

July 2023

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# ***Telecom Plus plc***

## **The Telecom Plus Incentive Plan**

### **July 2023**

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*Shareholder  
approval: [●]*

*Board adoption: [●]*

*Plan expires: [●]*

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## **1. Grant of Cash Awards**

### **1.1. Determination of participation**

Subject to the Rules, whether the Plan shall be operated for any particular Financial Year, the identity of any Participant and the terms of their participation shall be determined by the Board in its absolute discretion. The selection of an Eligible Employee to participate in the Plan and the receipt of a Cash Award or Deferred Share Award (whether on one or more occasions) does not entitle that Eligible Employee to receive or be considered for participation in the Plan on any other occasion.

A Cash Award may only be granted to an individual who is an Eligible Employee on the date on which the Cash Award is granted.

Where the Company has in place a Directors' Remuneration Policy approved by the Company in a general meeting, the terms of a Cash Award to be granted to an Eligible Employee who is a director of the Company must fall within the scope of the Directors' Remuneration Policy most recently approved by the Company in a general meeting. Such terms may include by way of example but without limitation any relevant individual limit in Rule 1.2, any Performance Targets imposed under Rule 1.7 and the proportion of any Cash Award which is delivered as a Cash Payment and/or a Deferred Share Award.

### **1.2. Annual limit**

The maximum Award Value of a Cash Award made to a Participant in respect of any Financial Year must not exceed any applicable limit set out in the Company's Directors' Remuneration Policy in place as at the date the Cash Award is granted.

The limit in this Rule 1.2 shall not apply to Buy-Out Awards.

### **1.3. Method of satisfying Cash Awards**

At or after the date on which the Cash Award is granted, but in any event before the amount of the Participant's Cash Award has been determined, the Board shall, in its absolute discretion, determine the percentage of a Participant's Cash Award which will be delivered as a Cash Payment and the percentage which will be deferred and delivered in the form of a Deferred Share Award.

After the end of the Financial Year to which a Cash Award relates, the Board will determine the number of Plan Shares over which any Deferred Share Award shall be granted.

The number of Plan Shares subject to a Participant's Deferred Share Award shall be calculated by dividing the amount of their Cash Award to be deferred and granted as a Deferred Share Award by the average Market Value (measured over the Financial Year to which the Cash Award relates or such other measurement period as determined by the Board in its absolute discretion) of a Plan Share. The number of Plan Shares shall be rounded down to the nearest whole Plan Share.

### **1.4. Procedure for granting and notifying Participants of Cash Awards**

The Board shall grant Cash Awards by such method as it shall determine (which may include by the Board passing a resolution to make or approve the grant of Cash Awards).

A Cash Award Certificate shall be issued to each Participant as soon as reasonably practicable following the grant of the Cash Award setting out details of the Cash Award determined in accordance with Rule 1.5.

### **1.5. Contents of a Cash Award Certificate**

A Cash Award Certificate shall state:

1. the date on which the Cash Award was granted;
2. the maximum potential Cash Award Value (or how such amount will be calculated) expressed as a percentage of the Participant's basic salary;
3. any Performance Targets and conditions applicable to the Cash Award;

4. any other conditions of the Cash Award;
5. the Financial Year to which it relates; and
6. whether Rule 7 (Malus) and/or Rule 8 (Clawback) shall apply to the Cash Award and any Cash Payment and/or Share Award delivered under such Cash Award.

Subject to the above, a Cash Award Certificate shall be in such form as the Board may determine from time to time.

The Board may require a Participant who is (or is to be) granted a Cash Award to confirm their acceptance of the Rules and the terms of any Cash Award granted to them by a specified date. Such confirmation will be in a form set by the Board (which may require the Participant to confirm acceptance on a portal or execute a document). The Board may provide that the Cash Award will lapse (and as a result be treated as never having been granted) if the confirmation of acceptance is not provided by the specified date or provide that no Cash Payment will become payable under the Cash Award until they do so agree in writing.

### ***1.6. Cash Awards non-transferable***

A Cash Award shall be personal to the Participant and, except in the case of the death of a Participant, a Cash Award shall not be capable of being transferred, charged or otherwise alienated and shall lapse immediately if the Participant purports to transfer, charge or otherwise alienate the Cash Award.

### ***1.7. Performance Targets and conditions***

The Cash Award will be subject to the satisfaction of the Performance Targets for the relevant Financial Year and/or any other conditions set by the Board.

### ***1.8. Substitution, variation or waiver of Performance Targets and conditions***

The Board may waive or change any Performance Targets and any other conditions imposed under Rule 1.7 in accordance with their terms.

If an event occurs which causes the Board to consider that any Performance Target and/or any other condition to which a Cash Award has been made is no longer appropriate, the Board may substitute, vary or waive that Performance Target and/or any other condition in such manner (and make such consequential amendments to the Rules) as it determines.

The Cash Award shall then take effect subject to the Performance Targets and/or any other conditions as substituted or varied or waived.

### ***1.9. Notification of Cash Award Holders***

The Board shall, as soon as practicable, notify each Participant concerned of any determination made by it under Rule 1.7 or Rule 1.8.

## ***2. Testing of Performance Targets and conditions and calculation of Cash Award Value***

### ***2.1. Testing of Performance Targets and conditions***

As soon as practicable following the end of the Financial Year in respect of which a Cash Award was granted, the Board shall determine the extent to which the Performance Targets and/or any other conditions imposed on the Cash Award under Rule 1.7, in their original form or as substituted or varied from time to time, have been satisfied and the Board shall determine the Cash Award Value (if any) in respect of the relevant Cash Award.

The Board may in addition adjust the Cash Award Value relating to a Cash Award upwards or downwards (including for the avoidance of doubt to nil) after the application of any Performance Target and/or any other conditions imposed on the Cash Award if in its opinion:

1. the Cash Award Value resulting from the application of the Performance Target and/or any other conditions is not a fair and accurate reflection of the performance of the Company, the Group or any Group Member(s); and/or

2. the Cash Award Value resulting from the application of the Performance Target and/or any other conditions is not a fair and accurate reflection of the performance of the Participant; and/or
3. there is any other factor or there are any other circumstances which would make the Cash Award Value resulting from the application of the Performance Target and/or any other conditions inappropriate without adjustment.

## **2.2. *Payment of Cash Payment***

When the Board makes its determinations under Rule 2.1, it shall also determine the amount of any Cash Payment payable in respect of the Cash Award. Payment of any Cash Payment shall be made as soon as practicable after the Board has made its determinations under Rule 2.1.

## **2.3. *Effect of cessation of Relevant Employment***

Subject to Rule 2.4, a Cash Award shall be delivered only while the Participant is in Relevant Employment and if a Participant ceases to be in Relevant Employment, any Cash Award granted to them shall lapse on the date the Participant ceases to be in Relevant Employment.

## **2.4. *Cessation of Relevant Employment during Financial Year***

Notwithstanding Rule 2.3, if a Participant ceases to be in Relevant Employment before any Cash Award for the relevant Financial Year is due to be paid by reason of:

1. death;
2. injury, ill-health or disability evidenced to the satisfaction of the Board;
3. redundancy within the meaning of the Employment Rights Act 1996 (or any applicable equivalent overseas legislation) evidenced to the satisfaction of the Board;
4. retirement by agreement with the company by which they are employed;
5. the Participant being employed by a company which ceases to be a Group Member;
6. the Participant being employed in an undertaking or part of an undertaking which is transferred to a person who is not a Group Member; or
7. any other circumstances if the Board decides in any particular case (apart from dishonesty, fraud, misconduct or any other circumstances justifying summary dismissal),

the Board may at its absolute discretion determine that the Cash Award will continue with the Performance Targets for the relevant Financial Year and any other conditions imposed under Rule 1.7 considered at the time the Cash Award is determined under Rule 2.1. Any Cash Award Value payable in respect of the Cash Award shall be delivered in the same way and at the same time as if the Participant had not ceased to be in Relevant Employment, unless the Board in its absolute discretion decides otherwise.

Unless the Board in its absolute discretion decides otherwise, the Cash Award Value will be reduced pro rata to reflect the number of whole months from the beginning of the relevant Financial Year to which the Cash Award relates until the date of cessation of Relevant Employment as a proportion of the relevant Financial Year.

## **2.5. *Meaning of ceasing to be in Relevant Employment***

For the purposes of the Plan, a Participant shall not be treated as ceasing to be in Relevant Employment until they no longer hold any office or employment with any Group Member. In addition, unless the Board otherwise decides, a Participant shall not be treated as so ceasing if within 7 days they recommence employment or become an office holder with any Group Member.

The Board may decide that a Participant will be treated as ceasing to be in Relevant Employment when they give or receive notice of termination of employment (whether or not lawful).

## **2.6. Takeover**

Subject to Rule 2.11, where a person obtains Control of the Company as a result of making an offer to acquire Plan Shares, any outstanding Cash Awards shall be determined by the Board on or as soon as practicable after the person obtains Control as set out below.

The amount of the Cash Award Value shall be determined by the Board in its absolute discretion taking into account such factors as the Board may consider relevant including, but not limited to, the Performance Targets for the relevant Financial Year and any other condition imposed under Rule 1.7.

Unless the Board in its absolute discretion decides otherwise, the Cash Award Value will be reduced pro rata to reflect the number of whole months from the beginning of the relevant Financial Year to which the Cash Award relates until the person obtains Control as a proportion of the relevant Financial Year.

Any Cash Award determined under this Rule 2.6 shall be paid in the form of a Cash Payment as soon as practicable following the Board's determination.

## **2.7. Compulsory acquisition of shares in the Company**

Subject to Rule 2.11, if a person becomes entitled or bound to acquire shares in the Company under sections 979 to 982 of the Companies Act 2006, any outstanding Cash Awards shall be determined by the Board on or as soon as practicable after the person becomes so entitled or bound as set out below.

The amount of the Cash Award Value shall be determined by the Board in its absolute discretion taking into account such factors as the Board may consider relevant including, but not limited to, the Performance Targets for the relevant Financial Year and any other condition imposed under Rule 1.7.

