake any action specified in rules 6.3, 6.4 and 6.5.

6.2 Recovery triggers

6.2.1 Notwithstanding any other rule of the Plan, if at any time before the end of the Recovery Period, there are, in the Committee's opinion, exceptional circumstances, the Committee may, on such basis as it considers in its absolute discretion to be fair, reasonable and proportionate, undertake any of the actions specified in rules 6.3, 6.4 and 6.5. These exceptional circumstances are:

- (i) a material misstatement in the published results of the Group or any Participating Company;
- (ii) gross misconduct on the part of the Participant concerned;
- (iii) a Participating Company suffers, in the Committee's opinion, a significant detrimental impact on its reputation or falls into disrepute, provided that the Committee determines that, following an appropriate review of accountability, the Participant was responsible for, or had management oversight over, the actions, omissions or behaviour that gave rise to that detrimental impact or fall into disrepute; or
- (iv) the Company or entities representing a material proportion of the Group becomes insolvent or otherwise suffers a corporate failure so that ordinary shares in the Company cease to have material value, provided that the Committee determines, following an appropriate review of accountability, that the Participant should be held responsible (in whole or in part) for that insolvency or failure.

6.2.2 References in rules 6.1 and 6.2 to Participating Companies include references to former Participating Companies.

6.3 Malus

6.3.1 The Committee may, in its absolute discretion, at any time during the Recovery Period:

- (i) cancel, or reduce the number of Shares subject to, a Tax-approved Option; and/or
- (ii) impose additional conditions on a Tax-approved Option.

6.3.2 If a Tax-approved Option is cancelled or reduced in accordance with rule 6.3.1, that Tax-approved Option will be treated (to the relevant extent) as having lapsed.

6.3.3 The Company must notify the Participant as soon as reasonably practicable after the Committee has taken any action in accordance with rule 6.3.1.

6.4 **Clawback**

6.4.1 The Committee may, in its absolute discretion, at any time during the Recovery Period require the Participant to transfer to the Company (or the trustee of any employee benefit trust, if required by the Company):

- (i) all or some of the Shares acquired under the Tax-approved Option; or
- (ii) a cash payment in respect of all or some of the Shares acquired under the Tax-approved Option.

6.4.2 In determining the number of Shares to be transferred and/or the cash payment to be made in accordance with rule 6.4.1, the Committee will take into account the amount of tax and social security contributions actually paid (or due to be paid) by the Participant in respect of the acquisition of the relevant Shares under the Tax-approved Option and whether, in its opinion, the Participant can claim relief from any such tax and social security contributions.

6.5 **Recovery mechanisms**

6.5.1 In place of requiring the Participant to take the action referred to in rule 6.4, the Committee may, in its absolute discretion, during the Recovery Period:

- (i) reduce the amount of any future payments in connection with the Plan or under any discretionary bonus plans or other incentive arrangements operated by a Participating Company;
- (ii) reduce the number of Shares that would become available to the relevant Participant upon the vesting or exercise of any unvested share award granted under any Relevant Employee Share Plan and held by the relevant Participant; and/or
- (iii) reduce the number of Shares over which a vested but unexercised share award granted under any Relevant Employee Share Plan and held by the relevant Participant may be exercised,

on such basis that the Committee considers in its absolute discretion to be fair, reasonable and proportionate.

6.5.2 The Committee may take any action referred to in rule 6.3 to give effect to the operation of any withholding or recovery provisions similar to this rule 6 in any Relevant Employee Share Plan, discretionary bonus plan or other incentive arrangement operated by a Participating Company.

6.6 **Additional requirements**

The Committee may from time to time before the Grant Date of a Tax-approved Option adopt rules, practices or policies relating to the withholding and/or recovery of value in

respect of the Tax-approved Option, which are additional to the terms of rules 6.1 to 6.5, that may apply to that Tax-approved Option.

7. Leaving the Group

7.1 General rule on leaving employment

7.1.1 If a Participant ceases to be an employee of the Group an Unvested Tax-approved Option will lapse (to the maximum extent permitted by law) on the date the Participant ceases to be an employee of the Group unless rule 7.2 or 7.3 applies.

7.1.2 If a Participant ceases to be an employee of the Group during any Holding Period applicable to a Vested Tax-approved Option for any reason other than Summary Dismissal, the Vested Tax-approved Option will, subject to rules 7.3 and 9, be Released on the date determined in accordance with rule 4.1. Tax-approved Options may, subject to rules 7.3 and 9, be exercised for a period of 6 months beginning on the Release Date, after which time they will lapse.

7.1.3 If a Participant ceases to be an employee of the Group, for any reason other than Summary Dismissal, holding Vested Tax-approved Options which are not or are no longer subject to a Holding Period, they may, subject to rules 7.3 and 9, be exercised for a period of 6 months beginning on the date of the Participant's cessation of employment, after which time they will lapse.

7.1.4 If a Participant ceases to be an employee of the Group because of Summary Dismissal, the Participant's Vested and Unvested Tax-approved Options lapse (to the maximum extent permitted by law).

7.2 Exceptions to general rule - Unvested Tax-approved Options

7.2.1 If a Participant ceases to be an employee of the Group because of:

- (i) injury or disability, in each case evidenced to the satisfaction of the Committee;
- (ii) the Participant's employing company ceasing to be under the Control of the Company;
- (iii) a relevant transfer within the meaning given to it by the Transfer of Undertakings (Protection of Employment) Regulations 2006;
- (iv) retirement;
- (v) redundancy (within the meaning given to it by section 139 of the Employment Rights Act 1996); or
- (vi) any other reason at the discretion of the Committee,

then the Tax-approved Option will Vest, subject to rule 9, in accordance with rule 4.1. The Tax-approved Option will Vest to the extent determined by the Committee in accordance with rule 4.3.

- 7.2.2 Where this rule 7.2 applies, the relevant Tax-approved Option will remain subject to any Holding Period after it Vests, unless the Committee, in its absolute discretion, determines otherwise.
- 7.2.3 A Tax-approved Option may, to the extent Vested and subject to rule 7.3 and 9, be exercised for a period of 6 months beginning on the Vesting Date (or if the Tax-approved Option is subject to a Holding Period, the Release Date), after which time, subject to rule 7.3 and 9, the Tax-approved Option will lapse.

7.3 **Death**

If a Participant dies:

- 7.3.1 an Unvested Option will Vest on the date of the Participant's death to the extent determined in accordance with rule 4.3;
- 7.3.2 a Vested Option subject to a Holding Period will be Released on the date of the Participant's death; and
- 7.3.3 Options may then (to the extent Vested) be exercised for a period of 12 months beginning on the date of the Participant's death, after which time they will lapse.

7.4 **Meaning of "ceasing to be an employee of the Group"**

For the purposes of rule 4 and this rule 7, a Participant will not be treated as ceasing to be an employee of the Group until the Participant ceases to be an employee of any Participating Company.

8. **Adjustment of Options**

8.1 **Power to adjust**

- 8.1.1 If there is a variation of the equity share capital of the Company, including a capitalisation or rights issue, sub-division, consolidation or reduction of share capital, the Committee may adjust the number or class of Shares subject to, and the Exercise Price of, an Option as it considers appropriate.
- 8.1.2 Any adjustment to be made in accordance with this rule 8.1 may only be made in the circumstances and to the extent permitted by paragraphs 21A and 22 of Schedule 4.

8.2 **Notice**

The Company will notify Participants of any adjustment made under this rule 8 as soon as reasonably practicable thereafter.

9. Takeovers and corporate events

9.1 Definitions

9.1.1 A “**Corporate Event**” occurs when:

- (i) a person (either alone or together with any person acting in concert with that person) obtains Control of the Company as a result of making a general offer to acquire all of the issued ordinary share capital of the Company which is made on a condition such that if it is satisfied the offeror (together with any persons acting in concert with that person) will have Control of the Company and any condition to which that offer was subject has been satisfied;
- (ii) a person (either alone or together with any person acting in concert with that person) obtains Control of the Company as a result of making a general offer to acquire all of the Shares and any condition to which that offer was subject has been satisfied;
- (iii) the court sanctions a compromise or arrangement under section 899 or 901F of the Companies Act 2006 applicable to or affecting (a) all the ordinary share capital of the Company or all the Shares; or (b) all the shares, or all the shares of that same class, which are held by a class of shareholders identified otherwise than by reference to their employment or directorships or their participation in a Schedule 4 CSOP;
- (iv) a Non-UK Company Reorganisation Arrangement applicable to or affecting (a) all the ordinary share capital of the Company or all the Shares; or (b) all the shares, or all the shares of that same class, which are held by a class of shareholders identified otherwise than by reference to their employment or directorships or their participation in a Schedule 4 CSOP becomes binding on the shareholders covered by it;
- (v) any person becomes bound or entitled to acquire Shares under sections 979 to 982 or sections 983 to 985 of the Companies Act 2006; or
- (vi) a resolution is passed by the Company for the voluntary winding-up of the Company.

