
IG Group Holdings PLC
IG GROUP 2023 SUSTAINED PERFORMANCE PLAN

Approved by the shareholders of the Company on [●] 2023
Adopted by the Board of the Company on [●] 2023

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DEFINITIONS AND INTERPRETATION

1.1 In this Plan, unless the context otherwise requires:

"**Annual Award**" means an Award which is designated on the Grant Date as an Annual Award and Vests as set out in Rule 7 (*Normal Vesting of Awards*);

"**Award**" means an Annual Award and/or a Long-Term Award, which may be granted as an Option, a Conditional Award or in cash;

"**Award Shares**" means the number of Shares comprised within an Award as at its Grant Date;

"**Board**" means the board of directors of the Company or a duly authorised committee of the Board or a duly authorised person;

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

"**Company**" means IG Group Holdings PLC (registered in England and Wales with registered number 04677092);

"**Conditional Award**" means a conditional right to acquire Shares granted under the Plan which is designated as a Conditional Award by the Committee under Rule 3.2 (*Type of Award*);

"**Control**" means control within the meaning of section 719 of ITEPA;

"**Dealing Restrictions**" means restrictions imposed by the Company's share dealing code, the Listing Rules, the MAR or any other laws or regulations that impose restrictions on share dealing;

"**Exercise Period**" means the period referred to in Rule 9.1 (*Options*) during which an Option may be exercised;

"**Executive Director**" means an executive director of the Company;

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

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

"**Group Member**" means:

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

- (c) any other body corporate in relation to which a body corporate within paragraph (a) or (b) above is able (whether directly or indirectly) to exercise 20% or more of its equity voting rights and has been designated by the Committee for this purpose;

"IFD Material Risk Taker" means an employee whom the Company has identified as a material risk taker pursuant to the Investment Firm Directive ((EU) 2019/2034);

"IFPR Material Risk Taker" means an employee whom the Company has identified as a material risk taker pursuant to SYSC 19G.5 of the MIFIDPRU Remuneration Code;

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

"Listing Rules" means the Listing Rules published by the United Kingdom Listing Authority;

"London Stock Exchange" means London Stock Exchange plc or any successor to such company;

"Long-Term Award" means an Award which is designated on the Grant Date as a Long-Term Award and Vests as set out in Rule 7 (*Normal Vesting of Awards*);

"Material Risk Taker" means an IFD Material Risk Taker or an IFPR Material Risk Taker;

"Normal Vesting Profile and Timetable" means such normal vesting profile and timetable specified for an Award pursuant to Rule 7 (*Normal Vesting of Awards*);

"Option" means a conditional right to acquire Shares which is designated as an Option by the Committee under Rule 3.2 (*Type of Award*);

"Option Price" means the amount, if any, payable on the exercise of an Option;

"Participant" means a person who holds an Award including their personal representatives save as otherwise referred to in the Plan;

"Participating Company" means the Company or any Subsidiary of the Company;

"Performance Period" means the period over which a Post-Grant Performance Target will be measured which, unless the Committee determines otherwise, will be at least three years;

"Plan" means the IG Group 2023 Sustained Performance Plan as amended from time to time;

"Plan Year" means the relevant Financial Year in connection with which Awards are being considered for grant or were granted as the context requires;

"Post-Grant Performance Target" means any one or more condition, measure, target (whether on an individual basis or otherwise) or conditions imposed under Rule 6 (*Long-Term Awards: Post-Grant Performance Target*) that relates to performance;

"Pre-Grant Performance Target" means such pre-grant targets as the Committee specifies in relation to the relevant Annual Awards being considered for grant in relation to a Plan Year for the purposes of the Plan from time to time;

"Recovery Period" means the period from the Grant Date to the fifth anniversary of an Award's Grant Date;

"Retention Period" means the period starting on the Vesting date of an Award during which the Participant shall be required to hold the Shares issued or transferred to the Participant following Vesting (other than any Shares required to be sold to pay any Tax Liability arising on Vesting);

"Rule" means a Rule of the Plan;

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

"Subsidiary" means a body corporate which is a subsidiary (within the meaning of section 1159 of the Companies Act 2006);

"Tax Liability" means any tax, social security contributions, levy, charge or other payroll deductions required by law arising out of or in connection with an Award for which the Participant is liable (or which may be recovered from the Participant) and for which any Group Member or former Group Member is obliged to pay or account to any relevant authority, or any reasonable estimate thereon;

"Unvested Award Shares" means the number of Award Shares that are still comprised within an Award that have not previously become Vested Shares for the purposes of the Plan as at the time of the relevant determinations or as the context requires such reduced number of such Award Shares determined pursuant to Rules 8.5 (*Discretion*), 12 (*Lapse of Awards*), 13 (*Leavers*) or 14 (*Takeovers and other corporate events*) of the Plan;

"Vest" and **"Vested"** as the context requires means:

- (a) in relation to an Option; it becoming exercisable in relation to the relevant Vested Shares subject to the Rules; and
- (b) in relation to a Conditional Award, a Participant becoming entitled to have the relevant Vested Shares transferred to him (or their nominee) subject to the Rules

and **"Vesting"** shall be construed accordingly;

"Vested Shares" means those Shares comprised within an Award that are Vested for the purposes of the Plan as approved by the Committee under Rule 8 (*Vesting of Awards*) or as the context requires such reduced number of such Shares determined pursuant to Rules 8.5 (*Discretion*), 12 (*Lapse of Awards*), 13 (*Leavers*) or 14 (*Takeovers and other corporate events*) of the Plan.

- 1.2 Any reference in the Plan to any enactment includes a reference to that enactment as from time to time modified, extended or re-enacted.
- 1.3 Where the context admits, a reference to the singular includes the plural.
- 1.4 Expressions in italics, headings and any footnotes are for guidance only and do not form part of the Plan.

2. ELIGIBILITY

Otherwise for than in the exceptional case of Awards to leavers pursuant to Rule 13 (*Leavers*), an individual is only eligible for consideration for selection to be granted an Award if they are an employee (including an Executive Director) of a Participating Company.

3. GRANT OF AWARDS

3.1 Terms of grant

Subject to Rule 3.6 (*Timing of grant*), Rule 3.7 (*Approvals and consents*), Rule 4 (*Limits*) and, in relation to Annual Awards, Rule 5 (*Annual Awards: Performance Against Pre-Grant Performance Targets*), the Committee may resolve to grant an Award on the terms set out in the Plan to any person who is eligible for consideration for selection to be granted an Award under Rule 2 (*Eligibility*).

3.2 Plan Structure

In respect of any Plan Year for which Awards are granted, and unless the Committee determines otherwise, 70% of an Award shall be granted as an Annual Award and 30% of an Award shall be granted as a Long-Term Award.

3.3 Type of Award

On or before the Grant Date, the Committee shall determine:

- 3.3.1 whether an Award shall be an Annual Award or a Long-Term Award;
- 3.3.2 the Post-Grant Performance Targets applicable to a Long-Term Award;
- 3.3.3 whether an Award shall be an Option or a Conditional Award, and if the Committee does not specify the type of an Award on or before the Grant Date then that Award shall be an Option with an Option Price of 0.005p.

Following the grant of an Award, the Committee may at its discretion invite a Participant to change the structure of their Award from an Option to a Conditional Award or vice versa if events arise (e.g. changes in local taxation treatment) which the Committee decides warrant such an invitation.