Unless the Board in its absolute discretion decides otherwise, the Cash Award Value will be reduced pro rata to reflect the number of whole months from the beginning of the relevant Financial Year to which the Cash Award relates until the person becomes so bound or entitled as a proportion of the relevant Financial Year.

Any Cash Award determined under this Rule 2.7 shall be paid in the form of a Cash Payment as soon as practicable following the Board's determination.

## **2.8. Scheme of arrangement**

Subject to Rule 2.11, if a person proposes to obtain Control of the Company in pursuance of a compromise or arrangement sanctioned by the court under section 899 of the Companies Act 2006, any outstanding Cash Award shall be determined by the Board on or as soon as practicable after the date of the court sanction as set out below.

The amount of the Cash Award Value shall be determined by the Board in its absolute discretion taking into account such factors as the Board may consider relevant including, but not limited to, the Performance Targets for the relevant Financial Year and any other condition imposed under Rule 1.7.

Unless the Board in its absolute discretion decides otherwise, the Cash Award Value will be reduced pro rata to reflect the number of whole months from the beginning of the relevant Financial Year to which the Cash Award relates until the date the compromise or arrangement becomes (or is expected to become) effective as a proportion of the relevant Financial Year.

Any Cash Award determined under this Rule 2.8 shall be paid in the form of a Cash Payment as soon as practicable following the Board's determination.

## **2.9. Demergers and other events**

The Board may determine that a Cash Award Value shall be payable if it becomes aware that the Company will be affected by a demerger, distribution (which is not an ordinary dividend) or other transaction not otherwise covered by the Rules.

The amount of the Cash Award Value shall be determined by the Board in its absolute discretion taking into account any Performance Targets and/or any other conditions imposed under Rule 1.7.

Unless the Board in its absolute discretion decides otherwise, the Cash Award Value will be reduced pro rata to reflect the number of whole months from the beginning of the relevant Financial Year to which the Cash Award relates until the relevant event as a proportion of the relevant Financial Year.

Any Cash Award determined under this Rule 2.9 shall be paid in the form of a Cash Payment as soon as practicable following the Board's determination but conditional on the relevant event taking place.

### ***2.10. Meaning of “obtains Control of the Company”***

For the purpose of Rule 2 a person shall be deemed to have obtained Control of the Company if they and others Acting In Concert with them have together obtained Control of it.

### ***2.11. Reorganisation or merger***

Where an event occurs under Rules 6, 2.7 or 2.8 and:

1. the shareholders of the acquiring company, immediately after it has obtained Control, are substantially the same as the shareholders of the Company immediately before the event; or
2. the obtaining of Control amounts in the opinion of the Board to a merger with the Company

the Board, with the consent of the person acquiring Control (if relevant) may determine that Rules 2.6, 2.7 and 2.8 will not apply and Cash Awards shall continue and the amount of any Cash Award Value shall be considered in accordance with Rule 2.1.

### ***2.12. References to Board within this Rules 2.6 to 2.11***

For the purposes of Rules 2.6 to 2.11, any reference to the Board shall be taken to be a reference to those individuals who were members of the Board immediately before the event by virtue of which Rules 2.6 to 2.11 applies.

### ***2.13. Notification of Participants***

The Board shall, as soon as reasonably practicable, notify each Participant of the occurrence of any of the events referred to in this Rule 2 and explain how this affects their position under the Plan.

### ***2.14. Tax and social security withholding***

Where, in relation to any payment under this Plan, any Group Member or former Group Member is liable, or is in accordance with current practice believed by the Board to be liable, to account to any revenue or other authority (whether in the UK or overseas) for any sum in respect of any tax or social security contributions liability of the Participant, their employer (or former employer as the case may be) may deduct, or procure the deduction of, such amount from the value of the payment before paying, or procuring the payment of, the net amount to the Participant.

## ***3. Grant of Deferred Share Awards***

### ***3.1. Procedure for grant of Deferred Share Awards and Award Date***

A Deferred Share Award shall be granted by the Board passing a resolution. The Award Date shall be the date on which the Board passes the resolution or any later date specified in the resolution and allowed by Rule 3.3. The grant of a Deferred Share Award shall be evidenced by a deed executed by or on behalf of the Company.

Where the Company has in place a Directors' Remuneration Policy approved by the Company in a general meeting, the terms of a Deferred Share Award to be granted to a Participant who is a director of the Company must fall within the scope of the Directors' Remuneration Policy most recently approved by the Company in a general meeting.

A Deferred Share Award Certificate or a Restricted Share Agreement (as applicable) shall be issued to each Deferred Share Award Holder as soon as reasonably practicable following the grant of the Deferred Share Award setting out details of the Deferred Share Award determined in accordance with Rule 3.2 and, where applicable, Rule 3.10.



### **3.2. Terms and conditions set at grant**

The Board shall, at the time of grant, determine:

1. whether the Deferred Share Award comprises an Option, a Conditional Share Award or Restricted Shares;
2. the Award Date;
3. the number of Plan Shares subject to the Deferred Share Award or the basis on which the number of Plan Shares will be calculated;
4. the Deferred Share Award Price (if any);
5. the date or dates on which the Deferred Share Award will normally Vest;
6. whether or not any dividend equivalents will be payable under Rule 9.9;
7. in the case of an Option, the Exercise Period;
8. any Holding Period (and the proportion of the Award to which it applies, if not 100 per cent);
9. whether Rule 7 (Malus) and/or Rule 8 (Clawback) shall apply to the Deferred Share Award;
10. any other conditions of the Deferred Share Award imposed under Rule 6; and
11. where the Deferred Share Award comprises Restricted Shares, any provisions which must be determined under Rule 3.10.

The Board may grant a Deferred Share Award in any number of tranches, where the terms (as referred to in this Rule) are different. In these circumstances, the Rules will be interpreted as if each tranche was a standalone Deferred Share Award.

### **3.3. When Deferred Share Awards may be granted**

Subject to Rule 3.4, the Board may grant Deferred Share Awards only during the 42 days beginning on:

1. the date of shareholder approval of the Plan; and
2. the day after the announcement of the Company's results, including a preliminary announcement, for any period through a Regulatory Information Service;
3. any day on which the Board determines that circumstances are sufficiently exceptional to justify the grant of the Deferred Share Award at that time; or
4. the day after the lifting of any Dealing Restrictions which prevented the grant of Deferred Share Awards during any of the times described above.

### **3.4. When Deferred Share Awards may not be granted**

Deferred Share Awards may not be granted:

1. when prevented by any Dealing Restrictions; or
2. after the 10th anniversary of shareholder approval of the Plan.

### **3.5. Who can be granted Deferred Share Awards**

A Deferred Share Award may only be granted to a Participant to whom the Board has determined to make an Award under Rule 2.

Unless the Board decides otherwise, a Deferred Share Award will not be granted to a Participant who on or before the Award Date has given or received notice of termination of employment (whether or not lawful).

### **3.6. Confirmation of acceptance of Deferred Share Award**

The Board may require a Participant who is (or is to be) granted a Deferred Share Award to confirm their acceptance of the Rules and the terms of any Deferred Share Award granted to them by a specified date. Such confirmation will be in a form set by the Board (which may require the Participant to confirm acceptance on a



portal or execute a document). The Board may provide that the Deferred Share Award will lapse (and as a result be treated as never having been granted) if the confirmation of acceptance is not provided by the specified date or provide that the Deferred Share Award will not Vest until they do so agree in writing.

### **3.7. *Right to refuse Deferred Share Award***

A Deferred Share Award Holder may by notice in writing to the Company within 30 days after the Award Date say they do not want their Deferred Share Award in whole or part. In such a case, the Deferred Share Award shall to that extent be treated as never having been granted.

### **3.8. *No payment for a Deferred Share Award***

A Deferred Share Award Holder shall not be required to make payment for the grant of a Deferred Share Award unless the Board determines otherwise. Where a Deferred Share Award Holder refuses their Deferred Share Award pursuant to the terms of Rule 3.7, no payment in connection with the refusal is required from the Deferred Share Award Holder or the Company.

### **3.9. *Deferred Share Awards non-transferable***

A Deferred Share Award shall be personal to the Deferred Share Award Holder and, except in the case of the death of a Deferred Share Award Holder, a Deferred Share Award shall not be capable of being transferred, charged or otherwise alienated and shall lapse immediately if the Deferred Share Award Holder purports to transfer, charge or otherwise alienate the Deferred Share Award.

### **3.10. *Deferred Share Awards which are Restricted Shares***

This Rule 3.10 sets out specific provisions in relation to Restricted Shares.

1. A Participant who is to be granted Restricted Shares must enter into a Restricted Share Agreement with the Company providing that to the extent the Deferred Share Award lapses, the Restricted Shares are forfeited and the Restricted Shares will immediately be transferred for no (or nominal) consideration to any person specified by the Board. The Restricted Share Agreement will also provide that, except for transfer on death of the Deferred Share Award Holder to their personal representatives or to the extent agreed by the Board (and subject to such conditions as it may decide), the Deferred Share Award Holder will not transfer, give security over or assign the Restricted Shares subject to their Deferred Share Award during the Vesting Period.
2. The Deferred Share Award Holder must sign any document (including a blank stock transfer form) requested by the Board relating to the Restricted Shares. The Board may provide that the Deferred Share Award will lapse if any such document is not signed within any specified period.
3. On or as soon as practicable after the Award Date of Restricted Shares the Board will procure that the relevant number of Restricted Shares are issued or transferred (including out of treasury or otherwise) to the Deferred Share Award Holder or another person to be held for the benefit of the Deferred Share Award Holder.
4. Except to the extent set out in the Restricted Share Agreement, the Deferred Share Award Holder shall have all the rights in respect of Restricted Shares from the date of transfer until any date on which the Deferred Share Award comprising the Restricted Shares lapses (whether in whole or in part).

## **4. *Plan limits***

### **4.1. *General***

The aggregate number of Plan Shares over which Deferred Share Awards may be granted shall be limited as set out in this Rule 4.