9.1.2 The offeror’s offer under rule 9.1.1(i) or 9.1.1(ii) need not extend to shares which are already owned by the offeror and/or by persons connected with the offeror. It does not matter if the offer is made to different shareholders by different means.

9.1.3 “**Within the Rule 9 Period**” means:

- (i) where rule 9.1.1(i) or 9.1.1(ii) applies, within 6 months from the date the person obtains Control of the Company and any condition to which the offer was subject has been satisfied;

- (ii) where rule 9.1.1(iii) applies, within 6 months from the date the court sanctions the relevant compromise or arrangement;
- (iii) where rule 9.1.1(iv) applies, within 6 months from the date the Non-UK Company Reorganisation Arrangement becomes binding on the shareholders covered by it;
- (iv) where rule 9.1.1(v) applies, within one month from the date on which that person first becomes so bound or entitled; and
- (v) where rule 9.1.1(vi) applies, within one month from the date on which the resolution is passed.

9.2 **Exercise on a Corporate Event**

- 9.2.1 Subject to rules 4.3, 5.1, 7.3, 9.2.2, 9.6 and 10, if a Corporate Event occurs, a Tax-approved Option may be exercised within the Rule 9 Period, after which time it will lapse.
- 9.2.2 If a Corporate Event referred to in rule 9.1.1(vi) occurs, a Tax-approved Option held by a deceased Participant will lapse at the end of the relevant Rule 9 Period.

9.3 **Shares ceasing to satisfy Schedule 4**

If, as a result of a Corporate Event other than a Corporate Event to which rule 9.1.1(vi) applies, Shares will no longer satisfy the requirements of Part 4 of Schedule 4, Tax-approved Options may be exercised within the period of 20 days after the date on which the change of Control occurs, provided that the date of exercise falls within the Rule 9 Period.

9.4 **Conditional exercise**

If the Committee reasonably expects a Corporate Event, other than a Corporate Event to which rule 9.1.1(vi) applies, to occur, the Committee may, acting fairly and reasonably, make arrangements permitting Tax-approved Options to be exercised, subject to rule 9.5, during a period of 20 days ending with the date of such Corporate Event. If a Tax-approved Option is exercised under this rule 9.4, it will be treated as having been exercised in accordance with rule 9.2.

9.5 **Effect of conditional exercise**

If the Committee makes arrangements for the exercise of Tax-approved Options under rule 9.4, if the relevant Corporate Event does not occur within 20 days of the date of purported exercise, the Tax-approved Option will be treated as not having been exercised.

9.6 **Internal reorganisation**

In the event that:

- 9.6.1 a company is expected to obtain Control of the Company as a result of a Corporate Event other than a Corporate Event to which rule 9.1.1(vi) applies and become an Acquiring Company;
- 9.6.2 substantially all the shares in the Acquiring Company are expected to be held by the same persons who immediately before the obtaining of Control of the Company were shareholders in the Company; and
- 9.6.3 Participants are to be offered substitute options under rule 10,

then Tax-approved Options which would become exercisable under this rule 9 but for this rule 9.6 may not be exercised and, if they are not exchanged in accordance with rule 10 within the Rule 9 Period, will lapse at the end of that period.

9.7 **Committee**

If a Corporate Event occurs, "**Committee**" means, after the occurrence of that Corporate Event, those people who were members of the Committee immediately before that Corporate Event or such of those people, numbering no less than two, who may be available.

10. **Exchange of Tax-approved Options**

10.1 **Ability to exchange**

If a Corporate Event occurs other than a Corporate Event under rule 9.1.1(iii) or (iv) where there is no change of Control or under rule 9.1.1(vi), or if an event referred to in rule 9.6 occurs, any Participant may at any time within the Rule 9 Period, by agreement with the Acquiring Company, release their Tax-approved Option (the "**Old Tax-approved Option**") in consideration for the grant to the Participant of a new option (the "**New Tax-approved Option**") which is equivalent to the Old Tax-approved Option because it satisfies the requirements of paragraph 27 of Schedule 4 but relates to shares in the Acquiring Company or the Controlling Company.

10.2 **Terms of exchange**

Where the New Tax-approved Options are granted in accordance with rule 10.1, they will be regarded for the purposes of the subsequent application of the Plan rules as having been granted at the time when the corresponding Old Tax-approved Options were granted and, with effect from the date on which the New Tax-approved Options are granted:

- 10.2.1 except for the definitions of "**Committee**" and "**Participating Company**", references to the "**Company**" (including the definition in rule 1) will be construed as being references to the Acquiring Company or the Controlling Company;
- 10.2.2 references to "**Shares**" (including the definition in rule 1) will be construed as being references to shares in the Acquiring Company or the Controlling Company; and

10.2.3 references to “**Committee**” and “**Participating Company**” will continue to be construed as if references to the Company were references to De La Rue plc with registered number 03834125.

11. Employee rights

11.1 Scope

For the purposes of this rule 11, “**Employee**” means any employee of a Participating Company. This rule 11 applies during an Employee’s employment and after the cessation of an Employee’s employment, whether or not such cessation is lawful.

11.2 Tax-approved Options separate from employment contract

Nothing in the Plan rules or the operation of the Plan forms part of the Employee’s contract of employment. The rights and obligations arising from the employment relationship between the Employee and the Employee’s employer are separate from, and are not affected by, the Plan. Participation in the Plan does not create any right to, or expectation of, continued employment.

11.3 Employee rights

No Employee has a right to participate in the Plan. Participation in the Plan or the grant of Tax-approved Options on a particular basis in any year does not create any right to or expectation of participation in the Plan or the grant of Tax-approved Options on the same basis, or at all, in any future year.

11.4 Exercise of discretion

The terms of the Plan do not entitle the Employee to the exercise of any discretion in the Employee’s favour.

11.5 Rights to compensation

No Employee has any right to compensation for any loss in relation to the Plan, including any loss in relation to:

11.5.1 any loss or reduction of rights or expectations under the Plan in any circumstances (including lawful or unlawful termination of employment);

11.5.2 any exercise of a discretion or a decision taken in relation to a Tax-approved Option or to the Plan, or any failure to exercise a discretion or take a decision;
or

11.5.3 the operation, suspension, termination or amendment of the Plan.

11.6 Plan participation

Participation in the Plan is permitted only on the basis that the Participant accepts all the provisions of the Plan rules, including this rule 11.6. By participating in the Plan, an

Employee waives all rights under or in connection with the Plan, other than the right to acquire Shares subject to and in accordance with the provisions of the Plan and any Performance Conditions or other conditions applicable to their Tax-approved Option, in consideration for, and as a condition of, the grant of a Tax-approved Option under the Plan.

11.7 Third party rights

Nothing in the Plan confers any benefit, right or expectation on a person who is not an Employee. No such third party has any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any provision of the Plan or any condition applicable to an Employee's Tax-approved Option. This does not affect any other right or remedy of a third party which may exist.

12. General

12.1 Rights

A Participant will not be entitled to vote, to receive dividends or to have any other rights of a shareholder in respect of Shares subject to a Tax-approved Option until the Participant has received the underlying Shares as a result of the exercise of a Tax-approved Option.

12.2 Transfer

A Participant may not transfer, assign or otherwise dispose of a Tax-approved Option or any rights in respect of it. If the Participant does, whether voluntarily or involuntarily, then it will immediately lapse. This rule 12.2 does not apply to the transmission of a Tax-approved Option on the death of a Participant to the Participant's personal representatives.

12.3 Not pensionable

None of the benefits received under the Plan is pensionable.

12.4 Committee's decisions final and binding

The decision of the Committee on the interpretation of the Plan or in any dispute relating to a Tax-approved Option or matter relating to the Plan will be final, conclusive and binding on all persons.

12.5 Documents sent to shareholders

The Company may (but is not obliged to) send to Participants copies of any documents or notices normally sent to the holders of its Shares.

12.6 Regulations

The Committee has the power from time to time to make or vary regulations for the administration and operation of the Plan but these must be consistent with its rules and with applicable law and must not cause any of the provisions of Schedule 4 which are

relevant to the Tax-approved IRP to cease to be satisfied. The Committee may correct any defect or supply any omission or reconcile any inconsistency or ambiguity in the Tax-approved IRP.