3.4 Method of grant

An Award shall be granted as follows:

- 3.4.1 an Award shall be granted by deed executed by the Company; and
- 3.4.2 if an Award is an Option, the Committee shall determine the Option Price (if any) on or before the Grant Date provided that the Committee may reduce or waive such Option Price on or prior to the exercise of the Option.

Participants must be notified of the terms of their Award, including the applicable Pre-Grant Performance Targets, the applicable Post-Grant Performance Targets, the Vesting period and

Vesting date of the relevant Annual Award and/or Long-Term Award, any applicable Retention Period and, in the case of an Option, the Option Price.

3.5 Method of satisfying Awards

Unless specified to the contrary by the Committee on the Grant Date, an Award may be satisfied:

3.5.1 by the issue of new Shares; and/or

3.5.2 by the transfer of treasury Shares; and/or

3.5.3 by the transfer of Shares (other than the transfer of treasury Shares).

The Committee may decide to change the way in which it is intended that an Award may be satisfied after it has been granted, having regard to the provisions of Rule 4 (*Limits*).

3.6 Timing of grant

Subject to Rule 3.7 (*Approvals and consents*), an Award may only be granted within the period of 42 days beginning on:

3.6.1 the day on which the Plan is approved by shareholders in general meeting;

3.6.2 the first dealing day after the day on which the Company makes an announcement of its results for any period;

3.6.3 the day on which the Company's directors' remuneration policy is approved by shareholders; or

3.6.4 any day on which the Board resolves that exceptional circumstances exist which justify the grant of Awards,

unless the Company is restricted from granting Awards during the periods specified above as a result of any Dealing Restrictions, in which case the relevant grant period will be 42 days beginning on the day after such Dealing Restrictions are lifted.

An Award may not be granted after [●] 2033 (that is, the expiry of the period of 10 years beginning with the date on which the Plan was approved by shareholders).

3.7 Approvals and consents

The grant of any Award shall be subject to obtaining any approval or consent required under the Listing Rules, any relevant share dealing code of the Company, the City Code on Takeovers and Mergers, or any other UK or overseas regulation or enactment.

3.8 Non-transferability and bankruptcy

An Award granted to any person:

3.8.1 shall not be transferred, assigned, charged or otherwise disposed of (except on their death to their personal representatives) and shall lapse immediately on any attempt to do so; and

3.8.2 shall lapse immediately if that person is declared bankrupt unless the Committee determines otherwise.

3.9 Acceptance of Awards

3.9.1 A Participant may be required to accept an Award in such form as the Board reasonably requires and, if the Board has not received (or waived the right to require) such acceptance on or before the date that is three months after the Grant Date:

3.9.2 the Award may not be released; and/or

3.9.3 the Board may determine that the Award will lapse.

4. LIMITS

4.1 10 per cent. in 10 years limit

An Award shall not be granted in any calendar year if, at the time of its proposed Grant Date, it would cause the number of Shares allocated (as defined in Rule 4.2) in the period of 10 calendar years ending with that calendar year and under any other employee share plan adopted by the Company to exceed such number as represents 10 per cent. of the ordinary share capital of the Company in issue at that time.

4.2 5 per cent. in 10 years limit

An Award shall not be granted in any calendar year if, at the time of its proposed Grant Date, it would cause the number of Shares allocated (as defined in Rule 4.3) on a discretionary basis in the period of 10 calendar years ending with that calendar year and under any other employee share plan adopted by the Company to exceed such number as represents 5 per cent. of the ordinary share capital of the Company in issue at that time.

4.3 Meaning of "allocated" and exceptions

For the purposes of Rules 4.1 and 4.2:

4.3.1 Shares are allocated:

(a) when an option, award or other contractual right to acquire unissued Shares or treasury Shares is granted;

(b) where Shares are issued or treasury Shares are transferred otherwise than pursuant to an option, award or other contractual right to acquire Shares, when those Shares are issued or treasury Shares transferred;

4.3.2 any Shares which have been issued or which may be issued (or any Shares transferred out of treasury or which may be transferred out of treasury) to any trustees to satisfy the exercise of any option, award or other contractual right granted under any

employee share plan shall count as allocated unless they are already treated as allocated under this Rule; and

4.3.3 for the avoidance of doubt, existing Shares other than treasury Shares that are transferred or over which options, awards or other contractual rights are granted shall not count as allocated.

4.4 Post-grant events affecting numbers of "allocated" Shares

For the purposes of Rule 4.3:

4.4.1 where:

- (a) any option, award or other contractual right to acquire unissued Shares or treasury Shares is released or lapses (whether in whole or in part); or
- (b) after the grant of an option, award or other contractual right the Committee determines that:
 - (i) it shall be satisfied by the payment of cash equal to the gain made on its vesting or exercise; or
 - (ii) it shall be satisfied by the transfer of existing Shares (other than Shares transferred out of treasury)

the unissued Shares or treasury Shares which consequently cease to be subject to the option, award or other contractual right shall not count as allocated; and

4.4.2 the number of Shares allocated in respect of an option, award or other contractual right shall be such number as the Committee shall reasonably determine from time to time.

4.5 Changes to investor guidelines

Treasury Shares shall cease to count as allocated Shares for the purposes of Rule 4.3 if institutional investor guidelines cease to require such Shares to be so counted.

4.6 Individual limit

The maximum total market value (as determined by the Committee) of Shares over which Awards may be granted to any employee in respect of a Plan Year is 500% of their annual rate of salary as determined on such basis as the Committee reasonably selects.

4.7 Effect of limits

Any Award shall be limited and take effect so that the limits in this Rule 4 are complied with.

4.8 Restriction on use of unissued Shares and treasury Shares

No Shares may be issued or treasury Shares transferred to satisfy the exercise of any Option or the Vesting of any Conditional Award to the extent that such issue or transfer would cause the number of Shares allocated (as defined in Rule 4.3 (*Meaning of "allocated" and exceptions*))

and adjusted under Rule 4.4 (*Post-grant events affecting numbers of “allocated” Shares*) to exceed the limit in Rules 4.1 (*10 per cent. in 10 years limit*) and 4.2 (*5 per cent. in 10 years limit*) except where there is a variation of share capital of the Company which results in the number of Shares so allocated exceeding such limits solely by virtue of that variation.

5. ANNUAL AWARDS: PERFORMANCE AGAINST PRE-GRANT PERFORMANCE TARGETS

5.1 Pre-Grant Performance Targets shall be set by the Committee for the purposes of each Plan Year in connection with which the Committee decides to grant Annual Awards and be communicated to such persons and at such times as the Committee considers appropriate.

5.2 In determining whether any Annual Awards in relation to the relevant Plan Year shall be made the Committee shall ordinarily grant Annual Awards (if any) by reference to the extent to which the applicable Pre-Grant Performance Targets have been satisfied and such other factors as it considers appropriate.

5.3 Regardless of performance against any Pre-Grant Performance Target however, the Committee may at its discretion adjust (including by reducing to nil) the level at which it will grant Annual Awards if it considers that:

5.3.1 the level of Annual Award that it would otherwise consider granting by reference to performance against the Pre-Grant Performance Targets alone does not reflect the underlying financial or non-financial performance of the Participant or the Company for the relevant measurement period;

5.3.2 the level of Annual Award that it would otherwise consider granting by reference to performance against the Pre-Grant Performance Targets alone is not appropriate in the context of circumstances that were unexpected or unforeseen at the beginning of the relevant measurement period;

5.3.3 the level of Annual Award that it would otherwise consider granting by reference to performance against the Pre-Grant Performance Targets alone would amount to a windfall gain; or

5.3.4 there exists any other reason why an adjustment is appropriate,

taking into account such factors as the Committee considers relevant.

