



PACE PLC

THE PACE INTERNATIONAL PERFORMANCE SHARE PLAN

As adopted by the Directors on 18 October 2010

As amended by the General Counsel and Company Secretary under power delegated by the Directors on 17 March 2011

As amended by the General Counsel and Company Secretary under power delegated by the Committee on 11 March 2013

As amended by the General Counsel and Company Secretary on 14 April 2014 under power delegated by the Remuneration Committee of the Company in February 2014

This Plan:-

- **provides for awards to be made to selected employees in the form of Performance Share Awards or Nil-Cost Option Awards or Cash-Based Awards**
- **was approved by ordinary resolution of shareholders of the Company on 18 October 2010**



Pinsent Masons

THE PACE INTERNATIONAL PERFORMANCE SHARE PLAN

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**RULES OF
THE PACE INTERNATIONAL PERFORMANCE SHARE PLAN
PART A: INTERPRETATION AND ADMINISTRATION**

1. DEFINITIONS

1.1 In this Plan the following words and expressions shall have the meanings given below:-

"Acquiring Company"	a company which has acquired Control of the Company
"Announcement"	the announcement to a Regulatory Information Service (as defined in The Listing Rules) of the results of the Company for any period
"Associated Company"	any company which, in relation to the Company, is an associated company as that term is defined in section 449 of the Corporation Tax Act 2010 but with the omission of the words "or at any other time within the preceding 12 months"
"Award"	a Performance Share Award or Nil-Cost Option Award granted in accordance with the rules of this Plan (as appropriate in the context)
"Award Certificate"	a certificate evidencing an Award
"Award Date"	in relation to an Award, the date on which that Award is made
"Awardholder"	a person to whom an Award has been made or, if that person has died and where the context requires, his Personal Representatives
"Awardholder's Employer"	such member of the Group as is an Awardholder's employer or, if he has ceased to be employed within the Group, was his employer or such other member of the Group, or other person as, under the PAYE Regulations or, as the case may be, the NI Regulations, or any other statutory or regulatory enactment (whether in the UK, the US, or otherwise) is obliged to account for any Award Tax Liability
"Award Shares"	the Shares over which an Award subsists
"Award Tax Liability"	in relation to an Awardholder, any liability of an Awardholder's Employer or of any other person to account to Her Majesty's Revenue and Customs, the US Internal Revenue Service or any other tax authority for any amount of, or representing, income tax or NICs or any equivalent charge in the nature of tax or social security contributions (whether under the laws of the UK, the US, or of any other jurisdiction) to which that Awardholder is subject (which, for the avoidance of doubt, will not include employer's payroll taxes in the US), which may arise on the grant, vesting, exercise, assignment or release of an Award or the acquisition of Shares pursuant to an Award

"Committee"	a duly authorised committee of the Directors
"Company"	Pace plc (registered in England and Wales no. 1672847)
"Control"	has the meaning given in section 719 of ITEPA
"Corporate Nominee"	the person in whose name Shares are registered under a Corporate Nominee Facility
"Corporate Nominee Facility"	an arrangement sponsored by the Company under which Shares owned by an individual who is an employee or former employee of a member of the Group are held in the name of a corporate nominee on behalf of such individual
"Daily Official List"	the Daily Official List of the London Stock Exchange
"Dealing Day"	a day on which the London Stock Exchange is open for business
"Directors"	the board of directors of the Company or a duly authorised committee of the directors
"Eligible Employee"	an employee of any member of the Group, but excluding any executive director of the Company
"Exchange Act"	the US Securities Exchange Act of 1934, as amended
"Exchange of Awards"	<p>the grant to the Awardholder, in consideration of the cancellation of an Award, of rights to acquire shares in an Acquiring Company, or a company which has Control of an Acquiring Company or either is, or has Control of, a company which is a member of a consortium owning either an Acquiring Company or a company having Control of an Acquiring Company, being rights which are:-</p> <p>(a) in the opinion of the Committee, substantially equivalent in value to the value of such Award; and</p> <p>(b) on terms approved by the Directors</p>
"Form of Acknowledgement"	in relation to an Award, a form completed by the Awardholder, under which the Awardholder notifies the Grantor of his acknowledgement of such Award and his agreement to be bound by the rules of this Plan and which is in such form as the Grantor may specify when the Award is made
"Grantor"	in relation to an Award, the Company or such other person as has made that Award
"Group"	the Company and any company which is for the time being a Subsidiary
"ITEPA"	the Income Tax (Earnings and Pensions) Act 2003
"Leaving"	ceasing to hold office or employment within the Group (and see Rule 2.7) and "Leaves" and other related expressions shall be construed accordingly