12.7 **Data protection**

12.7.1 During the Participant's participation in the Plan, the Company will have access to and process, or authorise the processing of, personal data (as defined in the Data Protection Act 2018, the EU General Data Protection Regulation 5419/16 in such form as incorporated into the law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (as amended) and any regulations thereunder and/or any implementing legislation (together, the "**Data Protection Laws**") held and controlled by any Participating Company and relating to employees or customers of any Participating Company, or other individuals. Each Participating Company will comply with the terms of the Data Protection Laws, and the Company's data protection policies issued from time to time, in relation to such data.

12.7.2 Any Participating Company and its employees and agents may from time to time hold, process and disclose Participants' personal data in accordance with the terms of the Company's employee privacy notice and data protection policy in force from time to time.

12.8 **Consents**

All allotments, issues and transfers of Shares will be subject to any necessary consents under any relevant enactments or regulations for the time being in force in the United Kingdom or elsewhere. The Participant will be responsible for complying with any requirements the Participant needs to fulfil in order to obtain or avoid the necessity for any such consent.

12.9 **Listing**

If and so long as the Shares are traded on the London Stock Exchange, the Company will apply for listing of any Shares issued under the Plan as soon as reasonably practicable.

12.10 **Enforceability of provisions**

By accepting a Tax-approved Option, the Participant agrees that:

12.10.1 the Plan rules (and in particular rule 6) are fair and reasonable for the protection of the Company's interests;

12.10.2 if it should be found that any Plan rule is void as a result of going beyond what is fair and reasonable in all the circumstances, and if by deleting or amending part of the wording of that rule it would not be void, the rule will apply with such deletion and/or amendment as may be necessary to make it valid and enforceable; and

12.10.3 all other Plan rules will remain in full force and effect.

12.11 Notices

12.11.1 Except where otherwise specified in the Plan rules, any notice or communication to be given to any person who is, has been or will be eligible to be a Participant may be:

- (i) delivered by electronic mail and it will be deemed to have been received upon electronic confirmation of such delivery; or
- (ii) personally delivered or sent by ordinary post to their last known address and where a notice or communication is sent by post it will be deemed to have been received 48 hours after the same was put into the post properly addressed and stamped.

Share certificates and other communications sent by post will be sent at the risk of the recipient concerned and no Participating Company will have any liability whatsoever to any such person in respect of any notification, document, share certificate or other communication so given, sent or made.

12.11.2 Any notice to be given to any Participating Company or the trustee of any trust established by a Participating Company will be delivered or sent to the Company at its registered office, marked for the attention of the Company Secretary, and will be effective upon receipt. The Committee may make other arrangements to receive notices.

13. Amending the Plan

13.1 Committee's powers

Subject to the rest of this rule 13, the Committee may at any time amend the Plan and the terms of any Tax-approved Option in any way.

13.2 Shareholder approval

13.2.1 Subject to rules 13.2.2 and 13.2.3, the Company's shareholders must approve in advance by ordinary resolution any proposed amendment to the Plan or a Tax-approved Option to the advantage of present or future Participants, which relates to the following:

- (i) the persons to or for whom Shares may be provided under the Plan;
- (ii) the limits on the number of Shares which may be issued or transferred from treasury under the Plan;
- (iii) the maximum entitlement for any Participant;
- (iv) the basis for determining a Participant's entitlement to, and the terms of, Shares provided under the Plan;

- (v) the rights of a Participant in the event of a capitalisation issue, rights issue or open offer, sub-division or consolidation of shares or reduction of capital or any other variation of the equity share capital of the Company; or
- (vi) the terms of this rule 13.2.

13.2.2 The Committee may amend the Plan or the terms of any Tax-approved Option and need not obtain the approval of the Company's shareholders for any minor changes:

- (i) to benefit the administration of the Plan;
- (ii) to comply with or take account of the provisions of any proposed or existing legislation; or
- (iii) to obtain or maintain favourable tax, exchange control or regulatory treatment of any Participating Company or any present or future Participant.

13.2.3 The Committee need not obtain the approval of the Company's shareholders for any amendment to the Performance Conditions or other conditions imposed under rule 2.4 as permitted by rules 2.3 and 2.4 or the terms of any such Performance Condition or other condition.

13.3 Participant consent

If the Committee proposes an amendment to the Plan rules or the terms of any Tax-approved Option (other than a permitted amendment to the Performance Conditions or other conditions imposed under rule 2.4) which would be to the material disadvantage of Participants in respect of subsisting rights under the Plan, then:

- 13.3.1 the Committee will invite each so disadvantaged Participant to indicate whether or not they approve the amendment; and
- 13.3.2 such amendment will only take effect if the majority (assessed by reference to the size of affected Tax-approved Options) of the Participants who respond to an invitation made in accordance with rule 13.3.1 consent to the amendment.

13.4 Notice

The Committee may (but is not obliged to) give written notice of any amendments made to any Participant affected.

14. Governing law and jurisdiction

English law governs the Plan and all Tax-approved Options and their construction. The courts of England and Wales will have exclusive jurisdiction in respect of disputes arising under or in connection with the Plan or any Tax-approved Option.

PART B – Tax-unapproved Investor Returns Plan

1. Purpose and definitions

1.1 Purpose

Part B of the Plan allows “tax-unapproved” Options to be granted to employees of the Group outside the terms of the Tax-Approved IRP.

1.2 Definitions

In this Part B of these rules:

“**Acquiring Company**” has the meaning given in rule 9.3.1;

“**Business Day**” means a day on which the London Stock Exchange (or, if relevant and if the Committee determines, any other stock exchange nominated by the Committee on which the Shares are traded) is open for the transaction of business;

“**Committee**” means, subject to rule 9.4, the remuneration committee of the board of directors of the Company, or any committee or person duly authorised by it;

“**Company**” means De La Rue plc incorporated in England and Wales with registered number 03834125;

“**Control**” means, in relation to a body corporate, the power of a person to secure by means of the holding of shares or the possession of voting power in or in relation to that or any other body corporate, or as a result of any powers conferred by the articles of association, or other document regulating that or any other body corporate, that the affairs of the first mentioned body corporate are conducted in accordance with the wishes of that person;

“**Data Protection Laws**” has the meaning given in rule 12.7.1;

“**Dealing Restrictions**” means any restrictions relating to dealing in Shares imposed by law, order, regulation, Government directive or any dealing code adopted by the Company;

“**Directors’ Remuneration Policy**” means the Company’s directors’ remuneration policy within the meaning of section 421(2A) of the Companies Act 2006;

“**Eligible Employee**” means an individual who is an employee (including an executive director) of the Company or any Subsidiary on the Grant Date;

“**Exercise Date**” has the meaning given in rule 5.1.2;

“**Exercise Period**” means the period beginning on the Expected Vesting Date or, if there is a Holding Period, on the Expected Release Date and, in either case, ending on the

tenth anniversary of the Grant Date (unless the Committee determines a shorter period under rule 2.8.11);

“Exercise Price” means such amount per Share as the Committee may determine, which must not, except in the case of a Recruitment Option, be manifestly less than the higher of:

- (i) the nominal value of a Share; and
- (ii) the Market Value of a Share,

on the Grant Date and which, subject to any adjustment in accordance with rule 8, a Participant must pay to exercise an Option;

“Expected Vesting Date” means the date specified under rule 2.8.6 on which the Option will normally Vest in accordance with the Plan rules;

“Expected Release Date” means the date specified under rule 2.8.7 on which the Option will normally be Released in accordance with the Plan rules;

“Expiry Date” means [7] September 2033, being the tenth anniversary of the date the Plan is approved by the Company’s shareholders;

“Grant Date” means the date which the Committee specifies for the grant of an Option;

“Group Member” means:

- (i) the Company; and
- (ii) its Subsidiaries from time to time; and
- (iii) any other company which is associated with the Company and is so designated by the Committee,

and **“Group”** will be construed accordingly;

“Holding Period” means a period beginning on the Expected Vesting Date and ending on the Expected Release Date as determined by the Committee in accordance with rule 2.8.7;

“ITEPA” means the Income Tax (Earnings and Pensions) Act 2003;

“London Stock Exchange” means the London Stock Exchange or any successor body;