### **4.2. *12 per cent in 10 years***

A Deferred Share Award may not be granted if the result of granting the Deferred Share Award would be that the aggregate number of Plan Shares issued or committed to be issued in the preceding 10 year period under:

1. Deferred Share Awards under the Plan; or
2. options or awards granted under any other Employees' Share Scheme (whether or not discretionary) operated by the Group, excluding the LTIP 2016

would exceed 12 per cent of the Company's issued ordinary share capital at that time.

### **4.3. Calculation**

For the purpose of the limit contained in this Rule 4:

1. for as long as required by The Investment Association guidelines treasury shares shall be included in the limit as if they were new issue shares;
2. there shall be disregarded any Plan Shares where the right to acquire the Plan Shares has lapsed or been renounced;
3. there shall be disregarded any Plan Shares which the Trustees have purchased, or determined that they will purchase, in order to satisfy a Deferred Share Award or the exercise of an option or the vesting of other rights of an employee under any other Employees' Share Scheme operated by the Group; and
4. any Plan Shares issued or issuable in relation to a Deferred Share Award, or on the exercise of an option or the vesting of other rights of an employee under any other Employees' Share Scheme operated by the Group, shall be taken into account once only (when the Deferred Share Award is granted or the option is granted or the right awarded) and shall not fall out of account when the Deferred Share Award Vests, the option is exercised or other rights vest.

### **4.4. Scaling down**

If the granting of a Deferred Share Award would cause the limit in this Rule 4 to be exceeded, such Deferred Share Award shall take effect as a Deferred Share Award over the maximum number of Plan Shares which does not cause the limit to be exceeded. If more than one Deferred Share Award is granted on the same Award Date, the number of Plan Shares which would otherwise be subject to each Deferred Share Award shall be reduced pro rata.

## **5. Deferred Share Award Price**

The Deferred Share Award Price (if any) shall be determined by the Board and may be any price.

Where the Board has determined that a Deferred Share Award will be satisfied by the issue of new shares and the Deferred Share Award Price per Plan Share is less than the nominal value of a Plan Share, the Company will ensure that at the time of the issue of the Plan Shares arrangements are in place to pay up at least the nominal value of the relevant Plan Shares.

## **6. Conditions**

### **6.1. Setting of conditions**

The Vesting of a Deferred Share Award and the extent to which it Vests will be subject to the satisfaction of any applicable conditions set by the Board on or before the Award Date.

The Board may in addition adjust the level of Vesting of a Deferred Share Award upwards or downwards (including for the avoidance of doubt to nil) after the application of any conditions set by the Board if in its opinion:

1. the level of Vesting resulting from the application of the conditions is not a fair and accurate reflection of the performance of the Company, the Group or any Group Member(s); and/or
2. the level of Vesting resulting from the application of the conditions is not a fair and accurate reflection of the performance of the Deferred Share Award Holder; and/or
3. there is any other factor or there are any other circumstances which would make the level of Vesting resulting from the application of the conditions inappropriate without adjustment.

## **6.2. Nature of conditions**

Any condition imposed under Rule 6.1 shall be:

1. objective; and
2. set out in, or attached in the form of a schedule to, the Deferred Share Award Certificate or Restricted Share Agreement (as applicable).

## **6.3. Substitution, variation or waiver of conditions**

The Board may waive or change any condition imposed under Rule 6.1 in accordance with its terms.

If an event occurs which causes the Board to consider that any condition imposed under Rule 6.1 subject to which a Deferred Share Award has been granted is no longer appropriate, the Board may substitute, vary or waive that condition in such manner (and make such consequential amendments to the Rules) as it determines.

The Deferred Share Award shall then take effect subject to the condition as substituted, varied or waived.

## **6.4. Notification of Deferred Share Award Holders**

The Board shall, as soon as practicable, notify each Deferred Share Award Holder concerned of any determination made by it under this Rule 6.

## **7. Malus**

Notwithstanding any other provision of the Rules, the Board may,

1. at (or at any time before) the time of payment of a Cash Payment in respect of which the Board has specified under Rule 1.5 that this Rule 7 applies, cancel or reduce the Cash Payment payable or potentially payable to a Participant in whole or in part (including, for the avoidance of doubt, to nil) or impose additional conditions in relation to the Cash Award, and/or Cash Payment; and/or
2. at (or at any time before) the Vesting of a Deferred Share Award in respect of which the Board has specified under Rule 3.3 that this Rule 7 applies cancel or reduce the number of Plan Shares subject to a Deferred Share Award in whole or in part (including, for the avoidance of doubt, to nil) or impose additional conditions on the Deferred Share Award

in the following circumstances:

1. discovery of a material misstatement resulting in an adjustment in the audited consolidated accounts of the Company or the audited accounts of any Group Member; and/or
2. the assessment of any Performance Target or condition in respect of a Cash Award or a Deferred Share Award was based on error, or inaccurate or misleading information; and/or
3. the discovery that any information used to determine the Cash Award Value, Cash Payment and/or the number of Plan Shares to be placed under a Deferred Share Award was based on error, or inaccurate or misleading information; and/or
4. action or conduct of a Participant which, in the reasonable opinion of the Board, amounts to fraud or gross misconduct; and/or
5. events or behaviour of a Participant have led to the censure of a Group Member by a regulatory authority or have had a significant detrimental impact on the reputation of any Group Member provided that the Board is satisfied that the relevant Participant was responsible for the censure or reputational damage and that the censure or reputational damage is attributable to them; and/or
6. a material failure of risk management of the Company, a Group Member or a business unit of the Group; and/or
7. the Company or any Group Member or business of the Group becomes insolvent or otherwise suffers a corporate failure so that the value of Plan Shares is materially reduced provided that the Board determines following an appropriate review of accountability that the Participant should be held responsible (in whole or in part) for that insolvency or corporate failure; and/or

8. any other circumstances that the Board in its discretion considers to be similar in their nature or effect to those outlined in points 1 to 7 above, during or in respect of the Financial Year over which the Cash Award was earned.

In determining any reduction which should be applied under this Rule 7, the Board shall act fairly and reasonably but its decision shall be final and binding.

For the avoidance of doubt, any reduction under this Rule 7 may be applied on an individual basis as determined by the Board. Whenever a reduction is made under this Rule 7, the relevant Cash Award and Deferred Share Award shall be treated as having lapsed to that extent.

## **8. Clawback**

### **8.1. Trigger Events**

In this Rule 8, **Trigger Events** means:

1. discovery of a material misstatement resulting in an adjustment in the audited consolidated accounts of the Company or the audited accounts of any Group Member for a period that was wholly or partly before the end of the Financial Year by reference to which the Cash Award was determined; and/or
2. the discovery that the assessment of any Performance Target or condition in respect of a Cash Award or Deferred Share Award was based on error, or inaccurate or misleading information; and/or
3. the discovery that any information used to determine the Cash Award Value, Cash Payment and/or the number of Plan Shares subject to a Deferred Share Award was based on error, or inaccurate or misleading information; and/or
4. action or conduct of a Participant which, in the reasonable opinion of the Board, amounts to fraud or gross misconduct; and/or
5. events or behaviour of a Participant have led to the censure of a Group Member by a regulatory authority or have had a significant detrimental impact on the reputation of any Group Member provided that the Board is satisfied that the relevant Participant was responsible for the censure or reputational damage and that the censure or reputational damage is attributable to them; and/or
6. a material failure of risk management of the Company, a Group Member or a business unit of the Group; and/or
7. the Company or any Group Member or business of the Group becomes insolvent or otherwise suffers a corporate failure so that the value of Plan Shares is materially reduced provided that the Board determines following an appropriate review of accountability that the Participant should be held responsible (in whole or in part) for that insolvency or corporate failure; and/or
8. any other circumstances that the Board in its discretion considers to be similar in their nature or effect to those outlined in points 1 to 7 above, during or in respect of the Financial Year over which the Cash Award was earned.

### **8.2. Application**

Notwithstanding any other provision of the Rules, if at any time during the period of two years following the date on which payment of the Cash Payment was made, or two years following the date of Vesting of a Deferred Share Award a Trigger Event occurs in respect of a Cash Award, Cash Payment and/or Deferred Share Award to which the Board has specified under Rule 2 that this Rule 8 applies, then:

1. Rules 8.3 to 8.7 and 8.9 shall apply; and
2. where the Deferred Share Award takes the form of an Option and the Deferred Share Award Holder has not exercised such Option, Rule 8.8 shall also apply.

If an investigation into the conduct or actions of any Participant or any Group Member has started before the second anniversary of the date on which the Cash Payment was made, or the second anniversary of the date of Vesting of a Deferred Share Award, the Board may, in its absolute discretion, determine that the provisions of Rules 8.3 to 8.9 may be applied to a Cash Award, Cash Payment and/or a Deferred Share Award until such later date as the Board may determine to allow that investigation to be completed.

### **8.3. Clawback methods**

Where Rule 8.2 applies, the Board may in its absolute discretion require the relevant Participant to:

1. pay to the Company (or, if required by the Company, any other person specified by the Company) all or some of the Cash Payment paid to or for the benefit of the Participant in respect of the Cash Award; and/or
2. transfer to the Company (or, if required by the Company, any other person specified by the Company) all or some of the Plan Shares acquired by the Participant (or their nominee) pursuant to the Vesting of the Deferred Share Award or, in the case of a Deferred Share Award which is an Option, the exercise of that Option; and/or
3. pay to the Company (or, if required by the Company, any other person specified by the Company) an amount equivalent to all or part of the proceeds of sale or, in the event of a disposal of the Plan Shares at a price which the Board reasonably determines was less than market value at the time of disposal and where the disposal was not made at arm's length, an amount equivalent to the market value (as reasonably determined by the Board) at the time of disposal of all or some of the Plan Shares acquired pursuant to the Vesting of the Deferred Share Award or, in the case of a Deferred Share Award that is an Option, the exercise of that Option; and/or
4. pay to the Company (or, if required by the Company, any other person specified by the Company) an amount equivalent to all or part of the amount of any cash in respect of a Deferred Share Award paid to or for the benefit of the Participant; and/or
5. pay to the Company (or, if required by the Company, any other person specified by the Company) an amount equivalent to all or part of any benefit or value derived from or attributable to the Plan Shares referred to in paragraph 2 above (including but not limited to any special dividend or additional or replacement shares) on such terms as the Board may reasonably direct,

less in each case 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 Plan Shares and/or payment of cash in respect of a Cash Award or Deferred Share Award.