"Leaving Date"	the date on which an Awardholder Leaves
"London Stock Exchange"	London Stock Exchange plc
"Market Value"	in relation to a Share on any day, means the market value as determined by the Company and which may be determined using the middle market quotation of a Share as derived from the Daily Official List for the Dealing Day immediately preceding that day or the average of such middle market quotations over a period of up to three Dealing Days or such other basis as the Company determines appropriate
"Misconduct"	<p>(a) in relation to a US Awardholder, such Awardholder's (i) failure to substantially perform his job responsibilities in good faith, (ii) commission of an act of dishonesty, fraud, wilful disobedience, gross misconduct or breach of duty which detrimentally affects any member of the Group or any Associated Company, (iii) unauthorised use, misappropriation, destruction or diversion of any tangible or intangible asset or corporate opportunity of any member of the Group or an Associated Company, (iv) any material breach of any employment or service agreement between the Awardholder and any member of the Group or any Associated Company, (v) participation in any business operation or enterprise that competes with, or solicits the business or employment of the customers, employees or suppliers of any member of the Group or any Associated Company, during such Awardholder's term of employment with any member of the Group or any Associated Company, or (vi) indictment on charges of any felony or a misdemeanour involving fraud, dishonesty, misappropriation or moral turpitude; and</p> <p>(b) in relation to any other Awardholder, circumstances justifying the summary dismissal of such Awardholder from his office or employment with any member of the Group or any Associated Company</p>
"Model Code"	the code adopted by the Company, which contains provisions similar in purpose and effect to the provisions of the Model Code on directors' dealings in securities, as issued by the UK Listing Authority from time to time
"NICs"	national insurance contributions
"NI Regulations"	the laws, regulations and practices currently in force relating to liability for and the collection of NICs
"Nil-Cost Option Award"	a right to acquire shares granted pursuant to, and exercisable in accordance with, Part C
"Official List"	the official list of the UK Listing Authority
"Ordinary Share Capital"	the issued ordinary share capital of the Company other than fixed-rate preference shares, including any Shares held in treasury

"PAYE Regulations"	the regulations made under section 684 of ITEPA
"Performance Condition"	a condition (or conditions) measured over a given period and relating to performance of the Company and/or, as appropriate, of a Subsidiary and/or a business unit and/or the individual Awardholder, as specified pursuant to Rule 24
"Performance Period"	the period over which performance is to be measured for the purposes of determining whether and to what extent a Performance Condition is met
"Performance Share Award"	a right to acquire Shares granted pursuant to Part D
"Personal Data"	the name, home address, e-mail address and telephone number, date of birth, national insurance or other individual reference number of an Awardholder or other employee information, including details of all rights to acquire Shares or other securities granted to such Awardholder and of Shares or other securities issued or transferred to such Awardholder pursuant to this Plan and any other personal information which would identify the Awardholder and is necessary for the administration of this Plan
"Personal Representatives"	the personal representatives of an Awardholder (being either the executors of his will or, if he dies intestate, the duly appointed administrator(s) of his estate or, in either case, the equivalent under applicable local law) who have produced to the Company evidence of their appointment as such
"Plan"	the Pace International Performance Share Plan as set out in these rules and amended from time to time pursuant to Rule 32
"Shares"	fully-paid ordinary shares in the capital of the Company (or, following a reconstruction, demerger or reorganisation of the Company or a change of Control, shares or other securities acquired by virtue of, or in exchange for, such ordinary shares)
"Subsidiary"	any company which is for the time being a subsidiary (as defined in section 1159 of the Companies Act 2006) of the Company
"Trust"	the Pace plc Employee Benefits Trust
"Trustee"	the trustee or trustees for the time being of the Trust or of any other employee trust established for the benefit of employees of the Group
"UK"	United Kingdom
"UK Listing Authority"	the Financial Services Authority in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000
"US"	United States of America
"US Awardholder"	an Eligible Employee or Awardholder, as relevant in the context, who is resident in the US or is otherwise subject to

US employment laws and/or US securities laws and/or US Federal Income Tax

"Vested Award Shares"

Award Shares which an Awardholder has become entitled to acquire in consequence of:-

- (a) the ending of a Vesting Period and, for the avoidance of doubt, the Performance Condition(s) relevant to those Award Shares having been determined by the Committee to be met to any extent following the announcement of the Company's results for the relevant Performance Period(s);
- (b) if earlier, the operation of Rules 18 or 22 (Leaving); or
- (c) the application of Part G (Corporate Events)

and subject to any adjustment under Rules 19 and 23 (as appropriate) but no Award Shares shall become Vested Award Shares until the corresponding Vesting Certificate has been issued

PROVIDED THAT no Award Shares shall first become Vested Award Shares at a time when the Company is in a prohibited period or a black out period pursuant to the Model Code and such Award Shares shall first become Vested Award Shares on such date as shall be determined by the Committee to be the earliest date on which the Company is not in such a prohibited period or a black out period;

"Vesting Certificate"

in relation to any Award Shares, a certificate signed by or on behalf of the Committee confirming the extent, if any, to which the Award Shares shall become Vested Award Shares, being in such form as the Committee may specify from time to time