6. LONG-TERM AWARDS: POST-GRANT PERFORMANCE TARGET

6.1 Long-Term Awards shall be subject to the satisfaction of a Post-Grant Performance Target which shall, subject to Rules 13 (*Leavers*) and 14 (*Takeovers and other corporate events*) be measured over the Performance Period.

6.2 The Committee may amend or substitute a Post-Grant Performance Target in accordance with its terms or if the Committee considers that an amended or substituted Post-Grant Performance Target is reasonable, appropriate and would not be materially less difficult to satisfy than when it was originally set.

7. NORMAL VESTING OF AWARDS

Annual Awards

7.1 Subject to Rules 8.5 (*Discretion*), 13 (*Leavers*) and 14 (*Takeovers and other corporate events*), Annual Awards shall (unless the Committee decides otherwise at any time prior to the Vesting date) vest as follows:

7.1.1 Annual Awards granted to Executive Directors shall vest as to:

- (a) 42.86% of the Shares in an Annual Award shall Vest on the Grant Date and be settled in cash as set out in Rule 11 (*Cash alternative*);
- (b) 28.57% of the Shares in an Annual Award shall Vest on the second anniversary of the Grant Date, and shall be subject to a Retention Period of two years; and
- (c) 28.57% of the Shares in an Annual Award shall Vest on the third anniversary of the Grant Date, and shall be subject to a Retention Period of 6 months.

7.1.2 Annual Awards granted to a Participant who is not an Executive Director on the Grant Date shall:

- (a) vest as to one third of the Shares comprised in that Annual Award on each of the first, second and third anniversaries of the Grant Date;
- (b) where granted to a Participant who is an IFPR Material Risk Taker, be subject to a Retention Period of 6 months; and
- (c) where granted to a Participant who is IFD Material Risk Taker, be subject to a Retention Period of 12 months,

provided that the Committee may set a different Retention Period on or before the Vesting Date or if required by regulation.

Long-Term Awards

7.2 As soon as reasonably practicable after the end the Performance Period (or if, as a result of the application of Rules 13 (*Leavers*) and 14 (*Takeovers and other corporate events*), this Rule applies to a Long-Term Award before the end of the Performance Period, then at the relevant time), the Committee will determine if and to what extent the Performance Condition has been satisfied, and, accordingly, the extent to which the Long-Term Award will, subject to Rule 8.5 (*Discretion*), Vest. If the extent to which the Performance Condition is satisfied is determined before the end of the Performance Period, the Committee will take into account such factors as it considers are relevant.

7.3 Following Vesting, Long-Term Awards granted to:

7.3.1 an Executive Director shall be subject to a Retention Period of two years; and

7.3.2 any other Participant (including IFPR Material Risk Takers and/or an IFD Material Risk Takers) shall be subject to a Retention Period of 12 months

(or such other period as the Committee may determine on or before the Grant Date).

- 7.4 An Award will Vest to the extent determined in accordance with Rules 7.2 and 7.3 and any part of the Award that does not Vest on such date will lapse immediately.

Awards

- 7.5 The Committee shall have the discretion, on or before the Grant Date of an Award, to set a different Performance Period (for Long-Term Awards) and/or a different Retention Period for an Annual Award, a Long-Term Award or both.

8. VESTING OF AWARDS

8.1 Vesting of Award

Subject to the terms of the Plan and earlier Vesting pursuant to Rule 13 (*Leavers*) and 14 (*Takeovers and other corporate events*) where relevant, Awards shall Vest for the purposes of the Plan as to the relevant number of Vested Shares in line with their Normal Vesting Profile and Timetable as set out in Rule 7 (*Normal Vesting of Awards*), in all cases as determined by the Committee.

8.2 Restrictions on Vesting: regulatory, corporate governance and tax issues

An Award shall not Vest in respect of the relevant Vested Shares unless and until the following conditions are satisfied:

- 8.2.1 the Vesting of such Vested Shares and the issue or transfer of Shares after such Vesting would be lawful in all relevant jurisdictions and in compliance with the Listing Rules, any relevant share dealing code of the Company, the City Code on Takeovers and Mergers and any other relevant UK or overseas regulation or enactment;
- 8.2.2 if, on the Vesting of the Vested Shares, a Tax Liability would arise by virtue of such Vesting and the Committee decides that such Tax Liability shall not be satisfied by the sale of Shares pursuant to Rule 8.4 (*Payment of Tax Liability*) then the Participant must have entered into arrangements acceptable to the Committee to ensure that the relevant Group Member will receive the amount of such Tax Liability;
- 8.2.3 where the Committee requires, the Participant has entered into, or agreed to enter into, a valid election under Part 7 of ITEPA (*Employment income: elections to disapply tax charge on restricted securities*) or any similar arrangement in any overseas jurisdiction;
- 8.2.4 where the Award is subject to a Retention Period, the Participant has entered into such arrangements (including entering into any agreement) as required by the Committee in order to comply with the applicable Retention Period; and
- 8.2.5 the Participant has taken such action (including entering into any agreement) as the Committee may reasonably require in connection with the Company's shareholding guidelines applicable immediately prior to Vesting.

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

8.3 Tax liability before Vesting

If a Participant will, or is likely to, incur any Tax Liability before the Vesting of an Award (or any part thereof) then that Participant must enter into arrangements acceptable to any relevant Group Member to ensure that it receives the amount of such Tax Liability. If no such arrangement is made then the Participant shall be deemed to have authorised the Company to sell or procure the sale of sufficient of the Shares subject to their Award on their behalf to ensure that the relevant Group Member receives the amount required to discharge the Tax Liability and the number of Shares the Participant will receive shall be reduced accordingly.

For the purposes of this Rule 8.3, references to Group Member include any former Group Member.

8.4 Payment of Tax Liability

The Participant authorises the Company to sell or procure the sale of sufficient of the relevant Vested Shares on or following the Vesting of their Award (or any part thereof) on their behalf to ensure that any relevant Group Member or former Group Member receives the amount required to discharge the Tax Liability which arises on Vesting except to the extent that the Committee decides that all or part of the Tax Liability shall be funded in a different manner.

8.5 Discretion

The Committee may, in its discretion, at any time before an Award (or any part of it) Vests adjust (including by reducing to nil) the extent to which such Award (or part of it) would (but for this Rule 8.5) Vest, if it considers that:

- 8.5.1 such Vesting level does not reflect the underlying financial or non-financial performance of the Participant or the Company;
- 8.5.2 such Vesting level is not appropriate in the context of circumstances that were unexpected or unforeseen at the Grant Date;
- 8.5.3 any value in the Award at Vesting amounts to a windfall gain; or
- 8.5.4 there exists any other reason why an adjustment is appropriate,

taking into account such factors as the Committee considers relevant. If the Committee determines that an Award (or part of it) should be reduced under this Rule 8.5, the relevant part of such Award shall lapse immediately.