“Market Value” means, in relation to a Share on any date: (i) for the purposes of rule 5.4 in circumstances where rule 9 applies, the offer price per Share offered to the Company’s shareholders in connection with the relevant corporate event (subject to such adjustments as the Committee may determine); (ii) the closing middle-market quotation (taken from the Daily Official List of the London Stock Exchange) of a Share on the Business Day before the relevant date; or (iii) if the Committee so determines, such middle-market quotation for any other Business Day (or the average of such middle-market quotations

for any Business Days) occurring before the relevant date, as the Committee may determine, provided that, where either (ii) or (iii) applies, such Business Days do not fall within any period when Dealing Restrictions apply to the Participant in respect of the Option or the Shares subject to the Option;

“**Option**” means a right granted under Part B of the Plan to acquire Shares for the aggregate Exercise Price;

“**Option Certificate**” has the meaning given in rule 2.5.1;

“**Original Entitlements Forfeited**” means, in relation to a Recruitment Option, any awards or entitlements forfeited by an Eligible Employee as a result of the Eligible Employee leaving the Eligible Employee’s former employer;

“**Participant**” means a person holding an Option or that person’s personal representatives (or, in relation to rule 6, a person who has held an Option or that person’s personal representatives);

“**Performance Conditions**” means any performance conditions imposed under rule 2.3;

“**Performance Period**” means the period in respect of which any Performance Conditions are to be satisfied as determined by the Committee in accordance with rule 2.3;

“**Plan**” means the plan constituted by these rules known as the “De La Rue plc Investor Returns Plan 2023”, as amended from time to time;

“**Pro-Rating Period**” means:

- (iv) subject to (iii) below, in relation to an Option subject to a Performance Condition, the Performance Period;
- (v) subject to (iii) below, in relation to an Option which is not subject to a Performance Condition, the Vesting Period; and
- (vi) in relation to an Option which is a Recruitment Option, the period over which the Original Entitlements Forfeited would have been time pro-rated in accordance with their terms (had they not lapsed) or such other period as the Committee may determine on or before the Grant Date;

“**Recovery Period**” has the meaning given in rule 6.1;

“**Recruitment Option**” means an Option granted in connection with an Eligible Employee’s recruitment to the Company or one of its Subsidiaries to compensate the Eligible Employee for any Original Entitlements Forfeited;

“**Release**” means, in relation to an Option that is subject to a Holding Period, the Participant becoming entitled to exercise that Option, and to the extent that the Option has Vested, and “**Released**” will be construed accordingly;

“**Release Date**” means the date on which an Option is Released;

“Relevant Employee Share Plan” means an employee share plan operated by a Group Member, other than an employee share plan (other than the Plan) which has been registered with HM Revenue & Customs for the purposes of one of Schedules 2 to 5 to ITEPA;

“Retained Portion” means the percentage of the Shares subject to an Option to be retained and specified under rule 2.8.7 and, unless the Committee determines otherwise on or before the grant of an Option, the Retained Portion will be 100 per cent or, where any tax or social security contributions arise on the exercise of an Option, the Shares remaining (or that would have remained) after the sale of sufficient Shares to meet such tax or social security contributions;

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

“Subsidiary” means a company which is a subsidiary of the Company within the meaning of section 1159 of the Companies Act 2006;

“Summary Dismissal” means, in relation to a Participant, the cessation of the Participant’s employment with a Group Member in circumstances where that Group Member is entitled to terminate the Participant’s employment contract summarily without payment;

“Treasury Shares” means Shares which are governed by Chapter 6 of Part 18 of the Companies Act 2006;

“Vest” means the Participant becoming entitled, subject to the Plan rules and the expiry of any Holding Period (if applicable), to exercise the Option during the Exercise Period; or

and **“Vesting”**, **“Vested”** and **“Unvested”** will be construed accordingly;

“Vesting Date” means the date on which an Option Vests; and

“Vesting Period” means the period beginning on the Grant Date and ending on the day before the Expected Vesting Date.

References in these rules to any statutory provision are to that provision as amended or re-enacted from time to time (and any regulations made under it), and, unless the context otherwise requires, words in the singular will include the plural and vice versa. The wording “to the extent that” means “if, but only to the extent that”.

2. Grant of Options

2.1 Eligibility

The Committee may, subject to any Dealing Restrictions, grant an Option to any Eligible Employee.

2.2 Timing of Option

Options may not be granted at any time after the Expiry Date. Options may only be granted:

2.2.1 within 42 days beginning on:

- (i) the date on which the Plan (or any amendment to the Plan) is approved by the Company's shareholders;
- (ii) the Business Day after the day on which the Company's results are announced for any period;
- (iii) the day on which the Directors' Remuneration Policy (or any amendment to it) is approved by the Company's shareholders; or
- (iv) to the extent Dealing Restrictions apply at any time during the periods referred to in (i) to (iii) above, the day on which the grant of Options is no longer prohibited by any Dealing Restrictions; or

2.2.2 on any other day on which the Committee resolves that exceptional circumstances exist which justify the grant of an Option.

2.3 Performance Conditions

2.3.1 When granting an Option, the Committee may make its Vesting conditional on the satisfaction of one or more performance-related conditions determined by the Committee.

2.3.2 The Committee may amend a Performance Condition either:

- (i) in accordance with its terms; or
- (ii) if anything happens which causes the Committee to consider it appropriate,

provided that the Committee considers that any amended Performance Condition will not be materially less or more challenging to satisfy than the original condition would have been but for the relevant circumstances occurring.

2.3.3 When the Committee grants an Option which is subject to one or more Performance Conditions, the Committee must also determine the Performance Period relating to such Performance Condition.

2.4 Other conditions

2.4.1 The Committee may impose other conditions additional to the Plan rules on the Vesting and/or Release of an Option, provided that they are specified at the Grant Date.

2.4.2 The Committee may waive or amend any such condition.

2.5 **Option Certificate**

2.5.1 Each Participant will receive a certificate (in such form as the Committee may determine) specifying the terms of the Option as soon as reasonably practicable after the Grant Date (an “**Option Certificate**”). The Option Certificate may be the deed referred to in rule 2.8 or any other document or notification determined by the Committee. The Option Certificate may be distributed in hard copy, by email or by any other electronic means. If any Option Certificate is lost or damaged the Company may replace it on such terms as it determines.

2.5.2 Unless the Committee determines otherwise, a Participant must, before a date determined by the Committee and notified to the Participant, agree in writing to be bound by the Plan rules and the terms of the Option Certificate. If the Participant does not do so, the Committee may determine that either:

- (i) the Option lapses; or
- (ii) the Option will not Vest until the Participant does so agree in writing.

2.6 **No payment**

A Participant is not required to pay for the grant of any Option.

2.7 **Administrative errors**

If the Committee purports to grant an Option which is inconsistent with rule 3, the Option will be limited and will take effect from the Grant Date on a basis determined by the Committee to be consistent with that rule.

2.8 **Terms of Options**

Options must be granted by deed, in such form as the Committee determines. The terms of the Option, as determined by the Committee, must be specified in the deed. These should include:

- 2.8.1 the Exercise Price;
- 2.8.2 the number of Shares subject to the Option;
- 2.8.3 the Grant Date;
- 2.8.4 any Performance Conditions and any Performance Period;
- 2.8.5 any other condition imposed under rule 2.4;
- 2.8.6 the Expected Vesting Date;

- 2.8.7 whether a Holding Period applies and, if it does, the Expected Release Date and the Retained Portion;
- 2.8.8 if the Option is a Recruitment Option, the Pro-Rating Period;
- 2.8.9 if the Option is a Recruitment Option and rule 6.1.3 applies, the Recovery Period;
- 2.8.10 whether and on what basis rule 2.11 applies to the Option; and
- 2.8.11 the Exercise Period.

2.9 **Section 431 elections**

Each Participant irrevocably agrees to enter into a joint election in respect of any Shares acquired under an Option under section 431(1) or section 431(2) (as determined by the Committee) of ITEPA, if required to do so by the Committee.

2.10 **Options in tranches**

The Committee may grant an Option in any number of tranches, where the terms (as referred to in rule 2.8) of each tranche are different. In these circumstances, the Plan rules will be interpreted as if each tranche was a standalone Option.

2.11 **Post-tax holding of Shares**

The Committee may determine on or before the grant of an Option that is not to be subject to a Holding Period that, except in the case of the Participant's death, a Participant may not, without the prior consent of the Committee (and subject to such conditions as the Committee may impose), transfer, assign, charge or otherwise dispose of any Shares in respect of which the Option has Vested and been exercised or any rights in respect of them until such date as the Committee determines. This rule 2.11 will apply whether or not a Participant ceases (or has ceased) to be employed by any Group Member (unless the Committee, in its absolute discretion, determines otherwise). In order to facilitate the operation of this rule 2.11 the Committee may require that any Shares to which this rule 2.11 applies will be held by a nominee selected by the Committee, on such terms as the Committee may determine, on behalf of the Participant.