### **8.4. Participant's obligation to recover tax**

In addition to the obligation of the Participant as described above, the Participant shall use their best endeavours to seek and obtain repayment or credit from HMRC or any relevant overseas tax authority of the tax and social security contributions paid on the Participant's behalf in relation to the Cash Payment or acquisition of Plan Shares and/or the cash payable to the Participant in respect of the Deferred Share Award as soon as reasonably practicable and to notify the Company of such claim and/or receipt of any credit or payment by HMRC (or any relevant overseas tax authority) in this regard. Following such notification the Company will be entitled to require the Participant to make a payment to it within 30 days of an amount equivalent to the amount of any payment or credit received from HMRC (or any relevant overseas tax authority).

### **8.5. Authorisation of deductions**

By accepting the grant of a Cash Payment or a Deferred Share Award, the Participant authorises the Company or such other Group Member as may be the employer of the Participant to make deductions from any payment owing to them including but not limited to salary, bonus, holiday pay or otherwise in respect of any sum which would otherwise be payable by the Participant under this Rule 8.

### **8.6. Timing of transfers, payments and repayments**

Any transfers, payments or repayments to be made by the Participant under this Rule 8 shall be made within 30 days of the date the Participant is notified in writing of the transfer required or the amount due, as appropriate.

### **8.7. Additional methods of effecting clawback**

In addition to or in substitution for the actions described above that the Board may take under Rule 9.3 (the **Actions**), the Board may:

1. reduce the amount (including, for the avoidance of doubt, to nil) of any future bonus payable to the Participant; and/or

2. determine that the number of Plan Shares over which an award or right to acquire Plan Shares that may otherwise be granted to the Participant under any Employees' Share Scheme operated by any Group Member (other than any tax-advantaged employee share plan that complies with the requirements of Schedules 2 or 3 of ITEPA 2003) shall be reduced by such number as the Board may determine (including for the avoidance of doubt to nil); and/or
3. reduce the number of Plan Shares (including, for the avoidance of doubt, to nil) subject to any award or right to acquire Plan Shares which has been granted to the Participant under any Employees' Share Scheme operated by any Group Member (other than any tax-advantaged employee share plan that complies with the requirements of Schedules 2 to 4 of ITEPA 2003) before the date on which the relevant award or right vests or becomes exercisable by such number as the Board may determine; and/or
4. reduce the number of Plan Shares (including, for the avoidance of doubt, to nil) subject to any option to acquire Plan Shares which has been granted to the Participant under any Employees' Share Scheme operated by any Group Member (other than any tax-advantaged employee share plan that complies with the requirements of Schedules 2 to 4 of ITEPA 2003) which has vested but not yet been exercised by such number as the Board may determine,

provided that the total amount represented by:

- a. reductions under this Rule 8.7;
- b. reductions under Rule 8.8; and
- c. the amount represented by any transfer and any amount or value payable under Rule 8.3,

shall not, in the Board's reasonable opinion, exceed the amount represented by any transfer and any amount or value which would have been due if the Board had only carried out the Actions.

### **8.8. Reduction of unexercised Option**

Where Rule 8.2 applies and the Deferred Share Award takes the form of an Option which the Deferred Share Award Holder has not exercised in full, the Board may in its absolute discretion reduce the number of Plan Shares which remain subject to such Option (including, for the avoidance of doubt, to nil). In addition to or in substitution for reducing such Option, the Board may take any of the actions set out in Rules 8.7.1 to 8.7.4 provided that the total amount represented by reductions under Rules 8.7.1 to 8.7.4 and any reduction of the Option under this Rule 8.8 shall not, in the Board's reasonable opinion, exceed the amount which would have been represented by the reduction of the Option only.

### **8.9. General provisions**

In carrying out any action under this Rule 8, the Board shall act fairly and reasonably but its decision shall be final and binding.

For the avoidance of doubt, any action carried out under this Rule 8 may be applied on an individual basis as determined by the Board. Whenever a reduction of an award, right to acquire Plan Shares or option is made under this Rule 8, the relevant award, right to acquire Plan Shares or option shall be treated to that extent as having lapsed.

### **8.10. Interaction with other plans**

The Board may determine at any time to reduce the number of Plan Shares subject to a Deferred Share Award (including, for the avoidance of doubt, to nil) either:

1. to give effect to one or more provisions of any form which are equivalent to those in Rule 8 (**Clawback Provisions**) contained in any Employees' Share Scheme operated by any Group Member (other than the Plan) or any bonus plan operated by any Group Member; or
2. as an alternative to giving effect to any such Clawback Provisions.

The value of any reduction under Rule 8.10.1 shall be determined in accordance with the terms of the relevant Clawback Provisions in the relevant Employees' Share Scheme or bonus plan as interpreted by the Board in its absolute discretion.



The value of any reduction under Rule 8.10.2 shall be determined as if the terms of the relevant Clawback Provisions in the relevant Employees' Share Scheme or bonus plan applied as interpreted by the Board in its absolute discretion.

## **9. Vesting of Deferred Share Awards (and exercise of Options)**

### **9.1. Earliest date for Vesting of Deferred Share Awards**

Subject to Rules 6, 11 and 12, a Deferred Share Award will Vest on the later of:

1. the relevant date specified under Rule 3.2; and
2. the date on which the Board determines that any conditions imposed under Rule 3.2.10 or Rule 6 have been satisfied.

The Board may determine that Vesting of the Deferred Share Award shall be delayed until any relevant investigation or other procedure relevant to an event falling within the scope of Rule 7 or 8 has been completed.

The Board may in addition adjust the level of Vesting of a Deferred Share Award upwards or downwards (including for the avoidance of doubt to nil) after the application of any conditions set by the Board if in its opinion:

- a. the level of Vesting resulting from the application of the conditions is not a fair and accurate reflection of the performance of the Company, the Group or any Group Member(s); and/or
- b. the level of Vesting resulting from the application of the conditions is not a fair and accurate reflection of the performance of the Deferred Share Award Holder; and/or
- c. there is any other factor or circumstances which would make the level of Vesting resulting from the application of the conditions inappropriate without adjustment.

### **9.2. Effect of Deferred Share Award Vesting**

Subject to the Rules, the effect of a Deferred Share Award Vesting shall be:

1. in the case of an Option, that the Deferred Share Award Holder is entitled to exercise the Option at any time during the Exercise Period to the extent that it has Vested;
2. in the case of a Conditional Share Award, that the Deferred Share Award Holder shall become entitled to the Plan Shares to the extent that the Deferred Share Award has Vested; and
3. in the case of Restricted Shares, the restrictions set out in the relevant Restricted Share Agreement shall cease to apply to the extent that the Deferred Share Award has Vested.

### **9.3. No Vesting or exercise while Dealing Restrictions or Directors' Remuneration Policy restrictions apply**

Where the Vesting of a Deferred Share Award is prevented by any Dealing Restriction, the Vesting of that Deferred Share Award shall be delayed until the Dealing Restriction no longer prevents it. Plan Shares may not be issued or transferred to a Deferred Share Award Holder while Dealing Restrictions prevent such issue or transfer. In the case of an Option, the Option may not be exercised while Dealing Restrictions prevent such exercise.

Where the Company has in place a Directors' Remuneration Policy:

1. the Vesting of a Deferred Share Award held by a Deferred Share Award Holder who is or was a director of the Company;
2. the delivery of Plan Shares or payment of cash pursuant to the Vesting of a Deferred Share Award held by a Deferred Share Award Holder who is or was a director of the Company; and
3. in the case of an Option held by a Deferred Share Award Holder who is or was a director of the Company, the exercise of the Option



must where relevant fall within the scope of the Directors' Remuneration Policy most recently approved by the Company in a general meeting prior to the relevant event in paragraphs 1 to 3 above.

#### **9.4. *Effect of cessation of Relevant Employment***

Subject to Rule 11, a Deferred Share Award shall Vest and an Option may be exercised only while the Deferred Share Award Holder is in Relevant Employment and if a Deferred Share Award Holder ceases to be in Relevant Employment, any Deferred Share Award granted to them shall lapse on cessation. This Rule 9.4 shall apply where the Deferred Share Award Holder ceases to be in Relevant Employment in any circumstances (including, in particular, but not by way of limitation, where the Deferred Share Award Holder is dismissed unfairly, wrongfully, in breach of contract or otherwise).

A Deferred Share Award Holder who has given or received notice of termination of Relevant Employment (whether or not lawful) may exercise an Option which has already Vested during any period when the notice is effective, unless the Board determines otherwise.

A Deferred Share Award granted to a Deferred Share Award Holder who has given or received notice of termination of Relevant Employment (whether or not lawful) shall Vest during this period, unless the Board determines otherwise. If the Board so determines and the notice is withdrawn by the relevant party, subject to the Rules the Deferred Share Award will Vest when the notice is withdrawn.

#### **9.5. *Options may be exercised in whole or in part***

Subject to Rules 9.3, 9.4 and 6, a Vested Option may be exercised in whole or in part at any time. If exercised in part, the unexercised part of the Option shall not lapse as a result and shall remain exercisable until such time as it lapses in accordance with the Rules.

#### **9.6. *Procedure for exercise of Options***

An Option shall be exercised by the Deferred Share Award Holder giving notice to the Board (or any person appointed by the Board) in the form from time to time prescribed by the Board, which may include (for the avoidance of doubt) any electronic and/or online notification. Such notice shall specify the number of Plan Shares in respect of which the Option is being exercised, and be accompanied by either the Deferred Share Award Price (if any) in full or confirmation of arrangements satisfactory to the Board for the payment of the Deferred Share Award Price, together with any payment and/or documentation required under Rule 16 and, if required, the Deferred Share Award Certificate.