9. CONSEQUENCES OF VESTING

9.1 Options

An Option shall, subject to Rule 10.1 (*Restrictions on the exercise of an Option: regulatory, corporate governance and tax issues*), be exercisable in respect of the relevant Vested Shares

during the period commencing on the date on which the Option Vests in respect of such Vested Shares and ending on the day before the tenth anniversary of the Grant Date (or such other¹ period as the Committee shall determine on or before the Grant Date or exceptionally following such time having regard to applicable laws) subject to it lapsing earlier under Rules 13.1 and 13.2 (*Leavers*) or Rules 14.1 to 14.3 (*Takeovers and other corporate events*).

9.2 Conditional Awards

On or as soon as reasonably practicable after the Vesting of a Conditional Award in respect of Vested Shares, the Committee shall, subject to Rule 8.4 (*Payment of Tax Liability*) and any arrangement made under Rules 8.2 (*Restrictions on Vesting: regulatory, corporate governance and tax issues*), transfer or procure the transfer of the relevant Vested Shares to the Participant (or a nominee for them).

9.3 Dividend Equivalent

Unless the Committee determines otherwise, a Participant (or their nominee), other than an IFD Material Risk Taker who is not subject to the proportionality principle pursuant to paragraph 4, Article 32 of the Investment Firm Directive ((EU) 2019/2034), shall be entitled to cash and/or Shares (as determined by the Committee) of a value determined by reference to the dividends that would have been paid on the relevant Vested Shares in respect of dividend record dates occurring during the period between the Grant Date and the date of Vesting of such Vested Shares. The Committee shall decide the basis on which the value of such dividends shall be calculated which may assume the reinvestment of dividends.

The Committee, acting fairly and reasonably, may decide to exclude the value of all or part of a special dividend or any other dividend from the amount of such "**Dividend Equivalent**".

The provision of the Dividend Equivalent to the Participant shall be made as soon as practicable after the transfer of the relevant Vested Shares and:

- 9.3.1 in the case of a cash payment, shall be subject to such deductions (on account of tax or similar liabilities) as may be required by law or as the Committee may reasonably consider to be necessary or desirable;
- 9.3.2 in the case of a provision of Shares, Rule 8.2 (*Restrictions on Vesting: regulatory, corporate governance and other tax issues*) shall apply as if such provision was the Vesting of an Award in respect of such Shares.

10. EXERCISE OF OPTIONS

10.1 Restrictions on the exercise of an Option: regulatory, corporate governance and tax issues

¹Exercise periods in excess of 10 years can cause tax issues for UK participants. In the unlikely event that a longer exercise period is required, appropriate advice should be sought prior to any such determination. If relevant, Irish resident employees should be granted options with a maximum exercise period of 7 years to avoid tax on grant.

An Option which has Vested may not be exercised in respect of the relevant Vested Shares unless the following conditions are satisfied:

- 10.1.1 the exercise of the Option in respect of such Vested Shares and the issue or transfer of Shares after such exercise would be lawful in all relevant jurisdictions and in compliance with the Listing Rules, any relevant share dealing code of the Company, the City Code on Takeovers and Mergers and any other relevant UK or overseas regulation or enactment;
- 10.1.2 if, on the exercise of the Option in respect of such Vested Shares, a Tax Liability would arise by virtue of such exercise and the Committee decides that such Tax Liability shall not be satisfied by the sale of Shares pursuant to Rule 8.4 (*Payment of Tax Liability*) then the Participant must have entered into arrangements acceptable to the Committee that the relevant Group Member shall receive the amount of such Tax Liability;
- 10.1.3 where the Committee requires, the Participant has entered into, or agreed to enter into, a valid election under Part 7 of ITEPA (*Employment income: elections to disapply tax charge on restricted securities*) or any similar arrangement in any overseas jurisdiction;
- 10.1.4 where the Option is subject to a Retention Period, the Participant has entered into such arrangements (including entering into any agreement) as required by the Committee in order to comply with the applicable Retention Period; and
- 10.1.5 the Participant has taken such action (including entering into any agreement) as the Committee may reasonably require in connection with the Company's shareholding guidelines applicable immediately prior to exercise.

For the purposes of this Rule 10.1, references to Group Member include any former Group Member.

10.2 Exercise in whole or part

An Option may be exercised in full or in part in respect of the Vested Shares comprised within that Option and the Committee may specify a minimum number of Vested Shares in respect of which an Option may be exercisable in part on any one occasion at its discretion.

10.3 Method of exercise

The exercise of any Option in respect of Vested Shares shall be effected in the form and manner prescribed by the Committee. Unless the Committee, acting fairly and reasonably determines otherwise, any notice of exercise shall, subject to Rule 10.1 (*Restrictions on the exercise of an Option: regulatory, corporate governance and tax issues*), take effect only when the Company receives it, together with payment of any relevant Option Price (or, if the Committee so permits, an undertaking to pay that amount).

10.4 Payment of Tax Liability

The Participant authorises the Company to sell or procure the sale of sufficient Vested Shares on or following the exercise of the Option to ensure that any relevant Group Member receives the amount required to discharge any Tax Liability which arises on such exercise except to the extent that the Committee decides that all or part of the Tax Liability shall be funded in a different manner.

10.5 Transfer or allotment timetable

As soon as reasonably practicable after an Option has been exercised in respect of Vested Shares, the Company shall, subject to Rule 8.4 (*Payment of Tax Liability*) and any arrangement made under Rule 10.1.2 (*Restrictions on exercise: regulatory, corporate governance and tax issues*), transfer or procure the transfer to him (or a nominee for him) or, if appropriate, allot to him (or a nominee for him) the number of Shares in respect of which the Option has been exercised.

10.6 Lapse of Options

An Option which has become exercisable in respect of Vested Shares shall lapse at the end of the Exercise Period to the extent it has not been exercised unless it lapses earlier under Rule 13 (*Leavers*) or Rule 14 (*Takeovers and other corporate events*).

11. CASH ALTERNATIVE

11.1 Committee determination

Where an Option has been exercised or where a Conditional Award Vests and the relevant Vested Shares have not yet been allotted or transferred to the Participant (or their nominee), the Committee may determine that, in substitution for their right to acquire such number of Vested Shares as the Committee may decide (but in full and final satisfaction of their right to acquire those Shares), they shall be paid by way of additional employment income a sum equal to the cash equivalent (as defined in Rule 11.3) of that number of Shares in accordance with the following provisions of this Rule 11.

11.2 Limitation on the use of this Rule

Rule 11.1 (*Committee determination*) shall not apply in relation to an Award made to a Participant in any jurisdiction where the presence of Rule 11.1 would cause:

- 11.2.1 the grant of the Award to be unlawful or for it to fall outside any applicable securities law exclusion or exemption; or
- 11.2.2 adverse tax or social security contribution consequences for the Participant or any Group Member as determined by the Committee

provided that this Rule 11.2 shall only apply if its application would prevent the occurrence of a consequence referred to in 11.2.1 or 11.2.2 above.

11.3 Cash equivalent

For the purpose of this Rule 11.3, the cash equivalent of a Share is:

11.3.1 in the case of a Conditional Award the market value of a Share on the day when the Award Vests in respect of the relevant Vested Shares; and

11.3.2 in the case of an Option, the market value of a Share on the day when the Option is exercised in respect of the relevant Vested Shares reduced by the Option Price in respect of that Share.

Market value on any day shall be determined as follows:

11.3.3 if on the day of Vesting or exercise, Shares are quoted in the London Stock Exchange Daily Official List, the middle-market quotation of a Share, as derived from that List, on that day unless the Committee determines otherwise (e.g. a determination to use an averaging period); or

11.3.4 if Shares are not so quoted, such value of a Share as the Committee reasonably determines.