3. **Limits**

3.1 **Dilution limits**

The number of Shares over which the Committee may grant Options on any date will be limited so that it does not exceed the limits specified in rule 3.2. The limits specified in rule 3.2 only apply to Options which are to be satisfied (directly or indirectly) by the issue of new Shares or the transfer of Treasury Shares.

3.2 **5% and 10% in ten years**

The limits are:

- 3.2.1 the number of Shares representing ten per cent. of the Company's equity share capital on the Grant Date less the aggregate of:
- (i) the number of Shares allocated in respect of awards granted within the previous ten years under any employee share scheme;
 - (ii) the number of Shares remaining to be allocated in respect of awards granted on the same date or within the previous ten years under any employee share scheme; and
 - (iii) the number of Shares allocated on the same date or within the previous ten years under any employee share scheme otherwise than in respect of an award; and
- 3.2.2 the number of Shares representing five per cent. of the Company's equity share capital on the Grant Date less the aggregate of:
- (i) the number of Shares allocated in respect of awards granted within the previous ten years under any executive share scheme;
 - (ii) the number of Shares remaining to be allocated in respect of awards granted on the same date or within the previous ten years under any executive share scheme; and
 - (iii) the number of Shares allocated on the same date or within the previous ten years under any executive share scheme otherwise than in respect of an award.

3.3 Interpretation

For the purposes of this rule 3 :

- 3.3.1 “**allocate**” means the issue of new Shares or the transfer of Treasury Shares in satisfaction (directly or indirectly) of a person's right under an award;
- 3.3.2 an “**award**” means any right to acquire or receive Shares whether conditional or unconditional and whether or not for payment;
- 3.3.3 an “**employee share scheme**” means any employees' share scheme (within the meaning given in section 1166 of the Companies Act 2006) for Eligible Employees which has been adopted by the Company;
- 3.3.4 “**equity share capital**” has the meaning given in section 548 of the Companies Act 2006;
- 3.3.5 an “**executive share scheme**” means any employees' share scheme (within the meaning given in section 1166 of the Companies Act 2006) which has been adopted by the Company for Eligible Employees chosen at the discretion of the body administering the scheme;

- 3.3.6 no account will be taken of Shares acquired by an employee or former employee (or the personal representatives of such a person) where the Shares are acquired for a price equal to their market value at or about the date of acquisition and the cost of those Shares is borne by (or by the estate of) the employee or former employee;
- 3.3.7 no account will be taken of awards which are relinquished or lapse;
- 3.3.8 subject to rule 3.3.9, no account will be taken of an award if and to the extent to which the Committee considers that it will be satisfied by the transfer of existing Shares other than Treasury Shares or cash;
- 3.3.9 any Shares allocated or remaining to be allocated to the trustee of any trust established by a Group Member which were used or which are to be used to satisfy awards granted under an employee share scheme must be treated as having been allocated or as remaining to be allocated in respect of those awards unless the Shares were acquired by the trustee pursuant to a rights issue or other opportunity offered to the trustee in respect of the Shares;
- 3.3.10 account will only be taken of Treasury Shares for so long as this is required under institutional shareholder guidelines; and
- 3.3.11 where an award was granted in consideration of the release by an individual holding an award previously granted to that individual under an employee share scheme, then the earlier award will be ignored and the later award will be deemed to have been granted at the same time as the earlier award.

3.4 **Multiple related awards**

Where an individual is granted two awards on terms that the exercise, vesting or release of one will automatically result in a reduction to the extent to which the other may be exercised, vest or be released and vice versa, then for the purposes of this rule 3 it will only be necessary to take into account that number of Shares which could be acquired in respect of those awards having regard to those terms.

3.5 **Adjustments for variation of share capital**

The Committee may adjust the limits specified in rule 3.2 in the event of a variation of the equity share capital of the Company.

3.6 **Individual limit**

The Committee must not grant an Option (other than a Recruitment Option) which would cause the aggregate Market Value (calculated at the time of grant) of:

- 3.6.1 the Shares subject to that Option; and

3.6.2 the Shares which the relevant Participant may acquire pursuant to any other Option (other than a Recruitment Option) in respect of the same financial year of the Company,

to exceed 100 per cent. of that Participant's then prevailing base salary before any deductions for salary sacrifice.

4. Vesting and Release of Options

4.1 Timing of Vesting and Release

4.1.1 Subject to rules 7 and 9, an Option will Vest on the latest of the following:

- (i) the date on which the Committee makes its determination under rule 4.3 of the extent to which the Option will Vest;
- (ii) the Expected Vesting Date;
- (iii) the date on which the Committee determines that any investigation ongoing on the Expected Vesting Date into the conduct or actions of any Participant or any Group Member which may be relevant to the Option has been completed and that it does not wish to undertake any action specified in rule 6 in respect of the outcome of such investigation; and
- (iv) the date on which any Dealing Restrictions which would prevent dealing by the Participant in the Shares subject to the Option on the dates specified above cease to apply.

4.1.2 Subject to rules 7 and 9, an Option that is subject to a Holding Period will be Released, to the extent the Option has Vested, on the latest of the following:

- (i) the Expected Release Date;
- (ii) the date on which the Committee determines that any investigation ongoing on the Expected Release Date into the conduct or actions of any Participant or any Group Member which may be relevant to the Option has been completed and that it does not wish to undertake any action specified in rule 6 in respect of such investigation; and
- (iii) the date on which any Dealing Restrictions which would prevent dealing by the Participant in the Shares subject to the Option on the dates specified above cease to apply.

4.2 Determination of Performance Conditions and other conditions

4.2.1 Subject to rule 4.2.2 below, as soon as reasonably practicable (in the case of any Performance Conditions, after the end of the relevant Performance Period), the Committee will determine whether and to what extent any Performance Conditions and any other conditions imposed under rule 2.4 have been satisfied.

4.2.2 Where the Option Vests under rule 7 or 9, the Committee will have the absolute discretion to determine the extent to which the Performance Conditions have been satisfied either:

- (i) up to the date the Participant ceases to be an employee of the Group (where rule 7 applies) or the date on which the relevant corporate event occurs (where rule 9 applies), measured against the most recent information available or information to become shortly available to the Committee at that time, as determined by the Committee; or
- (ii) over the full Performance Period(s), having regard to actual or projected performance.

4.3 **Extent of Vesting**

4.3.1 The Committee will, in its discretion, determine the extent to which an Option will Vest, taking into account:

- (i) the extent to which any Performance Conditions and any other conditions imposed under rule 2.4 have been satisfied;
- (ii) the underlying performance of the Company and the Participant;
- (iii) such other factors as the Committee may, in its absolute discretion, consider relevant; and
- (iv) if an Option is Vesting under rule 7.2, unless the Committee determines otherwise, the proportion of the Pro-Rating Period that has elapsed on the date the Participant ceases to be an employee of the Group.

4.3.2 If an Option Vests under rule 7.3 or 9 after the Participant has ceased to be an employee of the Group in accordance with rule 7.2 the factors specified in rules 4.3.1(i) and 4.3.1(iv) will, unless the Committee determines otherwise, be assessed by reference to the period ending on the date the Participant has ceased to be an employee of the Group.

4.3.3 To the extent the Committee determines in accordance with rule 4.3.1 that an Option will not Vest, it will lapse immediately.

4.3.4 If an Option lapses under any provision of the Plan, it cannot subsequently Vest or be Released and a Participant has no rights in respect of it.

5. **Consequences of Vesting and Release of Options**

5.1 **Exercise of Options**

5.1.1 A Participant may, subject to rules 5.5 and 12.8 and any Dealing Restrictions, exercise an Option at any time during the Exercise Period (or, where rule 7 or 9 applies, any exercise period specified under those rules) by:

- (i) giving notice in the prescribed form to the Company or any person nominated by the Committee;
- (ii) enclosing the relevant Option Certificate (if required by the Committee); and
- (iii) paying to the Company the Exercise Price for each Share in respect of which the Option is exercised (or giving an undertaking in a form acceptable to the Committee to make that payment).

5.1.2 Unless the Committee decides otherwise, the “**Exercise Date**” will be the date of receipt by the Company or its duly appointed agent of the notice (and, if relevant, the Option Certificate, payment and/or undertaking) referred to in rule 5.1.1. However, if an option exercise notice is delivered at a time when any Dealing Restrictions would prohibit the exercise of Options by the Participant, the Exercise Date will be the first Business Day when such Dealing Restrictions cease to apply.