For the avoidance of doubt, the date of exercise of an Option shall be the later of the date of receipt of a duly completed valid notice of exercise (or any later date as may be specified in that notice of exercise) and the date of compliance with the requirements of the first paragraph of this Rule 9.6.

#### **9.7. *Issue or transfer of Plan Shares***

Subject to Rules 9.3, 9.8 and 16 and to any necessary consents and to compliance by the Deferred Share Award Holder with the Rules, the Board shall, as soon as reasonably practicable and in any event not later than 30 days after:

1. the exercise date, in the case of an Option, arrange for the issue or transfer to the Deferred Share Award Holder (or a nominee specified or permitted by the Company) of the number of Plan Shares specified in the notice of exercise and make available to the Deferred Share Award Holder, in the case of the partial exercise of an Option, a Deferred Share Award Certificate in respect of, or the original Deferred Share Award Certificate updated to show, the unexercised part of the Option; and
2. the Vesting of a Deferred Share Award, in the case of a Conditional Share Award, arrange for the issue or transfer to the Deferred Share Award Holder (or a nominee specified or permitted by the Company) of the number of Plan Shares in respect of which the Deferred Share Award has Vested.

#### **9.8. *Net or cash settling***

Subject to Rule 16, the Board may on exercise of an Option:

1. make a cash payment as soon as reasonably practicable following exercise of the Option to the Deferred Share Award Holder equal to the Gain on the date of exercise of the Option; or

2. arrange for the issue or transfer to the Deferred Share Award Holder of Plan Shares with a Market Value equal to the Gain on the date of exercise of the Option (rounded down to the nearest whole Plan Share). The Deferred Share Award Holder shall not be required to make payment for these Plan Shares.

Subject to Rule 16, the Company may on the Vesting of a Conditional Share Award make a cash payment as soon as reasonably practicable following Vesting to the Deferred Share Award Holder equal to the Market Value of the Plan Shares in respect of which the Conditional Share Award has Vested, less the Deferred Share Award Price (if any).

Where the Board settles a Deferred Share Award in the manner described in this Rule 9.8, this shall be in full and final satisfaction of the Deferred Share Award Holder's rights under the Deferred Share Award.

### **9.9. Dividend equivalents**

A Deferred Share Award (except a Deferred Share Award comprising Restricted Shares where the right to dividends has not been waived) may include the right to receive an amount in Plan Shares or cash on or following Vesting (or if there is a Holding Period and the Board so specifies, following the end of the Holding Period) equal in value to the dividends which were payable on the number of Plan Shares in respect of which the Deferred Share Award has Vested during the period between the Award Date and the date of Vesting (or in the case of an Option the number of Plan Shares subject to the Option shall be increased as at the date of Vesting by the relevant value in Plan Shares).

The Board may determine at its absolute discretion whether or not the method used to calculate the value of dividends shall assume that such dividends have been reinvested into Plan Shares, on such basis as the Board determines.

The Board may decide at any time not to apply this Rule 9.9 to all or any part of a special dividend or dividend in specie.

### **9.10. US Taxpayers**

Notwithstanding anything to the contrary contained in the Plan:

1. No Option may be exercised later than 2.5 calendar months after the end of the Taxable Year in which the Option first becomes no longer subject to a substantial risk of forfeiture (as that term is defined for purposes of section 409A of the US Internal Revenue Code), provided that the Option shall lapse on the date it would have lapsed had this rule not applied. The Rules of the Plan shall be interpreted accordingly.
2. A Conditional Share Award shall be settled as soon as practicable upon Vesting and in no event later than 2.5 calendar months after the end of the Taxable Year in which the Conditional Share Award is no longer subject to a substantial risk of forfeiture (as that term is defined for purposes of section 409A of the US Internal Revenue Code).
3. Any dividend equivalents must be paid within 2.5 calendar months after the end of the Taxable Year in which the underlying Deferred Share Award is no longer subject to a substantial risk of forfeiture (as that term is defined for purposes of section 409A of the US Internal Revenue Code).

For the purposes of this Rule 9.10, **Taxable Year** means the 12 month period in respect of which the Deferred Share Award Holder is obliged to pay US tax or, if it would result in a longer exercise period, the 12 month period in respect of which the Deferred Share Award Holder's employing company is obliged to pay tax. **US Taxpayer** means a person who is subject to taxation under the tax rules of the United States of America which does not include a Deferred Share Award Holder who is a non-resident alien throughout the period of participation in the Plan and who has no US workdays during such participation.

Deferred Share Awards under the Plan are intended to be exempt from the requirements of section 409A of the US Internal Revenue Code and shall be construed and operated in accordance with that intent.

## **10. Holding Period**

### **10.1. Definitions**

In this Rule 10:

1. **Holding Period Holder** means a trustee or nominee designated by the Board in accordance with this Rule 10; and
2. **Holding Period Shares** means Plan Shares which are or were the subject of a Deferred Share Award to which a Holding Period applies, and in respect of which the Holding Period has not ended in accordance with this Rule 10.

## ***10.2. Application***

This Rule 10 applies to the extent that some or all of the Plan Shares acquired on Vesting of a Deferred Share Award (or exercise of an Option) are subject to a Holding Period.

## ***10.3. Issue or transfer to Holding Period Holder***

Instead of arranging for the issue or transfer of the Holding Period Shares to the Deferred Share Award Holder on Vesting of a Conditional Share Award or exercise of an Option under Rule 9.7, the Board may arrange for the Holding Period Shares to be issued or transferred to the Holding Period Holder, as designated by the Board, to be held for the benefit of the Deferred Share Award Holder. Any balance of the Plan Shares in respect of which a Deferred Share Award Vests or is exercised will be issued or transferred as described in Rule 9.7.

If the Deferred Share Award took the form of Restricted Shares, the Holding Period Shares will be transferred to (or continue to be held by) the Holding Period Holder on the terms of this Rule 10.

## ***10.4. No transfer during Holding Period***

The Deferred Share Award Holder or Holding Period Holder may not transfer, assign or otherwise dispose of any of the Holding Period Shares or any interest in them (and the Deferred Share Award Holder may not instruct the Holding Period Holder to do so) during the Holding Period except in the following circumstances:

1. the sale of sufficient entitlements nil-paid in relation to Holding Period Shares to take up the balance of the entitlements under a rights issue; and
2. the sale of sufficient Holding Period Shares to satisfy any liability to tax or employee social security contributions (or where Rule 16.2 applies, Employer's NIC) arising in relation to Holding Period Shares.

## ***10.5. Shareholder rights during Holding Period***

Unless the Board decides otherwise, the restrictions in this Rule 10 will apply to any cash or assets (other than ordinary dividends) received in respect of the Holding Period Shares and such cash or assets will be held by the Holding Period Holder until the end of the Holding Period.

During the Holding Period, the Holding Period Holder will be entitled to vote and have all other rights of a shareholder in respect of the Holding Period Shares.

## ***10.6. Ceasing Relevant Employment during the Holding Period***

Ceasing Relevant Employment during the Holding Period will have no impact on the provisions of this Rule 10, unless the Board otherwise decides, save where cessation is by reason of death in which case the Holding Period shall immediately be deemed to have ended.

## ***10.7. Clawback***

For the avoidance of doubt, Rule 8 shall apply to the Holding Period Shares in the same way that it applies to Plan Shares acquired by a Deferred Share Award Holder following Vesting of a Deferred Share Award or exercise of an Option which are not Holding Period Shares.

## ***10.8. End of Holding Period***

Subject to the provisions of this Rule 10, the Holding Period will end on the earliest of the following:

1. the date set as the end of the Holding Period under Rule 3.2;
2. subject to Rule 13.1, the relevant date on which a Deferred Share Award would have Vested under Rules 12.1 to 12.4;

3. if the Board so allows, the circumstances in which any event described in Rule 12.5 would apply; and
4. any other circumstances in the absolute discretion of the Board. Where this paragraph 4 applies, the Board may additionally determine that the Holding Period shall end only for such number of Holding Period Shares as it may specify.

## **11. Vesting of Deferred Share Awards (and exercise of Options) in special circumstances**

### **11.1. Death, injury, disability, redundancy, retirement etc.**

If a Deferred Share Award Holder ceases to be in Relevant Employment by reason of:

1. death;
2. injury, ill-health or disability evidenced to the satisfaction of the Board;
3. redundancy within the meaning of the Employment Rights Act 1996 (or any applicable equivalent overseas legislation) evidenced to the satisfaction of the Board;
4. retirement by agreement with the company by which they are employed;
5. the Deferred Share Award Holder being employed by a company which ceases to be a Group Member;
6. the Deferred Share Award Holder being employed in an undertaking or part of an undertaking which is transferred to a person who is not a Group Member; or
7. any other circumstances if the Board decides in any particular case

any Deferred Share Award held by them which has not Vested will continue until the normal time of Vesting and any condition imposed under Rule 6.1 shall be considered at the time of Vesting.

Alternatively, the Board may decide that a Deferred Share Award will Vest immediately in which case the proportion of the Deferred Share Award which shall Vest will be determined by the Board in its absolute discretion taking into account such factors as the Board may consider relevant including, but not limited to, any condition imposed under Rule 6.1.

Unless the Board in its absolute discretion decides otherwise (and irrespective of the time at which the Board has determined that the Deferred Share Award will Vest under this Rule 11.1), the number of Plan Shares which Vest will be reduced pro rata to reflect the number of whole months from the start of the Financial Year to which the relevant Cash Award relates until the date of cessation of Relevant Employment as a proportion of the original Vesting Period.

In the case of an Option, the Deferred Share Award Holder shall be entitled to exercise the Vested proportion of their Option (whether Vested under this Rule or otherwise) at any time during the period ending 6 months after the cessation of Relevant Employment or, if later, following Vesting or, in either case, during such other longer period as the Board determines. The Option shall lapse at the end of such period.