11.4 Payment of cash equivalent

As soon as reasonably practicable after the Committee has determined under Rule 11.3 that a Participant shall be paid a sum in substitution for their right to acquire any number of Vested Shares the Company shall pay to them or procure the payment to them of that sum in cash and if they have already paid the Company for those Shares, the Company shall return to them the amount so paid by them.

11.5 Deductions

There shall be deducted from any payment under this Rule 11.5 such amounts (on account of tax or similar liabilities) as may be required by law or as the Committee may reasonably consider to be necessary or desirable.

12. LAPSE OF AWARDS

An Award shall lapse in accordance with the Rules.

13. LEAVERS

Good leavers

13.1 Rule 13.2 applies where a Participant ceases to be a director or an employee at any time by reason of:

13.1.1 retirement with the agreement of their employer;

13.1.2 injury or disability evidenced to the satisfaction of the Committee;

13.1.3 their office or employment being with either a company which ceases to be a Group Member or relating to a business or part of a business which is transferred to a person who is not a Group Member; or

- 13.1.4 for any other reason (other than for gross misconduct, in which case the Award will lapse on the date of such cessation), if the Committee so decides.
- 13.2 Subject to Rule 3.7 (*Approvals and consents*), Rule 8.2 (*Restrictions on Vesting: regulatory, corporate governance and tax issues*), Rule 8.5 (*Discretion*), Rule 13.8 (*Scaling back of Awards*) and Rule 14 (*Takeovers and other corporate events*), unless the Committee determines otherwise:
- 13.2.1 the Participant shall be eligible for consideration for selection to receive one further Annual Award under the Plan being an Annual Award granted in connection with the Plan Year in which such cessation arises. Any such Annual Award shall, unless the Committee determines otherwise:
- (a) be granted at the same time as any Annual Awards granted to others in connection with such Plan Year;
 - (b) be pro-rated to reflect the proportion of the Plan Year for which the Participant was employed; and
 - (c) shall Vest in accordance with its Normal Vesting Profile and Timetable, unless the Committee determines that it will Vest on an earlier date or earlier dates; and
- 13.2.2 any Awards held by the Participant shall, subject to Rule 13.4, Vest in accordance with their Normal Vesting Profile and Timetable, unless the Committee determines that an Award will Vest on an earlier date or dates.
- 13.3 Where this Rule 13 applies to an Award that is an Option then:
- 13.3.1 the relevant Exercise Period for the purposes of Rule 13.2 shall expire 12 months following the date the relevant Shares become Vested Shares and the Option shall lapse in respect of such Vested Shares if not so exercised by the expiry of such period, subject to earlier lapse under the Rules of the Plan; and
- 13.3.2 any Option that has Vested on the date of cessation shall continue to be exercisable in respect of the Vested Shares comprised in that Option (or such lesser number pursuant to Rule 13.8 (*Scaling back of Awards*)) for a period of 12 months commencing on the date of cessation (or, if shorter, until the expiry of the Exercise Period), subject to earlier lapse under the Rules of the Plan. To the extent that the Option is not exercised in respect of such Vested Shares, it shall lapse at the end of that 12 month period.
- 13.4 Where the Award is subject to a Retention Period, that Retention Period shall continue to apply to the Shares acquired under the Award, whether the Award Vests on or after the date of cessation of employment.

13.5 Death

Subject to Rule 3.6 (*Approvals and consents*), Rule 8.2 (*Restrictions on Vesting: regulatory, corporate governance and tax issues*), Rule 8.5 (*Discretion*), Rule 13.8 (*Scaling back of Awards*) and Rule 14 (*Takeovers and other corporate events*), and unless the Committee determines otherwise, if a Participant ceases to hold office or employment with a Group Member as a result of death:

- 13.5.1 the Participant shall be eligible for consideration for selection to receive one further Annual Award under the Plan being an Annual Award granted in connection with the Plan Year in which death occurs. Any such Annual Award shall, unless the Committee determines otherwise:
- (a) be granted at the same time as any Annual Awards granted to others in connection with such Plan Year;
 - (b) be pro-rated to reflect the proportion of the Plan Year in which the Participant was employed; and
 - (c) Vest in full (and, where applicable, be released from any Retention Period) on the Grant Date;
- 13.5.2 before an Award has Vested in accordance with its Normal Vesting Profile and Timetable, the Award shall Vest on the date of death and Rule 13.8 (*Scaling back of Awards*) shall apply, unless the Committee determines that the Award should continue, in which case Rule 13.2 shall apply;
- 13.5.3 where an Award has Vested but is subject to a Retention Period the Award shall be released as soon as reasonably practicable after the date of death; and
- 13.5.4 where the Award is an Option:
- (a) the relevant Exercise Period for the purposes of Rule 13.5.1 and 13.5.2 shall expire 12 months following the date the relevant Shares become Vested Shares and the Option shall lapse in respect of such Vested Shares if not so exercised by the expiry of such period, subject to earlier lapse under the Rules of the Plan; and
 - (b) any Option that has Vested on the date of cessation shall continue to be exercisable in respect of the Vested Shares comprised in that Option (or such lesser number pursuant to Rule 13.8 (*Scaling back of Awards*)) for a period of 12 months commencing on the date of death (or, if shorter, until the expiry of the Exercise Period), subject to earlier lapse under the Rules of the Plan. To the extent that the Option is not exercised in respect of such Vested Shares, it shall lapse at the end of that 12 month period.
- 13.5.5 where the Award is subject to a Retention Period, that Retention Period shall end on the date of death and the Shares will be released.

13.6 Cessation of employment in other circumstances

If a Participant ceases to be a director or an employee of a Group Member other than in circumstances referred to in Rule 13.1 (*Good leavers*) or gives or receives notice other than in connection with such circumstances then:

- 13.6.1 all Unvested Awards held by the Participant shall lapse in full on the date of such cessation (or notice as relevant);
- 13.6.2 if the Award is an Option, any Options which have Vested at the time of cessation (or notice as relevant) shall (other than in the case of dismissal for gross misconduct, in which case their Award shall lapse in full) continue to be exercisable in respect of such Vested Shares (or such lesser number pursuant to Rule 13.8 (*Scaling back of Awards*)) for a period of 12 months commencing on the date of cessation (or, if shorter, until the expiry of the Exercise Period) and, to the extent that the Option is not exercised, it shall lapse at the end of that period; and
- 13.6.3 any Retention Period to which a Participant's Vested Awards are subject shall continue to apply, unless the Committee determines otherwise..

13.7 Meaning of ceasing employment

A Participant shall not be treated for the purposes of this Rule 13 as ceasing to be a director or employee of a Group Member until such time as they are no longer a director or employee of any Group Member. If any Participant ceases to be such a director or employee before an Award Vests in circumstances where they retain a statutory right to return to work then they shall be treated in relation to such part as not having ceased to be such a director or employee until such time (if at all) as they cease to have such a right to return to work while not acting as an employee or director.

The reason for the termination of office or employment of a Participant shall be determined by reference to Rules 13.1 and 13.6 regardless of whether such termination was lawful or unlawful.