5.1.3 Subject to rules 5.5 and 12.8 and any Dealing Restrictions, the Company will, within 30 days of the Exercise Date, arrange for the transfer (including a transfer out of treasury) or the issue to or to the order of the Participant of the number of Shares in respect of which the Option has been exercised.

5.2 **Lapse of Options**

An Option will lapse to the extent that it has not been exercised at the end of the Exercise Period, unless it lapses earlier in accordance with the Plan rules. However, the Committee may permit a Participant to exercise Options within any period it determines that is longer than the periods permitted for exercise specified in the Plan rules.

5.3 **Rights**

Shares issued or transferred on the exercise of an Option will rank equally in all respects with the Shares in issue at the point of issue or transfer, except as specified in the Plan rules. They will not rank for any rights attaching to Shares by reference to a record date before the date of issue or transfer. Where Shares are transferred (including a transfer out of treasury) on the exercise of an Option, the Participant will be entitled to all rights attaching to the Shares by reference to a record date on or after the transfer date.

5.4 **Alternative ways to satisfy Options**

5.4.1 The Committee may determine to satisfy all or part of an Option by either:

- (i) paying a cash amount; or
- (ii) procuring that a number of Shares are transferred to the Participant for nil consideration,

in either case, subject to rule 5.5.

- 5.4.2 The cash amount or the number of Shares transferred in accordance with rule 5.4.1(ii) must have a value equal to the Market Value of the relevant Shares subject to the Option on the Exercise Date less any Exercise Price applicable to the Option in respect of those Shares.
- 5.4.3 The Committee may determine on the Grant Date or at any time subsequently that Options will be satisfied in cash.

5.5 Tax withholding

- 5.5.1 Any current or former Group Member or the trustee of any employee benefit trust established by such current or former Group Member may (to the extent permitted by law) make such arrangements as it considers necessary to meet any liability to taxation, duties, social security contributions or other amounts in respect of an Option or otherwise in connection with a person's participation in the Plan, whether the liability is a liability of, or is payable by, the Participant, a current or former Group Member or the trustee of any such trust. These arrangements may include a reduction in the number of Shares subject to an Option and/or the exercise of an Option on behalf of the Participant and/or the sale on behalf of the Participant of any of the Shares to which the Participant is entitled under the Plan and the retention of the sale proceeds to meet the liability. References to social security contributions include anything which, in the Committee's opinion, is reasonably comparable to social security contributions.
- 5.5.2 The Participant authorises the Company to sell on the Participant's behalf sufficient Shares subject to the Option to discharge any liability to taxation, duties or social security contributions arising in connection with that Option that any current or former Group Member is required to withhold and any related costs associated with that sale. In facilitating such a sale, the Company may appoint a broker of its choosing.

6. Recovery of Options

6.1 Length of Recovery Period

- 6.1.1 The period during which the Committee may undertake any of the actions specified in rules 6.3, 6.4 and 6.5 (the "**Recovery Period**") will, subject to rules 6.1.2 and 6.1.3, be the period of three years beginning on the Normal Vesting Date.
- 6.1.2 If an investigation into the conduct or actions of any Participant or any Group Member has started before, but has not been completed by, the end of the Recovery Period, the Committee may, in its absolute discretion, determine that the provisions of rules 6.3, 6.4 and 6.5 may be applied to an Option until such later date as the Committee may determine to allow that investigation to be completed and for the Committee to consider its findings and determine whether it wishes to undertake any action specified in rules 6.3, 6.4 and 6.5.

- 6.1.3 The Committee may in connection with a Recruitment Option specify in the deed referred to in rule 2.8 that an alternative Recovery Period will apply to that Recruitment Option.

6.2 Recovery triggers

- 6.2.1 Notwithstanding any other rule of the Plan, if at any time before the end of the Recovery Period, there are, in the Committee's opinion, exceptional circumstances, the Committee may, on such basis as it considers in its absolute discretion to be fair, reasonable and proportionate, undertake any of the actions specified in rules 6.3, 6.4 and 6.5. These exceptional circumstances are:

- (i) a material misstatement in the published results of the Group or any Group Member;
- (ii) gross misconduct on the part of the Participant concerned;
- (iii) a Group Member suffers, in the Committee's opinion, a significant detrimental impact on its reputation or falls into disrepute, provided that the Committee determines that, following an appropriate review of accountability, the Participant was responsible for, or had management oversight over, the actions, omissions or behaviour that gave rise to that detrimental impact or fall into disrepute; or
- (iv) the Company or entities representing a material proportion of the Group becomes insolvent or otherwise suffers a corporate failure so that ordinary shares in the Company cease to have material value, provided that the Committee determines, following an appropriate review of accountability, that the Participant should be held responsible (in whole or in part) for that insolvency or failure.

- 6.2.2 References in rules 6.1 and 6.2 to Group Members include references to former Group Members.

6.3 Malus

- 6.3.1 The Committee may, in its absolute discretion, at any time during the Recovery Period:

- (i) cancel, or reduce the number of Shares subject to, an Option; and/or
- (ii) impose additional conditions on an Option.

- 6.3.2 If an Option is cancelled or reduced in accordance with rule 6.3.1 that Option will be treated (to the relevant extent) as having lapsed.

- 6.3.3 The Company must notify the Participant as soon as reasonably practicable after the Committee has taken any action in accordance with rule 6.3.1.

6.4 **Clawback**

6.4.1 The Committee may, in its absolute discretion, at any time during the Recovery Period require the Participant to transfer to the Company (or the trustee of any employee benefit trust, if required by the Company):

- (i) all or some of the Shares acquired under the Option; or
- (ii) a cash payment in respect of all or some of the Shares acquired under the Option.

6.4.2 In determining the number of Shares to be transferred and/or the cash payment to be made in accordance with rule 6.4.1, the Committee will take into account the amount of tax and social security contributions actually paid (or due to be paid) by the Participant in respect of the acquisition of the relevant Shares under the Option and whether, in its opinion, the Participant can claim relief from any such tax and social security contributions.

6.5 **Recovery mechanisms**

6.5.1 In place of requiring the Participant to take the action referred to in rule 6.4, the Committee may, in its absolute discretion, during the Recovery Period:

- (i) reduce the amount of any future payments in connection with the Plan or under any discretionary bonus plans or other incentive arrangements operated by a Group Member;
- (ii) reduce the number of Shares that would become available to the relevant Participant upon the vesting or exercise of any unvested share award granted under any Relevant Employee Share Plan and held by the relevant Participant; and/or
- (iii) reduce the number of Shares over which a vested but unexercised share award granted under any Relevant Employee Share Plan and held by the relevant Participant may be exercised,

on such basis that the Committee considers in its absolute discretion to be fair, reasonable and proportionate.

6.5.2 The Committee may take any action referred to in rule 6.3 to give effect to the operation of any withholding or recovery provisions similar to this rule 6 in any Relevant Employee Share Plan, discretionary bonus plan or other incentive arrangement operated by a Group Member.

6.6 **Additional requirements**

The Committee may from time to time before the Grant Date of an Option adopt rules, practices or policies relating to the withholding and/or recovery of value in respect of the Option, which are additional to the terms of rules 6.1 to 6.5, that may apply to that Option.

7. Leaving the Group

7.1 General rule on leaving employment

- 7.1.1 If a Participant ceases to be an employee of the Group an Unvested Option will lapse (to the maximum extent permitted by law) on the date the Participant ceases to be an employee of the Group unless rule 7.2 or 7.3 applies.
- 7.1.2 If a Participant ceases to be an employee of the Group during any Holding Period applicable to a Vested Option for any reason other than Summary Dismissal, the Vested Option will, subject to rules 7.1.3, 7.2.6, 7.3 and 9, be Released on the date determined in accordance with rule 4.1. Options may, subject to rule 9, be exercised for a period of 6 months beginning on the Release Date, after which time they will lapse.
- 7.1.3 If a Participant ceases to be an employee of the Group during any Holding Period applicable to a Vested Option for any reason other than Summary Dismissal, the Committee may determine that it will, subject to rule 9, be Released on the date of the Participant's cessation of employment (or such other date before the Expected Release Date as the Committee may determine). Options may, subject to rule 9, be exercised for a period of 6 months beginning on the date of the Participant's cessation of employment (or such other date before the Expected Release Date as the Committee may determine), after which time they will lapse.
- 7.1.4 If a Participant ceases to be an employee of the Group, for any reason other than Summary Dismissal, holding Vested Options which are not or are no longer subject to a Holding Period, they may, subject to rules 7.2.6 and 9, be exercised for a period of 6 months beginning on the date of the Participant's cessation of employment, after which time they will lapse.
- 7.1.5 If a Participant ceases to be an employee of the Group because of Summary Dismissal, all the Participant's Vested and Unvested Options lapse (to the maximum extent permitted by law).