### **11.2. Deferred Share Award Holder relocated abroad**

If it is proposed that a Deferred Share Award Holder, while continuing to be in Relevant Employment, should work in a country other than the country in which they are currently working and, by reason of the change, the Deferred Share Award Holder would:

1. suffer less favourable tax treatment in respect of their Deferred Share Award; or
2. become subject to a restriction on their ability to exercise an Option, to have issued or transferred to them the Plan Shares subject to a Deferred Share Award or to hold or deal in such Plan Shares or the proceeds of sale of such Plan Shares

a Deferred Share Award may, determined at the absolute discretion of the Board, Vest immediately either in full or to the extent determined by the Board in its absolute discretion and subject to such conditions as it may require taking into account such factors as the Board may consider relevant including, but not limited to, the period of time the relevant Deferred Share Award has been held and the extent to which any condition imposed under Rule 6.1 has been met. Where the Deferred Share Award is an Option and has become Vested pursuant to this Rule 11.2, the Deferred Share Award Holder may exercise their Vested Option at any time during the period

beginning 3 months before the proposed date of their transfer and ending 3 months after the date of their actual transfer. If not so exercised, the Option shall not lapse but shall cease to be treated as having Vested and shall continue in force in accordance with the Rules.

### ***11.3. Meaning of ceasing to be in Relevant Employment***

For the purposes of the Plan, a Deferred Share Award Holder shall not be treated as ceasing to be in Relevant Employment until they no longer hold any office or employment with any Group Member. In addition, unless the Board otherwise decides a Deferred Share Award Holder shall not be treated as so ceasing if within 7 days they recommence employment or become an office holder with any Group Member.

The Board may determine that a Deferred Share Award Holder will be treated as ceasing to be in Relevant Employment when they give or receive notice of termination of their employment (whether or not lawful).

### ***11.4. Interaction of Rules***

In the case of an Option;

if the Option has become exercisable under Rule 11 and, during the period allowed for the exercise of the Option under Rule 11, the Option becomes exercisable under Rule 12 also (or vice versa), the period allowed for the exercise of the Option shall end on the earlier of the end of the period allowed by Rule 11 and the end of the period allowed by Rule 12.

## ***12. Takeover and other corporate events***

### ***12.1. Takeover***

Subject to Rule 13, where a person obtains Control of the Company as a result of making an offer to acquire Plan Shares, Deferred Share Awards shall Vest on the date the person obtains Control as set out below.

The proportion of a Deferred Share Award which shall Vest will be determined by the Board in its absolute discretion taking into account such factors as the Board may consider relevant including, but not limited to, the time the Deferred Share Award has been held by the Deferred Share Award Holder and having regard to any condition imposed under Rule 6.1.

In the case of an Option, the Vested proportion of the Option (whether Vested under this Rule 12.1 or otherwise) may be exercised at any time during the period of 6 months (or, if the Board determines a longer period shall apply, that period) beginning with the time when the person making the offer has obtained Control. The Option shall lapse at the end of such period unless the Board determines that a longer period for exercise shall apply, in which case the Option shall continue in force until the end of such extended period or until it otherwise lapses in accordance with the Rules.

If the extent of Vesting of a Deferred Share Award which Vests under this Rule 12.1 has been reduced by the Board to reflect the period of time that the Deferred Share Award has been held by the Share Holder, the Board may determine that Rule 13 shall apply to the proportion of the Deferred Share Award reflecting such reduction which has not Vested.

### ***12.2. Compulsory acquisition of shares in the Company***

Subject to Rule 13, if a person becomes entitled or bound to acquire shares in the Company under sections 979 to 982 of the Companies Act 2006, Deferred Share Awards shall Vest as set out below.

The proportion of a Deferred Share Award which shall Vest will be determined by the Board in its absolute discretion taking into account such factors as the Board may consider relevant including, but not limited to, the time the Deferred Share Award has been held by the Deferred Share Award Holder and having regard to any condition imposed under Rule 6.1.

In the case of Option, the Vested proportion of the Option (whether Vested under this Rule 12.2 or otherwise) may be exercised at any time during the period beginning with the date the person serves a notice under section 979 and ending 7 clear days before the date on which the person ceases to be entitled to serve such a notice. The Option shall lapse at the end of the 7 days.

If the extent of Vesting of a Deferred Share Award which Vests under this Rule 12.2 has been reduced by the Board to reflect the period of time that the Deferred Share Award has been held by the Deferred Share Award Holder, the Board may determine that Rule 13 shall apply to the proportion of the Deferred Share Award reflecting such reduction which has not Vested.

### ***12.3. Scheme of arrangement***

Subject to Rule 13, if a person proposes to obtain Control of the Company in pursuance of a compromise or arrangement sanctioned by the court under section 899 of the Companies Act 2006 Deferred Share Awards shall Vest on the date of the court sanction as set out below.

The proportion of a Deferred Share Award which shall Vest will be determined by the Board in its absolute discretion taking into account such factors as the Board may consider relevant including, but not limited to, the time the Deferred Share Award has been held by the Deferred Share Award Holder and having regard to any condition imposed under Rule 6.1.

In the case of an Option, the Vested proportion of the Option (whether Vested under this Rule 12.3 or otherwise) may be exercised at any time during the period of 6 months from the compromise or arrangement being sanctioned by the court. The Option shall lapse at the end of such period.

If the extent of Vesting of a Deferred Share Award which Vests under this Rule 12.3 has been reduced by the Board to reflect the period of time that the Deferred Share Award has been held by the Deferred Share Award Holder, the Board may determine that Rule 13 shall apply to the proportion of the Deferred Share Award reflecting such reduction which has not Vested.

### ***12.4. Winding-up of the Company***

If notice is given of a resolution for the voluntary winding-up of the Company, Deferred Share Awards shall Vest on the date notice is given.

The proportion of a Deferred Share Award which shall Vest will be determined by the Board in its absolute discretion taking into account such factors as the Board may consider relevant including, but not limited to, the time the Deferred Share Award has been held by the Deferred Share Award Holder and having regard to any condition imposed under Rule 6.1.

In the case of an Option, the Vested proportion of the Option (whether Vested under this Rule 12.4 or otherwise) may be exercised at any time during the period of 6 months from the date of the notice or, if earlier, on completion of the winding up. The Option shall lapse at the end of such period.

### ***12.5. Demergers and other events***

The Board may determine that Deferred Share Awards Vest if it becomes aware that the Company will be affected by a demerger, distribution (which is not an ordinary dividend) or other transaction not otherwise covered by the Rules.

The proportion of a Deferred Share Award which shall Vest will be determined by the Board in its absolute discretion and subject to such conditions as it may require taking into account such factors as the Board may consider relevant including, but not limited to, the time the Deferred Share Award has been held by the Deferred Share Award Holder and having regard to any condition imposed under Rule 6.1.

In the case of an Option, the Vested proportion of the Option (whether Vested under this Rule 12.5 or otherwise) may be exercised at any time during a period as shall be determined by the Board. The Option shall lapse at the end of such period.

### ***12.6. Meaning of “obtains Control of the Company”***

For the purpose of Rule 12 a person shall be deemed to have obtained Control of the Company if they and others Acting In Concert with them have together obtained Control of it.



### **12.7. References to Board within this Rule 12**

For the purposes of this Rule 12, any reference in this Rule 12 to the Board shall be taken to be a reference to those individuals who were members of the Board immediately before the event by virtue of which this Rule 12 applies.

### **12.8. Notification of Deferred Share Award Holders**

The Board shall, as soon as reasonably practicable, notify each Deferred Share Award Holder of the occurrence of any of the events referred to in this Rule 12 and explain how this affects their position under the Plan.

### **12.9. Vesting of Deferred Share Awards in advance of a corporate event**

Where the Board is aware that an event is likely to occur under Rule 12:

1. in respect of which Deferred Share Awards will Vest in circumstances where the conditions for relief under Part 12 of the Corporation Tax Act 2009 may not be satisfied, or
2. if the Board in its absolute discretion considers it appropriate,

the Board may, in its absolute discretion and by notice in writing to all Deferred Share Award Holders, declare that all Deferred Share Awards that are expected to Vest as a result of the relevant event shall Vest (and in the case of any such Deferred Share Award which is an Option, shall be exercisable) in accordance with Rule 12 during such period prior to the relevant event as determined by the Board.

### **12.10. Interaction with Rule 8 (Clawback)**

Where an event occurs under Rules 12.1 to 12.5 which:

1. results in the Vesting of Deferred Share Awards; or
2. would so result if there was any subsisting Deferred Share Award which had not already Vested or, in relation to an event referred to in Rule 12.5, if the Board had permitted Vesting of Deferred Share Awards under Rule 12.5 in relation to such event,

the Board may, at its absolute discretion, determine that Rule 8 (Clawback) shall only apply to such extent (if at all) that the Board determines to any Deferred Share Award which was granted on the basis that Rule 8 applied to that Deferred Share Award. Where the Board makes such a determination, it will specify which Deferred Share Awards such determination applies to (which may include Deferred Share Awards which have already Vested and Options which have already been exercised).

## **13. Exchange of Deferred Share Awards**

### **13.1. Where exchange applies**

A Deferred Share Award will not Vest under Rule 12 but will be exchanged for a new award (**New Deferred Share Award**) under this Rule to the extent that:

1. an offer to exchange the Deferred Share Award for a New Deferred Share Award is made and accepted by the Deferred Share Award Holder; or
2. the Board, with the consent of the persons acquiring Control if relevant, decides that Deferred Share Awards will be automatically exchanged for New Deferred Share Awards. The circumstances in which the Board may make such a decision include (but are not limited to) where an event occurs under Rules 12.1, 12.2, or 12.3 and:
  - a. the shareholders of the acquiring company, immediately after it has obtained Control, are substantially the same as the shareholders of the Company immediately before the event; or
  - b. the obtaining of Control amounts in the opinion of the Board to a merger with the Company.