13.8 Scaling back of Awards

Where Rules 13.2 or 13.5 apply, the Committee will consider the extent to which an Award will Vest, taking in account:

- 13.8.1 in the case of a Long-Term Award, the extent to which the relevant Performance Target has, in the Committee's opinion, been satisfied;
- 13.8.2 in the case of a Long-Term Award, the proportion of the Performance Period that has elapsed on the date of cessation (unless the Committee determines otherwise);
- 13.8.3 in the case of an Annual Award, the Award shall not be reduced to reflect the proportion of the period from the Grant Date to the date on which the Award would vest under the Normal Vesting Profile and Timetable that has elapsed on the date of cessation unless the Committee determines otherwise, in which case the Committee shall determine the basis on which any such reduction shall be made; and

- 13.8.4 whether it is appropriate to adjust (including by reducing to nil) the extent to which the Award (whether an Annual Award or a Long-Term Award) would (but for this Rule 13.8) Vest, if it considers that Rule 8.5 (*Discretion*) applies, taking into account such factors as the Committee considers relevant.

13.9 Good leavers – Unvested Award Shares

- 13.9.1 Where a Participant holds Unvested Award Shares pursuant to Rule 13.2.2 and the Committee becomes aware that the Participant has commenced, or intends to commence, employment with, or otherwise to provide services for which the Participant is remunerated to, a third party which is, in the opinion of the Committee, a competitor of any member of the Group, the Committee may determine that the Participant's Unvested Award Shares shall lapse in full (or as to such number as determined by the Committee) on a date determined by the Committee.
- 13.9.2 The Committee may determine that the Vesting of an Award shall be conditional on the Participant providing such confirmation as may reasonably be required by the Committee that the Participant has not done, or failed to do, anything which would permit the Committee to determine that the Award shall lapse under Rule 13.9.1.

13.10 Death following cessation of employment

If a Participant dies following cessation of employment in circumstances where their Award did not lapse but it has not Vested at the time of their death, it shall Vest immediately on their death to the extent determined by reference to the time of cessation in accordance with Rule 13.8.

An Award in the form of an Option that Vested under this Rule may, subject to Rule 10.1 and Rule 14, be exercised in respect of the Vested Shares within a period of 12 months commencing on the date of Vesting (or, if shorter, until the expiry of the exercise period) and, to the extent that the Option is not exercised, it shall lapse at the end of that period.

13.11 Post-cessation change in circumstances

If an Award continues in accordance with Rule 13.2 following a Participant ceasing to hold office or employment with a Group Member, the Committee may:

- (a) require the Participant to confirm, in such form and at such time or times as the Committee may require that, in the period between the date of cessation and the date on which the Award Vests, the Participant has not started employment with, or otherwise rendered services to, any other person;
- (b) make the delivery of any Shares to satisfy the Release of the Award (if it is a Conditional Award) or the exercise of an Award (if it is an Option) conditional on the Participant giving the confirmation referred to in (a) above;
- (c) determine that the Award will lapse if:
 - (i) the Participant does not give the confirmation referred to in (a); or

- (ii) if the Committee determines that in the period between the date of cessation and the date on which the Award Vests the Participant has started employment with, or otherwise to provide services to, any other person.

14. TAKEOVERS AND OTHER CORPORATE EVENTS

14.1 General offers

If any person (or group of persons acting in concert):

- 14.1.1 obtains Control of the Company as a result of making a general offer to acquire Shares; or
- 14.1.2 having obtained Control of the Company makes such an offer and such offer becomes unconditional in all respects

subject to Rule 8.2 (*Restrictions on Vesting: regulatory, corporate governance and tax issues*), Rule 8.5 (*Discretion*) Rule 14.4 (*Internal reorganisations*) and Rule 13.8 (*Scaling back of Awards*) and the remainder of this Rule the following provisions shall apply unless the Committee determines otherwise:

- 14.1.3 the Participant shall be eligible for consideration for selection to receive one further Annual Award under the Plan being an Annual Award granted in connection with the Plan Year in which such event arises but the number of Shares in such Annual Award shall, unless the Committee determines otherwise, be pro-rated to reflect the proportion of the Plan Year which has elapsed on the date of the event). Such Annual Award may be granted in anticipation of the relevant event referred to above with appropriate conditionality and the Award Shares comprised in such Annual Award shall be added to the Participant's Unvested Award Shares for the purposes of Rule 14.1.4 below;
- 14.1.4 the Participant's Unvested Award Shares (or such lesser number pursuant to Rule 14.5 (*Scaling back of Awards*)) as at such date related to the relevant event as the Committee determines shall Vest on the date of such person obtaining Control (or in the case of Rule 14.1.1 the date the offer become unconditional in all respects) and any Retention Period to which an Award is subject shall cease to apply;
- 14.1.5 If the Award is an Option, the relevant Exercise Period for the purposes of rule 14.1.4 immediately above shall expire one month following the date the relevant Shares become Vested Shares and the Option shall lapse in respect of such Vested Shares if not so exercised by the expiry of such period; and
- 14.1.6 if the Award is an Option that has Vested but not yet been exercised as at the time of the notification, it may be exercised in respect of the Vested Shares comprised in that Option (or such lesser number pursuant to Rule 14.5 (*Scaling back of Awards*)) for a period of one month from the date of the relevant event referred to above (or if shorter, until the expiry of the relevant Exercise Period).

14.2 Schemes of arrangement and winding up

In the event that:

- 14.2.1 a compromise or arrangement is sanctioned by the Court under section 899 of the Companies Act 2006 in connection with or for the purposes of a change in Control of the Company; or
- 14.2.2 the Company passes a resolution for a voluntary winding up of the Company; or
- 14.2.3 an order is made for the compulsory winding up of the Company

subject to Rule 8.2 (*Restrictions on Vesting: regulatory, corporate governance and tax issues*), Rule 8.5 (*Discretion*), Rule 14.4 (*Internal reorganisations*) and Rule 14.5 (*Scaling back of Awards*) and the remainder of this Rule the following provisions shall apply unless the Committee determines otherwise:

- 14.2.4 the Participant shall be eligible for consideration for selection to receive one further Annual Award under the Plan being such Annual Award granted in connection with the Plan Year in which such event arises but the number of Shares in such Annual Award shall unless the Committee determines otherwise, be pro-rated to reflect the proportion of the Plan Year which has elapsed on the date of the event. Such Annual Award may be granted in anticipation of the relevant event referred to above with appropriate conditionality and the Award Shares comprised in such Annual Award shall be added to the Participant's Unvested Award Shares for the purposes of Rule 14.2.5 below;
- 14.2.5 the Participant's Unvested Award Shares (or such lesser number pursuant to Rule 14.5 (*Scaling back of Awards*)) as at such date related to the relevant event as the Committee determines shall Vest on the date of such relevant event referred to above and any Retention Period to which an Award is subject shall cease to apply;
- 14.2.6 If the Award is an Option, the relevant Exercise Period for the purposes of Rule 14.2.5 above shall expire one month following the date the relevant Shares become Vested Shares and the Option shall lapse in respect of such Vested Shares if not so exercised by the expiry of such period; and
- 14.2.7 if the Award is an Option that has Vested but not yet been exercised at the time of the notification may be exercised in respect of the Vested Shares comprised in that Option (or such lesser number pursuant to Rule 13.8 (*Scaling back of Awards*)) for a period of one month from the date of the relevant event referred to above (or if shorter, until the expiry of the relevant Exercise Period).