7.2 Exceptions to general rule - Unvested Options

- 7.2.1 If a Participant ceases to be an employee of the Group because of:
- (i) ill-health, injury or disability, in each case evidenced to the satisfaction of the Committee;
 - (ii) the Participant's employing company ceasing to be under the Control of the Company;
 - (iii) a transfer of the undertaking, or the part of the undertaking, in which the Participant works to a person which is neither under the Control of the Company nor a Group Member;
 - (iv) any other reason, at the discretion of the Committee,

then an Unvested Option will, subject to rules 7.2.2, 7.2.6 and 9, Vest on the date determined in accordance with rule 4.1 to the extent determined in accordance with rule 4.3.

- 7.2.2 If a Participant ceases to be an employee of the Group for one of the reasons specified in rules 7.2.1(i) to 7.2.1(iv), the Committee may, in its absolute discretion, determine that an Unvested Option will Vest on the date of the Participant's cessation of employment (or such other date before the Expected Vesting Date as the Committee may determine) to the extent determined in accordance with rule 4.3.
- 7.2.3 Where the determination as to whether a Participant has ceased to be an employee for one of the reasons specified in rules 7.2.1(i) to 7.2.1(iv) depends on a decision of the Committee, it may, in its absolute discretion, delay or revisit such decision until the Vesting Date as determined in accordance with rule 4.1 and base its decision on all relevant circumstances (including, without limitation, the achievement of any applicable Performance Conditions over the relevant Performance Period(s), whether the Participant has complied with any applicable restrictive covenants and/or, if the Participant retired from the Group, whether the Participant has remained in retirement).
- 7.2.4 Where this rule 7.2 applies, the relevant Option will remain subject to any Holding Period after it Vests, unless the Committee, in its absolute discretion, determines otherwise.
- 7.2.5 An Option may (to the extent Vested and subject to rule 9) be exercised for a period of 6 months beginning on the Vesting Date or, if the Option is subject to a Holding Period, the Release Date, after which time, the Option will lapse.
- 7.2.6 If a Participant ceases to be an employee of the Group for one of the reasons specified in rules 7.2.1(ii) or 7.2.1(iii), the Committee may determine that:
- (i) an Unvested Option will not Vest under rule 7.2.1;
 - (ii) a Vested Option subject to a Holding Period will not be Released under rule 7.1.2 or 7.1.3; and
 - (iii) a Vested Option will not lapse under rule 7.1.4,
- but will be automatically exchanged under rule 10.

7.3 **Death**

- 7.3.1 If a Participant dies:
- (i) an Unvested Option will Vest on the date of the Participant's death to the extent determined in accordance with rule 4.3;

- (ii) a Vested Option subject to a Holding Period will be Released on the date of the Participant's death; and
- (iii) Options may then (to the extent Vested and subject to rule 9) be exercised for a period of 12 months beginning on the date of the Participant's death, after which time they will lapse.

7.3.2 Alternatively, the Committee may, in its absolute discretion, determine that an Unvested Option will Vest, subject to rule 9, on the date determined in accordance with rule 4.1 (and a Vested Option subject to a Holding Period will, subject to rule 9, be Released on the Expected Release Date), in which case the provisions in rule 7.2 will apply *mutatis mutandis*, except that Unvested Options will not be subject to a Holding Period (unless the Committee, in its absolute discretion, determines otherwise).

7.4 **Meaning of "ceasing to be an employee of the Group"**

7.4.1 For the purposes of rule 4 and this rule 7, a Participant will not be treated as ceasing to be an employee of the Group until the Participant ceases to be an employee of any Group Member and does not recommence employment with a Group Member within 7 days, unless the Committee determines that a Participant will be treated as ceasing to be an employee of the Group on the date that the Participant gives or receives notice of termination of employment.

7.4.2 If a Participant ceases to be an employee of the Group but remains a director of a Group Member, the Committee may determine that, for the purposes of this rule 7.4, that Participant continues to be an employee of the Group until that Participant also ceases to be a director of that Group Member.

8. **Adjustment of Options**

8.1 **Power to adjust**

If there is:

- 8.1.1 a variation of the equity share capital of the Company, including a capitalisation or rights issue, sub-division, consolidation or reduction of share capital;
- 8.1.2 a demerger (in whatever form) or exempt distribution by virtue of section 1075 of the Corporation Tax Act 2010;
- 8.1.3 a special dividend or distribution; or
- 8.1.4 any other transaction which will, in the Committee's opinion, materially affect the value of Shares,

the Committee may adjust the number or class of Shares subject to, and the Exercise Price of, an Option as it considers appropriate.

8.2 Notice

The Company will notify Participants of any adjustment made under this rule 8 as soon as reasonably practicable thereafter.

9. Takeovers and corporate events

9.1 Takeovers

Subject to rule 9.3, where:

- 9.1.1 a person (or a group of persons acting in concert) obtains Control of the Company as a result of making an offer to acquire Shares;
- 9.1.2 a person (or a group of persons acting in concert) having obtained Control of the Company makes an offer to acquire all the Shares that person does not already own; or
- 9.1.3 a court sanctions a compromise or arrangement pursuant to section 899 of the Companies Act 2006 in connection with the acquisition of Shares,

then:

- (i) an Unvested Option will Vest to the extent determined in accordance with rule 4.3; and
- (ii) a Vested Option subject to a Holding Period will be Released,

on the Effective Date.

9.1.4 For the purposes of this rule 9 the “**Effective Date**” will be:

- (i) where rule 9.1.1 or 9.1.2 applies, the offer becoming unconditional in all respects; and
- (ii) where rule 9.1.3 applies, the date that such compromise or arrangement comes into effect

unless the Committee determines that an alternative date should apply.

9.1.5 Any Option (whether it Vested or was Released under this rule 9.1 or otherwise Vested or was Released in accordance with the Plan rules) may be exercised for a period of one month beginning on the Effective Date, after which time it will lapse.

9.2 Winding-up, demergers or other corporate events

If a resolution is passed or an order is made for the winding-up of the Company or the Committee becomes aware that the Company is or is expected to be affected by:

- 9.2.1 a variation of the equity share capital of the Company, including a capitalisation or rights issue, sub-division, consolidation or reduction of share capital;
- 9.2.2 a demerger (in whatever form) or exempt distribution by virtue of section 1075 of the Corporation Tax Act 2010;
- 9.2.3 a special dividend or distribution; or
- 9.2.4 any other transaction, which, in the Committee's opinion, will materially affect the value of Shares,

the Committee may determine:

- (i) that an Unvested Option will Vest to the extent determined in accordance with rule 4.3;
- (ii) that a Vested Option subject to a Holding Period will be Released; and/or
- (iii) the period of time during which an Option may be exercised, after which time it will, unless the Committee determines otherwise, lapse.

9.3 **Exchange**

In the event that:

- 9.3.1 a company (the "**Acquiring Company**") is expected to obtain Control of the Company as a result of an offer referred to in rule 9.1.1 or a compromise or arrangement referred to in rule 9.1.3 or an event described in rule 9.1.2 occurs; and
- 9.3.2 either:
 - (i) substantially all the shares in the Acquiring Company are expected to be held by the same persons who, immediately before the obtaining of Control of the Company or event, were shareholders in the Company; or
 - (ii) the Committee determines that Options should be automatically exchanged,

then the Committee, with the consent of the Acquiring Company, may determine that:

- a) an Unvested Option will not Vest under rule 9.1(i);
- b) a Vested Option subject to a Holding Period will not be Released under rule 9.1(ii); and
- c) a Vested Option will not lapse under rule 9.1.5,

but will be automatically exchanged under rule 10.

9.4 **Committee**

In this rule 9, “**Committee**” means, after the Effective Date, those people who were members of the Committee immediately before the Effective Date or such of those people, numbering no less than two, who may be available.

10. **Exchange of Options**

10.1 **Timing of exchange**

Where an Option is to be exchanged under rule 7.2.6 or 9.3 the exchange will take place as soon as reasonably practicable after the relevant event.