### **13.2. Terms of exchange**

The following applies in respect of the New Deferred Share Award:



1. The Award Date of the New Deferred Share Award shall be deemed to be the same as the Award Date of the Deferred Share Award.
2. The New Deferred Share Award will be in respect of the shares in a company determined by the Board.
3. In the application of the Plan to the New Deferred Share Award, where appropriate, references to **Company** and **Plan Shares** shall be read as if they were references to the company to whose shares the New Deferred Share Award relates.
4. The New Deferred Share Award must be equivalent to the Deferred Share Award and subject to paragraph 5 below it will Vest at the same time and in the same manner as the Deferred Share Award.
5. Either the Vesting of the New Deferred Share Award must be subject to any conditions which are so far as possible equivalent to any conditions applying to the Deferred Share Award or no conditions will apply but the value of shares comprised in the New Deferred Share Award shall have substantially the same value of the number of Plan Shares which would have Vested under Rule 12 as applicable.

#### **14. Lapse of Deferred Share Awards**

Notwithstanding any other provision of the Rules, a Deferred Share Award shall lapse on the earliest of:

1. in the case of Options, the expiry of the Exercise Period;
2. the Board determining that any condition imposed under Rule 6.1 has not been satisfied either in whole nor in part in respect of the Deferred Share Award and can no longer be satisfied in whole or in part in which case the Deferred Share Award shall lapse either in whole or as to such part in relation to which the condition imposed under Rule 6.1 can no longer be satisfied;
3. subject to Rule 11, the Deferred Share Award Holder ceasing to be in Relevant Employment;
4. any date for lapse provided for under these Rules; and
5. the date on which the Deferred Share Award Holder becomes bankrupt or enters into a compromise with their creditors generally.

#### **15. Adjustment of Deferred Share Awards on Reorganisation**

##### **15.1. Power to adjust Deferred Share Awards**

In the event of a Reorganisation, the number of Plan Shares subject to a Deferred Share Award which is an Option or a Conditional Share Award, the description of the Plan Shares, the Deferred Share Award Price, or any one or more of these, shall be adjusted in such manner as the Board shall determine.

In the case of Restricted Shares, subject to the relevant Restricted Share Agreement, the Deferred Share Award Holder shall have the same rights as any other shareholder in respect of Restricted Shares in the event of a Reorganisation, subject to compliance with applicable law. Any shares, securities or other rights allotted to a Deferred Share Award Holder for no consideration or with the proceeds of sale of such rights (but not with new consideration provided by the Deferred Share Award Holder) as a result of such Reorganisation shall be treated as if they were awarded to the Deferred Share Award Holder at the same time as the Restricted Shares in respect of which the rights were conferred and subject to the Rules the terms of the Restricted Share Agreement and applicable law.

##### **15.2. Deferred Share Award Price**

No adjustment shall be made to the Deferred Share Award Price which would result in the Plan Shares subject to an Option or Conditional Share Award being issued at a price per Plan Share lower than the nominal value of a Plan Share except where the Board puts in place arrangements to pay up the nominal value at the date of issue of the Plan Shares (or the difference between the adjusted Deferred Share Award Price and the nominal value as the case may be).

##### **15.3. Notification of Deferred Share Award Holders**

The Board shall, as soon as reasonably practicable, notify each Deferred Share Award Holder of any adjustment made under this Rule 15 and explain how this affects their position under the Plan.

## **16. Tax and social security withholding**

### **16.1. Deductions**

Unless the Deferred Share Award Holder discharges any liability that may arise, the Board, the Company or any Group Member or former Group Member (as the case may be) may withhold such amount, or make such other arrangements as it may determine appropriate, for example to sell or withhold Plan Shares, to meet any liability to taxes or social security contributions in respect of such Deferred Share Award Holder's Deferred Share Awards, including where applicable, Employer's NIC transferred under Rule 16.2. The Deferred Share Award Holder will be responsible for all taxes, social security contributions and other liabilities arising in respect of the Deferred Share Award Holder's Deferred Share Awards.

### **16.2. Transfer of Employer's NIC**

The Board may, at its discretion and to the extent permitted by law, require the Deferred Share Award Holder to pay all or any part of the Employer's NIC in relation to a Deferred Share Award.

### **16.3. Execution of document by Deferred Share Award Holder**

The Board may require a Deferred Share Award Holder to execute a document in order to bind the Deferred Share Award Holder contractually to any such arrangement as is referred to in Rules 16.1 and 16.2 and return the executed document to the Company by a specified date. It shall be a condition of Vesting and where applicable exercise of the Deferred Share Award that the executed document be returned by the specified date unless the Board determines otherwise.

### **16.4. Tax elections**

The Board may, at its discretion, determine that an Option may not be exercised and/or the Plan Shares subject to a Conditional Share Award and/or the Plan Shares the subject of a Deferred Share Award comprising Restricted Shares may not be issued or transferred to the Deferred Share Award Holder (or for their benefit) unless the Deferred Share Award Holder has beforehand signed an election under Chapter 2 of Part 7 of ITEPA 2003 and/or section 165 of the Taxation of Chargeable Gains Act 1992 or entered into broadly similar local arrangements.

## **17. Rights and listing of Plan Shares**

### **17.1. Rights attaching to Plan Shares**

Except as set out in Rule 3.9 (Restricted Shares), all Plan Shares issued or transferred under the Plan shall, as to voting, dividend, transfer and other rights, including those arising on a liquidation of the Company, rank equally in all respects and as one class with the shares of the same class in issue at the date of issue or transfer save as regards any rights attaching to such Plan Shares by reference to a record date prior to the date of such issue or transfer.

### **17.2. Listing and admission to trading of Plan Shares**

If and so long as Plan Shares are listed on the Official List and traded on the London Stock Exchange or traded on the Alternative Investment Market of the London Stock Exchange, the Company will apply for the listing and admission to trading of any Plan Shares issued under the Plan as soon as reasonably practicable.

## **18. Relationship of the Plan to contract of employment**

### **18.1. Contractual provisions**

Notwithstanding any other provision of the Plan:

1. the Plan shall not form part of any contract of employment between any Group Member and an Eligible Employee;

2. unless expressly so provided in their contract of employment, an Eligible Employee has no right to be granted a Cash Award and/or a Deferred Share Award or receive a Cash Payment and the receipt of a Cash Award, Cash Payment or a Deferred Share Award in one year (and the calculation of the Cash Payment or Deferred Share Award Price in a particular way) is no indication that the Participant or Deferred Share Award Holder will be granted any subsequent Cash Awards or Deferred Share Awards (or that the calculations of the Cash Payment or Deferred Share Award Price will be made in the same or a similar way);
3. the Plan does not entitle any Participant or Deferred Share Award Holder to the exercise of any discretion in their favour;
4. the benefit to an Eligible Employee of participation in the Plan (including, in particular but not by way of limitation, any Cash Awards and/or Deferred Share Awards held by them and any Cash Payment or Plan Shares received by them) shall not form any part of their remuneration or count as their remuneration for any purpose and shall not be pensionable; and
5. if an Eligible Employee ceases to be in Relevant Employment for any reason, they shall not be entitled to compensation for the loss or diminution in value of any right or benefit or prospective right or benefit under the Plan (including, in particular but not by way of limitation, any Cash Awards and/or Deferred Share Awards held by them which lapse by reason of their ceasing to be in Relevant Employment) whether by way of damages for unfair dismissal, wrongful dismissal, breach of contract or otherwise or anything analogous thereto in any jurisdiction.

## **18.2. Deemed agreement**

By accepting the grant of a Cash Award and/or Deferred Share Award, a Participant or Deferred Share Award Holder is deemed to have agreed to the provisions of these Rules, including this Rule 18.

## **19. Administration of the Plan**

### **19.1. Responsibility for administration**

The Board shall be responsible for, and shall have the conduct of, the administration of the Plan. The Board may from time to time make, amend or rescind regulations for the administration of the Plan provided that such regulations shall not be inconsistent with the Rules.

### **19.2. Board's decision final and binding**

The decision of the Board shall be final and binding in all matters relating to the Plan, including but not limited to the resolution of any dispute concerning, or any inconsistency or ambiguity in the Rules or any document used in connection with the Plan.

### **19.3. Discretionary nature of Awards, Cash Payments and Share Awards**

All Cash Awards, Cash Payments and Deferred Share Awards shall be granted entirely at the discretion of the Board and the form and structure of all Cash Awards, Cash Payments and Deferred Share Awards, including for the avoidance of doubt the application and testing of any Performance Target, shall be entirely at the discretion of the Board.

### **19.4. Provision of information**

A Participant or Deferred Share Award Holder shall provide to the Company or any Group Member as soon as reasonably practicable such information as the Company reasonably requests for the purpose of complying with its obligations under section 421J of ITEPA 2003 or similar requirements of tax legislation in any relevant jurisdiction.

### **19.5. Cost of the Plan**

The cost of introducing and administering the Plan shall be met by the Company. The Company shall be entitled, if it wishes, to charge an appropriate part of such cost or the costs of a Cash Award, Cash Payment and Deferred Share Award to a Subsidiary.

### **19.6. Data protection**

The Company's Privacy Policy (<https://telecomplus.co.uk/legal/privacy-policy>) and/or Utility Warehouse Limited's Staff Privacy Notice (available to staff via Utility Warehouse Limited's intranet) shall explain how the Participant and Deferred Share Award Holder's personal data is processed under UK data protection laws for the purposes of operating the Plan.

### **19.7. Third party rights**

Nothing in these Rules confers any benefit, right or expectation on a person who is not a Participant or Deferred Share Award Holder. No such third party has any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any terms of these Rules.

## **20. Amendment of the Plan**

### **20.1. Power to amend the Plan**

Subject to Rules 20.2 and 20.3, the Board may from time to time amend the Rules (including, for the purposes of establishing a sub-plan for the benefit of employees located overseas).

### **20.2. Amendments to the Plan**

Without the prior approval of the Company in general meeting, an amendment may not be made for the benefit of existing or future Participants or Deferred Share Award Holders to the Rules relating to:

1. the basis for determining an Eligible Employee's entitlement (or otherwise) to be granted a Cash Award or Deferred Share Award and/or to acquire Plan Shares on the exercise of an Option and/or to become absolutely entitled to Plan Shares subject to a Conditional Share Award (as the case may be) under the Plan;
2. the persons to whom a Cash Award or Deferred Share Award may be granted;
3. the limit on the aggregate number of Plan Shares over which Deferred Share Awards may be granted;
4. the limit on the number of Plan Shares over which Deferred Share Awards may be granted to any one Eligible Employee;
5. the adjustment of Deferred Share Awards on a Reorganisation; or
6. this Rule 20.2,

except for:

- a. an amendment which is of a minor nature and benefits the administration of the Plan; or
- b. an amendment which is of a minor nature and is necessary or desirable in order to take account of a change of legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants in the Plan, the Company or some other Group Member.