14.3 Demergers and similar events

If a demerger, special dividend or other similar event (the "**Relevant Event**") is proposed which, in the opinion of the Committee, would affect the market price of Shares to a material extent, then the Committee may, at its discretion, decide that one or more Awards will be treated in the same manner as if the Relevant Event were a trigger event under Rule 14.1 (*General offers*) by reference to such notification date as the Committee selects provided that if an Award

Vests, or an Option is exercised, on terms conditional upon the Relevant Event and such event does not occur then such conditional Vesting or exercise shall not be effective and the Award shall continue to subsist on its previous terms.

14.4 Internal reorganisations

In the event that:

- 14.4.1 a company (the "**Acquiring Company**") is expected to obtain Control of the Company as a result of an offer referred to in Rule 14.1 (*General offers*) or a compromise or arrangement referred to in Rule 14.2.1 (*Schemes of arrangement and winding up*); and
- 14.4.2 at least 75% of the shares in the Acquiring Company are expected to be held by substantially the same persons who immediately before the obtaining of Control of the Company were shareholders in the Company

then the Committee, with the consent of the Acquiring Company, may decide before the obtaining of such Control that an Award (or relevant part thereof) shall not Vest under Rule 14.1 (*General offers*) or Rule 14.2 (*Schemes of arrangement and winding up*) or Rule 14.3 (*Demergers and similar events*) but shall be automatically surrendered in consideration for the grant of a new award which the Committee determines is materially equivalent to the Award (or relevant part thereof) it replaces except that it will be over shares in the Acquiring Company or some other company.

The Rules will apply to any new award granted under this Rule 14.4 as if references to Shares were references to shares over which the new award is granted and references to the Company were references to the company whose shares are subject to the new award.

14.5 Scaling back of Awards

Where any of Rules 14.1 to 14.3 (*General offers, Schemes of arrangement and winding up, demergers and similar events*) apply, the Committee will consider the extent to which an Award will Vest, taking in account:

- 14.5.1 in the case of a Long-Term Award, the extent to which the relevant Performance Target has, in the Committee's opinion, been satisfied at the time of the relevant event;
- 14.5.2 in the case of a Long-Term Award, the proportion of the Performance Period that has elapsed on the date of the relevant event (unless the Committee determines otherwise);
- 14.5.3 in the case of an Annual Award, the Award shall not be reduced to reflect the proportion of the period from the Grant Date to the date on which the Award would vest under the Normal Vesting Profile and Timetable that has elapsed on the date of the relevant event unless the Committee determines otherwise, in which case the Committee shall determine the basis on which any such reduction shall be made; and

14.5.4 whether it is appropriate to adjust (including by reducing to nil) the extent to which the Award (whether an Annual Award or a Long-Term Award) would (but for this Rule 14.5.4) Vest, if it considers that Rule 8.5 (*Discretion*) applies, taking into account such factors as the Committee considers relevant.

15. MALUS AND CLAWBACK

Notwithstanding any other Rule, this Rule 15 applies to each Award and will continue to apply after the cessation of a Participant's office or employment with a Group Member for any reason, whether or not such termination is lawful.

15.1 Malus and Clawback

The Committee may where Rule 15.2 applies, at any time during the Recovery Period and in accordance with Rules 15.2.1 or 15.2.2:

15.1.1 reduce (including, if appropriate, reducing to zero) any of the following elements of the remuneration of the individual to whom the Award was granted (the "**relevant individual**"):

- (a) the number of Shares to which the Award relates;
- (b) in relation to Vested Options, the number of such Vested Shares subject to such Options; and/or

15.1.2 if Shares and/or cash have been delivered in satisfaction of an Award:

- (a) require the Participant to make a cash payment to such Group Member as the Committee may direct in respect of some or all of the Shares or cash delivered to them under the Award; or
- (b) require the Participant to transfer for nil consideration some or all of the Shares delivered to them under the Award;

and the Committee will determine the terms of such repayment or transfer (including, but without limitation, that the relevant amount is to be deducted from the relevant individual's salary or from any other payment to be made to the Participant by any Group Member); or

15.1.3 Impose further conditions on an Award under the terms of Rule 15.5.

15.2 Triggers applicable throughout the Recovery Period

15.2.1 The Board may take any of the actions set out in Rule 15.1.1 if it determines that any of the following circumstances have occurred or exist before the end of the Recovery Period:

- (a) there is reasonable evidence of employee misbehaviour or material error; or
- (b) the Company or a relevant business unit suffers a material downturn in financial performance.

15.2.2 The Board may take any of the actions set out in Rule 15.1 if it determines that any of the following circumstances have occurred or exist before the end of the Recovery Period:

- (a) the Committee forms the view that the Company materially misstated its financial results for whatever reason and that such misstatement resulted, either directly or indirectly, in an Award (i) being granted over a greater number of Shares, and/or (ii) Vesting to a greater degree than would have been the case had that misstatement not been made;
- (b) the Committee forms the view that in assessing any condition set in connection with the Award such assessment was based on an error, or on inaccurate or misleading information or assumptions and that such error, information or assumptions resulted either directly or indirectly in that Award (i) being granted over a greater number of Shares; and/or (ii) Vesting to a greater degree than would have been the case had that error not been made;
- (c) the Committee forms the view that there has been substantial failure of risk management;
- (d) the Committee forms the view that there has been serious reputational damage to the Company, any Group Member or a relevant business unit;
- (e) the Committee forms the view that there has been a material corporate failure in the Company, any Group Member or any business unit;
- (f) the Committee forms the view that the relevant individual is not considered to be fit and proper to perform their role;
- (g) serious misconduct or material error on the part of the Participant;
- (h) the Committee forms the view that an individual participated in or was responsible for fraud or other conduct or severe negligence which resulted in significant losses to the Group;
- (i) the Committee determines there has been a significant increase in the economic or regulatory capital base of the Company, the Group Member that employs the Participant or relevant business unit;
- (j) regulatory sanctions have been imposed on the Company or any member of the Group and the conduct of the relevant individual contributed materially to such regulatory sanction; or
- (k) any other event arises which the Committee considers to be similar in their nature or effect to those in this Rule 15.2.2.

15.3 Amount to be subject to recovery

Where Rule 15.2.1 applies, the Committee will determine the basis on which the amount of cash or Shares is calculated and whether that amount should take into account any income tax

and national insurance contributions paid by the relevant individual and any possibility of him reclaiming such income tax and national insurance contributions. Where Rules 15.2.2(a) and 15.2.2(b) apply, the amount subject to recovery shall be all or part of the additional value which the Committee considers has been received by the relevant individual as referred to in those Rules.

15.4 Cross-Clawback

The Committee may take any of the actions set out in Rule 15.1 in order to effect the recovery of sums paid or Shares delivered under any malus or clawback provisions that are included in any incentive plan (including the Plan) operated by any Group Member.

15.5 Other provisions relating to malus and clawback

If the action or conduct of any Participant, Group Member or relevant business unit is under investigation by the Company, or the Company has been notified by a third party that an investigation into such action or conduct has begun, before the end of the Recovery Period and such investigation has not been or is not expected to be concluded by that date, the Committee may extend the Recovery Period to end on such later date as the Committee considers appropriate to allow such investigation to be concluded.

For the purposes of this Rule 15, references to:

- (a) a Participant includes former Participants; and
- (b) a Group Member or relevant business unit includes any former Group Member or former business unit.

16. ADJUSTMENT OF AWARDS

16.1 General Rule

In the event of:

- 16.1.1 any variation of the share capital of the Company; or
- 16.1.2 a demerger, special dividend or other similar event which affects the market price of Shares to a material extent

the Committee may make such adjustments as it considers appropriate under Rule 16.2 (*Method of adjustment*).