10.2 **Exchange terms**

Where a Participant is granted a new option in exchange for an existing Option, the new option:

- 10.2.1 must confer a right to acquire shares in the company that employs the Participant or another body corporate associated with that employing company;
- 10.2.2 must be, so far as practicable in the Committee’s opinion, equivalent to the existing Option;
- 10.2.3 is treated as having been acquired at the same time as the existing Option and Vests and, if applicable, is Released in the same manner and at the same time;
- 10.2.4 must be subject to any conditions (including malus and clawback) which are, so far as practicable in the Committee’s opinion, equivalent to any conditions applying to the existing Option; and
- 10.2.5 is governed by the Plan as if references to Shares were references to the shares over which the new option is granted and references to the Company were references to the company over whose shares the new option is granted under rule 10.2.1.

11. **Employee rights**

11.1 **Scope**

For the purposes of this rule 11, “**Employee**” means any employee of a Group Member. This rule 11 applies during an Employee’s employment and after the cessation of an Employee’s employment, whether or not such cessation is lawful.

11.2 **Options separate from employment contract**

Nothing in the Plan rules or the operation of the Plan forms part of the Employee’s contract of employment. The rights and obligations arising from the employment relationship between the Employee and the Employee’s employer are separate from, and are not affected by, the Plan. Participation in the Plan does not create any right to, or expectation of, continued employment.

11.3 **Employee rights**

No Employee has a right to participate in the Plan. Participation in the Plan or the grant of Options on a particular basis in any year does not create any right to or expectation of participation in the Plan or the grant of Options on the same basis, or at all, in any future year.

11.4 **Exercise of discretion**

The terms of the Plan do not entitle the Employee to the exercise of any discretion in the Employee's favour.

11.5 **Rights to compensation**

No Employee has any right to compensation for any loss in relation to the Plan, including any loss in relation to:

11.5.1 any loss or reduction of rights or expectations under the Plan in any circumstances (including lawful or unlawful termination of employment);

11.5.2 any exercise of a discretion or a decision taken in relation to an Option or to the Plan, or any failure to exercise a discretion or take a decision; or

11.5.3 the operation, suspension, termination or amendment of the Plan.

11.6 **Plan participation**

Participation in the Plan is permitted only on the basis that the Participant accepts all the provisions of the Plan rules, including this rule 11.6. By participating in the Plan, an Employee waives all rights under or in connection with the Plan, other than the right to acquire Shares subject to and in accordance with the provisions of the Plan and any Performance Conditions or other conditions applicable to their Option, in consideration for, and as a condition of, the grant of an Option under the Plan.

11.7 **Third party rights**

Nothing in the Plan confers any benefit, right or expectation on a person who is not an Employee. No such third party has any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any provision of the Plan or any condition applicable to an Employee's Option. This does not affect any other right or remedy of a third party which may exist.

12. **General**

12.1 **Rights**

A Participant will not be entitled to vote, to receive dividends or to have any other rights of a shareholder in respect of Shares subject to an Option until the Participant has received the underlying Shares as a result of the exercise of an Option.

12.2 **Transfer**

A Participant may not transfer, assign or otherwise dispose of an Option or any rights in respect of it. If the Participant does, whether voluntarily or involuntarily, then it will immediately lapse. This rule 12.2 does not apply to the transmission of an Option on the death of a Participant to the Participant's personal representatives.

12.3 **Not pensionable**

None of the benefits received under the Plan is pensionable.

12.4 **Committee's decisions final and binding**

The decision of the Committee on the interpretation of the Plan or in any dispute relating to an Option or matter relating to the Plan will be final, conclusive and binding on all persons.

12.5 **Documents sent to shareholders**

The Company may (but is not obliged to) send to Participants copies of any documents or notices normally sent to the holders of its Shares.

12.6 **Regulations**

The Committee has the power from time to time to make or vary regulations for the administration and operation of the Plan but these must be consistent with its rules and with applicable law. The Committee may correct any defect or supply any omission or reconcile any inconsistency or ambiguity in the Plan.

12.7 **Data protection**

12.7.1 During the Participant's participation in the Plan, the Company will have access to and process, or authorise the processing of, personal data (as defined in the Data Protection Act 2018, the EU General Data Protection Regulation 5419/16 in such form as incorporated into the law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (as amended) and any regulations thereunder and/or any implementing legislation (together, the "**Data Protection Laws**")) held and controlled by any Group Member and relating to employees or customers of any Group Member, or other individuals. Each Group Member will comply with the terms of the Data Protection Laws, and the Company's data protection policies issued from time to time, in relation to such data.

12.7.2 Any Group Member and its employees and agents may from time to time hold, process and disclose Participants' personal data in accordance with the terms of the Company's employee privacy notice and data protection policy in force from time to time.

12.8 **Consents**

All allotments, issues and transfers of Shares will be subject to any necessary consents under any relevant enactments or regulations for the time being in force in the United

Kingdom or elsewhere. The Participant will be responsible for complying with any requirements the Participant needs to fulfil in order to obtain or avoid the necessity for any such consent.

12.9 Listing

If and so long as the Shares are traded on the London Stock Exchange, the Company will apply for listing of any Shares issued under the Plan as soon as reasonably practicable.

12.10 Enforceability of provisions

By accepting an Option, the Participant agrees that:

12.10.1 the Plan rules (and in particular rule 6) are fair and reasonable for the protection of the Company's interests;

12.10.2 if it should be found that any Plan rule is void as a result of going beyond what is fair and reasonable in all the circumstances, and if by deleting or amending part of the wording of that rule it would not be void, the rule will apply with such deletion and/or amendment as may be necessary to make it valid and enforceable; and

12.10.3 all other Plan rules will remain in full force and effect.

12.11 Notices

12.11.1 Except where otherwise specified in the Plan rules, any notice or communication to be given to any person who is, has been or will be eligible to be a Participant may be:

- (i) delivered by electronic mail and it will be deemed to have been received upon electronic confirmation of such delivery; or
- (ii) personally delivered or sent by ordinary post to their last known address and where a notice or communication is sent by post it will be deemed to have been received 48 hours after the same was put into the post properly addressed and stamped.

Share certificates and other communications sent by post will be sent at the risk of the recipient concerned and no Group Member will have any liability whatsoever to any such person in respect of any notification, document, share certificate or other communication so given, sent or made.

12.11.2 Any notice to be given to any Group Member or the trustee of any trust established by a Group Member will be delivered or sent to the Company at its registered office, marked for the attention of the Company Secretary, and will be effective upon receipt. The Committee may make other arrangements to receive notices.

13. Amending the Plan

13.1 Committee's powers

Subject to the rest of this rule 13, the Committee may at any time amend the Plan and the terms of any Option in any way.

13.2 Shareholder approval

13.2.1 Subject to rules 13.2.2 and 13.2.3, the Company's shareholders must approve in advance by ordinary resolution any proposed amendment to the Plan or an Option to the advantage of present or future Participants, which relates to the following:

- (i) the persons to or for whom Shares or cash may be provided under the Plan;
- (ii) the limits on the number of Shares which may be issued or transferred from treasury under the Plan;
- (iii) the maximum entitlement for any Participant;
- (iv) the basis for determining a Participant's entitlement to, and the terms of, Shares or cash provided under the Plan;
- (v) the rights of a Participant in the event of a capitalisation issue, rights issue or open offer, sub-division or consolidation of shares or reduction of capital or any other variation of the equity share capital of the Company; or
- (vi) the terms of this rule 13.2.

13.2.2 The Committee may amend the Plan or the terms of any Option and need not obtain the approval of the Company's shareholders for any minor changes:

- (i) to benefit the administration of the Plan;
- (ii) to comply with or take account of the provisions of any proposed or existing legislation; or
- (iii) to obtain or maintain favourable tax, exchange control or regulatory treatment of any Group Member or any present or future Participant.

13.2.3 The Committee need not obtain the approval of the Company's shareholders for any amendment to the Performance Conditions or other conditions imposed under rule 2.4 as permitted by rules 2.3 and 2.4 or the terms of any such Performance Condition or other condition.

13.3 Participant consent

If the Committee proposes an amendment to the Plan rules or the terms of any Option (other than a permitted amendment to the Performance Conditions or other conditions imposed under rule 2.4) which would be to the material disadvantage of Participants in respect of subsisting rights under the Plan, then:

13.3.1 the Committee will invite each so disadvantaged Participant to indicate whether or not they approve the amendment; and

13.3.2 such amendment will only take effect if the majority (assessed by reference to the size of affected Options) of the Participants who respond to an invitation made in accordance with rule 13.3.1 consent to the amendment.

13.4 Notice

The Committee may (but is not obliged to) give written notice of any amendments made to any Participant affected.

14. Governing law and jurisdiction

English law governs the Plan and all Options and their construction. The courts of England and Wales will have exclusive jurisdiction in respect of disputes arising under or in connection with the Plan or any Option.