### **20.3. Rights of existing Participants and Deferred Share Award Holders**

An amendment may not materially adversely affect the rights of an existing Participant or Deferred Share Award Holder except:

1. where the amendment is made to take account of any matter or circumstance which the Board reasonably considers is a legal or regulatory requirement which the Board reasonably considers is relevant and requires an amendment to be made in order for any Group Member to comply with such requirement; or
2. where the Participant or Deferred Share Award Holder affected by the change has been notified of such amendment and the majority of Participants and Deferred Share Award Holders holding Cash Awards and/or Deferred Share Awards affected by the change who have responded to such notification have approved the amendment.

## **21. Notices**

### **21.1. Notice by the Board or the Company**

Save as provided for by law, any notice, document or other communication given by, or on behalf of, the Board or the Company to any person in connection with the Plan shall be deemed to have been duly given if delivered to them at their place of work, if they are in Relevant Employment, if sent by e-mail to such e-mail address as may be specified by them from time to time or, in the case of a Participant or Deferred Share Award Holder who remains in Relevant Employment, to such e-mail address as is allocated to them by any Group Member, or sent through the post in a pre-paid envelope to the postal address last known to the Company to be their address and, if so sent, shall be deemed to have been duly given on the date of posting.

### **21.2. Deceased Participants and Deferred Share Award Holders**

Save as provided for by law, any notice, document or other communication so sent to a Participant or Deferred Share Award Holder shall be deemed to have been duly given notwithstanding that such Participant or Deferred Share Award Holder is then deceased (and whether or not the Company has notice of their death) except where their personal representatives have established title to the satisfaction of the Company and supplied to the Company an e-mail or postal address to which notices, documents and other communications are to be sent.

### **21.3. Notice to the Board or the Company**

Save as provided for by law any notice, document or other communication given to the Board or the Company (or any relevant person appointed by the Board or the Company, as the case may be) in connection with the Plan shall be delivered by hand or sent by email, fax or post to the Company Secretary (or any relevant person appointed by the Board or the Company, as the case may be) at the Company's registered office (or such other e-mail or postal address as may from time to time be notified to Participants and Deferred Share Award Holders) but shall not in any event be duly given unless it is actually received at the registered office or such e-mail or postal address.

## **22. Governing law and jurisdiction**

### **22.1. Plan governed by English law**

The formation, existence, construction, performance, validity and all aspects whatsoever of the Plan, any term of the Plan and any Cash Award and/or Deferred Share Award granted under it shall be governed by English law.

### **22.2. English courts to have jurisdiction**

The English courts shall have jurisdiction to settle any dispute which may arise out of, or in connection with, the Plan.

### **22.3. Jurisdiction agreement for benefit of the Company**

The jurisdiction agreement contained in this Rule 22 is made for the benefit of the Company only, which accordingly retains the right to bring proceedings in any other court of competent jurisdiction.

### **22.4. Participant and Deferred Share Award Holder deemed to submit to such jurisdiction**

By accepting the grant of a Cash Award and/or Deferred Share Award, a Participant or Deferred Share Award Holder is deemed to have agreed to submit to such jurisdiction.



## 23. Interpretation

### 23.1. Definitions

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

**Acting In Concert** has the meaning given to that expression in The City Code on Takeovers and Mergers in its present form or as amended from time to time;

**Award Date** means the date on which a Deferred Share Award is granted in accordance with Rule 3.1;

**Board** means, subject to Rule 12.7, the board of directors of the Company or a duly authorised committee of it or a person duly authorised by the board of directors of the Company or such committee;

**Buy-Out Award** means an Award granted to an individual which replaces elements of remuneration forfeited by the individual on leaving a previous employment in order to take up employment with a Group Member;

**Cash Award** means a conditional right of a Participant to receive a Cash Payment and/or Deferred Share Award;

**Cash Award Certificate** means a statement in a form, which may include an electronic form, determined by the Company setting out details of the Cash Award;

**Cash Award Value** means value which may be provided to the Eligible Employee in the form of a Cash Payment and/or Deferred Share Award if the Performance Targets and/or any other conditions applicable to it are satisfied;

**Cash Payment** means a cash payment made in respect of a Cash Award;

**Company** means Telecom Plus plc incorporated in England and Wales under company number 03263464;

**Conditional Share Award** means a conditional right under the Plan to acquire Plan Shares;

**Control** has the meaning given to it by section 995 of ITA 2007;

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

**Dealing Restrictions** means any restrictions imposed by legislation, regulation or any other code or guidance on share dealing with which the Company seeks to comply;

**Deferred Share Award** means an Option, a Conditional Share Award or Restricted Shares granted under the Plan;

**Deferred Share Award Certificate** means a statement in a form, which may include an electronic form, determined by the Company setting out details of the Deferred Share Award which is an Option or a Conditional Share Award determined in accordance with Rule 3.2;

**Deferred Share Award Holder** means an individual who holds a Deferred Share Award or, where the context permits, their legal personal representatives. Where relevant, Deferred Share Award Holder(s) shall include reference to former Share Award Holder(s);

**Deferred Share Award Price** means the amount (if any), expressed either as an amount per Plan Share or a total amount, payable in respect of the exercise of an Option or Vesting of a Conditional Share Award or for the acquisition of Restricted Shares under a Restricted Share Agreement, determined in accordance with Rule 5;

**Directors' Remuneration Policy** has the meaning given to it by section 422A (6) of the Companies Act 2006;

**Eligible Employee** means an individual who at the date the Cash Award is an employee of a Group Member;

**Employees' Share Scheme** has the meaning set out in section 1166 of the Companies Act 2006;

**Employer's NIC** means employer's secondary class 1 National Insurance contributions liability or any local equivalent.

**Exercise Period** means the period set by the Board on the Award Date during which an Option may be exercised, ending no later than the 10th anniversary of the Award Date;

**Financial Conduct Authority** means the "competent authority" as that expression is defined in Part VI of the Financial Services and Markets Act 2000;

**Financial Year** means the financial year of the Company;

**Gain** means the difference between (i) the Market Value of a Plan Share on the date of exercise of an Option and (ii) the Deferred Share Award Price, multiplied by the number of Plan Shares in respect of which the Option is being exercised;

**Group** means the Company and its Subsidiaries from time to time and **Group Member** shall be interpreted accordingly;

**HMRC** means His Majesty's Revenue & Customs;

**Holding Period** means the period (if any) specified under paragraph 8 of Rule 3.2 (commencing from the date of Vesting of the relevant Deferred Share Award) during which the restrictions contained in Rule 10 apply;

**ITA 2007** means the Income Tax Act 2007;

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

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

**Market Value** on any day means:

1. if at the relevant time Plan Shares are listed on the Official List (or on any other recognised stock exchange within the meaning of section 1005 of ITA 2007 or the Alternative Investment Market of the London Stock Exchange), the closing middle market quotation (as derived from the Daily Official List of the London Stock Exchange or the equivalent list or record for the recognised stock exchange on which the Plan Shares are listed) or, if the Board so decides, the closing price on the preceding Dealing Day; or
2. where Plan Shares are not so listed, the market value of a Plan Share calculated as described in the Taxation of Chargeable Gains Act 1992;

**Official List** means the list maintained by the Financial Conduct Authority in accordance with section 74(1) of the Financial Services and Markets Act 2000 for the purposes of Part VI of the Act;

**Option** means a right to acquire Plan Shares granted under the Plan;

**Participant** means an employee of a Group Member who has been selected to participate in the Plan and to whom a Cash Award has been granted;

**Performance Target** means a performance target imposed in relation to a Cash Award under Rule 1.7 and as substituted or varied in accordance with the Rules;

**Plan** means the Telecom Plus Incentive Plan as amended from time to time;

**Plan Shares** means ordinary shares in the capital of the Company (or any shares representing them);



**Regulatory Information Service** means a service that is approved by the Financial Conduct Authority on meeting the Primary Information Provider criteria and is on the list of Regulatory Information Services maintained by the Financial Conduct Authority (or any overseas equivalent);

**Relevant Employment** means employment with any Group Member;

**Reorganisation** means any variation in the share capital of the Company, including but without limitation a capitalisation issue, rights issue, demerger or other distribution, a special dividend or distribution, rights offer or bonus issue and a sub-division, consolidation or reduction in the capital of the Company;

**Restricted Shares** means Plan Shares where the Deferred Share Award Holder is the beneficial owner of the Plan Shares from the Award Date subject to the Restricted Share Agreement;

**Restricted Share Agreement** means the agreement referred to in Rule 3.9;

**Rules** mean the rules of the Plan;

**Subsidiary** has the meaning set out in section 1159 of the Companies Act 2006;

**Trustees** means the trustees of any trust created by a Group Member which, when taken together with the Plan, constitutes an Employees' Share Scheme;

**Vest** means:

1. in relation to an Option, the Deferred Share Award Holder becoming entitled to exercise the Option;
  2. in relation to a Conditional Share Award, the Deferred Share Award Holder becoming entitled to have the Plan Shares issued or transferred to them (or to a nominee specified or permitted by the Company); and
- in relation to Restricted Shares means the restrictions set out in the Restricted Share Agreement ceasing to have effect; and **Vesting** and **Vested** shall be construed accordingly; and

**Vesting Period** means the period from the first day of the Financial Year to which a Cash Award relates to the normal date of Vesting of a Deferred Share Award granted in respect of that Award.

## **23.2. Interpretation**

In the Plan, unless otherwise specified:

1. save as provided for by law a reference to writing includes any mode of reproducing words in a legible form and reduced to paper or electronic format or communication including, for the avoidance of doubt, correspondence via e-mail; and
2. the Interpretation Act 1978 applies to the Plan in the same way as it applies to an enactment.