16.2 Method of adjustment

An adjustment made under this Rule shall be to one or more of the following:

- 16.2.1 the number of Shares comprised in an Award;
- 16.2.2 subject to Rule 16.3 (*Adjustment below nominal value*), the Option Price; and
- 16.2.3 where any Award has Vested or Option has been exercised but no Shares have been transferred or allotted after such Vesting or exercise, the number of Shares which

may be so transferred or allotted and (if relevant) the price at which they may be acquired.

16.3 Adjustment below nominal value

An adjustment under Rule 16.2 (*Method of adjustment*) may have the effect of reducing the price at which Shares may be subscribed for on the exercise of an Option to less than their nominal value, but only if and to the extent that the Committee is authorised:

16.3.1 to capitalise from the reserves of the Company a sum equal to the amount by which the nominal value of the Shares in respect of which the Option is exercised and which are to be allotted after such exercise exceeds the price at which the Shares may be subscribed for; and

16.3.2 to apply that sum in paying up such amount on such Shares

so that on the exercise of any Option in respect of which such a reduction shall have been made the Committee shall capitalise that sum (if any) and apply it in paying up that amount.

17. ALTERATIONS

17.1 General Rule on alterations

Except as described in Rule 17.2 (*Shareholder approval*) and Rule 17.4 (*Alterations to disadvantage of Participants*) the Committee may at any time alter the Plan or the terms of any Award.

17.2 Shareholder approval

Except as described in Rule 17.3 (*Exceptions to shareholder approval*), no alteration to the advantage of an individual to whom an Award has been or may be granted shall be made under Rule 17.1 to the provisions concerning:

17.2.1 eligibility;

17.2.2 the individual limits on participation;

17.2.3 the overall limits on the issue of Shares or the transfer of treasury Shares;

17.2.4 the basis for determining a Participant's entitlement to, and the terms of, Shares or cash provided under the Plan;

17.2.5 the adjustments that may be made in the event of any variation of capital; and

17.2.6 the terms of this Rule 17.2,

without the prior approval by ordinary resolution of the members of the Company in general meeting.

17.3 Exceptions to shareholder approval

Rule 17.2 (*Shareholder approval*) shall not apply to:

17.3.1 any minor alteration to the benefit of the administration of the Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for Participants or any Group Member; or

17.3.2 any alteration relating to a Pre-Grant Performance Target or a Post-Grant Performance Target.

17.4 Alterations to disadvantage of Participants

No alteration to the material disadvantage of Participants (other than a change to any Performance Condition in accordance with Rule 17.5 (*Alterations to a Performance Target*)) in relation to subsisting Awards shall be made under Rule 17.1 (*General rule on alterations*) unless:

17.4.1 the Committee shall have invited every relevant Participant to indicate whether or not they approve the alteration; and

17.4.2 the alteration is approved by a majority of those Participants who have given such an indication.

17.5 Alterations to a Performance Target

The Committee may amend any Performance Target without prior shareholder approval if:

17.5.1 an event or set of events has occurred which causes the Committee reasonably to consider that it would be appropriate to amend the Performance Target;

17.5.2 the altered Performance Target will, in the reasonable opinion of the Committee, be not materially less difficult to satisfy than the unaltered Performance Target would have been but for the event in question; and

17.5.3 the Committee shall act fairly and reasonably in making the alteration.

18. MISCELLANEOUS

18.1 Employment

The rights and obligations of any individual under the terms of their office or employment with any Group Member shall not be affected by their participation in the Plan or any right which they may have to participate in it. An individual who participates in the Plan waives any and all rights to compensation or damages in consequence of the termination of their office or employment for any reason whatsoever insofar as those rights arise or may arise from them ceasing to have rights under an Award as a result of such termination. Participation in the Plan shall not confer a right to continued employment upon any individual who participates in it. The grant of any Award does not imply that any further Award will be granted nor that any Participant has a right to receive any further Award.

18.2 Disputes

In the event of any dispute or disagreement as to the interpretation of the Plan, or as to any question or right arising from or relating to the Plan, the decision of the Committee shall be final and binding upon all persons.

18.3 Exercise of powers and discretion

The exercise of any power or discretion by the Committee shall not be open to question by any person and a Participant or former Participant shall have no rights in relation to the exercise or omission to exercise any such power or discretion.

18.4 Share rights

All Shares allotted under the Plan shall rank equally in all respects with Shares then in issue except for any rights attaching to such Shares by reference to a record date before the date of allotment.

Where Vested Shares are transferred to Participants (or their nominees), Participants (or their nominees) shall be entitled to all rights attaching to such Shares by reference to a record date on or after the date of such transfer or release of such restrictions.

18.5 Notices

Any notice or other communication under or in connection with the Plan may be given:

18.5.1 by personal delivery or by sending the same by post, in the case of a company to its registered office, and in the case of an individual to their last known address, or, where he is a director or employee of a Group Member, either to their last known address or to the address of the place of business at which he performs the whole or substantially the whole of the duties of their office or employment;

18.5.2 in an electronic communication to their usual business address or such other address for the time being notified for that purpose to the person giving the notice; or

18.5.3 by such other method as the Committee determines.

18.6 Third parties

No third party has any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Plan.

18.7 Benefits not pensionable

Benefits provided under the Plan shall not be pensionable.

18.8 Data Protection

18.9 The personal data of any eligible employee, Participant or former Participant may be processed in connection with the operation of the Plan in accordance with the Group's prevailing data protection policy and as notified to eligible employees pursuant to a privacy notice or otherwise. If an eligible employee, Participant or former Participant is employed outside the European Economic Area and outside the United Kingdom and consent is needed for

processing of their personal data in connection with the operation of the Plan, by participating in the Plan, they consent to such processing of their personal data.

18.10 Governing law

The Plan and all Awards shall be governed by and construed in accordance with the law of England and Wales and the Courts of England and Wales have exclusive jurisdiction to hear any dispute.

SCHEDULE 1

PHANTOM CASH BASED AWARDS

The Rules of the IG Group Sustained Performance Plan shall apply to a right (a "**Phantom Conditional Award**") to receive a cash sum granted or to be granted under this Schedule as if it was a Conditional Award, except as set out in this Schedule. Where there is any conflict between the Rules and this Schedule, the terms of this Schedule shall prevail.

1. The Committee may grant or procure the grant of a Phantom Conditional Award.
2. Each Phantom Conditional Award shall relate to a given number of notional Shares.
3. On the Vesting of the Phantom Conditional Award the holder of that Award shall be entitled to a cash sum which shall be equal to the "Cash Value" of the notional Vested Shares, where the Cash Value of a notional Share is the market value of a Share on the date of Vesting of the Phantom Conditional Award. For the purposes of this Schedule, the market value of a Share on any day shall be determined in accordance with Rule 11.3 (*Cash equivalent*).
4. The cash sum payable under paragraph 3 above shall be paid by the employer of the Participant as soon as practicable after the Vesting of the Phantom Conditional Award, net of any deductions (on account of tax or similar liabilities) as may be required by law.
5. For the avoidance of doubt, a Phantom Conditional Award shall not confer any right on the holder of such an Award to receive Shares or any interest in Shares.

SCHEDULE 2

[SCHEDULE FOR AWARDS MADE TO US PARTICIPANTS TO BE INSERTED]