"Vesting Period"

- (i) in respect of any Award Shares the period commencing on the Award Date and ending on such date as the Committee specifies on or before the Award Date, which may be the date the Committee would determine (or would anticipate determining) the extent, if any, to which the Performance Condition(s) relevant to that Award has been met following the announcement of the Company's results for the Performance Period relevant to those Award Shares; and
- (ii) the Committee may also determine, on or before the Award Date, that where proportions of Award Shares within an Award are specified to have distinct Performance Periods, each of those elements of the Award will have a separate Vesting Period

1.2 Words and phrases not otherwise defined shall have the meanings they bear for the purposes of Part 7 of ITEPA.

2. **INTERPRETATION**

- 2.1 Any reference to any enactment includes a reference to that enactment as from time to time modified, extended or re-enacted.
- 2.2 Words denoting the masculine gender shall include the feminine.
- 2.3 Words denoting the singular shall include the plural and vice versa.
- 2.4 No account should be taken of the rule headings which have been inserted for ease of reference only.
- 2.5 References to Shares in respect of which an Award subsists at any time are to be read and construed as references to the Shares over which the Award is then held (and in respect of which it has not then lapsed).
- 2.6 References to unvested Award Shares shall be read and construed as references to Award Shares which, at any given time, have not become Vested Award Shares.

Time of Leaving

- 2.7 An Awardholder shall be treated for the purposes of this Plan as ceasing to hold office or employment within the Group when either he no longer holds any office or employment with any member of the Group or any Associated Company or, if earlier, when he gives or receives notice to terminate his office or employment with any member of the Group or any Associated Company or is dismissed without notice (including for Misconduct) from any such office or employment.

Resolution of Disputes

- 2.8 If any question, dispute or disagreement arises as to the interpretation of this Plan or of any rules, regulations or procedures relating to it or as to any question or right arising from or related to this Plan, the decision of the Committee shall be final and binding upon all persons.

3. **ADMINISTRATION**

- 3.1 The Committee shall be responsible for setting the overall policy and principles relating to the operation of this Plan. The Committee may from time to time make and vary such rules and regulations which are consistent with the rules of this Plan and establish such procedures for its administration and implementation as it thinks fit.
- 3.2 The Company and/or any Subsidiary shall bear the costs of the administration and implementation of this Plan.

4. **RIGHTS ATTACHING TO SHARES**

- 4.1 The issue or transfer of any Shares under or for the purposes of this Plan shall be subject to the Company's Articles of Association and to any necessary consents of any governmental or other authorities (whether in the UK or otherwise) under any enactments or regulations from time to time in force.
- 4.2 It shall be the responsibility of the Awardholder to comply with any requirements to be fulfilled in order to obtain or obviate the necessity of any such consent.
- 4.3 All Shares issued or transferred under this Plan shall rank equally in all respects with the Shares then in issue, except for any rights attaching to such Shares by reference to a record date prior to the date of such issue or transfer.

PART B: MAKING OF AWARDS

5. ELIGIBILITY

- 5.1 Subject to the following provisions of this Rule 5, the Committee shall have absolute discretion in determining the criteria for selecting those individuals to whom Awards may be made.
- 5.2 An Award may only be made to an Eligible Employee.
- 5.3 An Award shall not be made by any person other than the Company without the prior approval of the Committee.

6. TIMING AND MAKING OF AWARDS

- 6.1 An Award may only be made during the period of:-
 - 6.1.1 42 days following approval of this Plan by the Company's shareholders;
 - 6.1.2 42 days beginning with the second Dealing Day following an Announcement;
 - 6.1.3 42 days immediately after the person to whom it is made first becomes an Eligible Employee (which, for the avoidance of doubt, will include the employees of 2Wire Inc. and its subsidiaries during the period of 42 days immediately following completion of the proposed acquisition by the Company of 2Wire Inc.); or
 - 6.1.4 subject to the Model Code, at any other time but only if, in the opinion of the Committee, the circumstances are exceptional.
- 6.2 If the Grantor is restricted by reason of the Model Code or any statute, order or regulation (including any regulation, order or requirement imposed on the Company by the UK Listing Authority or any other regulatory authority) from making an Award within any period as mentioned in Rule 6.1 the Grantor may make an Award within the period of 42 days after all such restrictions are removed.
- 6.3 No Award may be made more than ten years after the approval of this Plan by the Company's shareholders in general meeting, or if earlier, the date that this Plan is adopted by the Directors, as provided under Section 260.140.42(d) of Title 10 of the California Code of Regulations.
- 6.4 An Awardholder shall not be required to pay any amount for the grant of an Award.
- 6.5 An Award shall be granted by the Company (or other Grantor) executing a deed, in such form as the Committee may specify from time to time.

7. OVERALL LIMITS ON THE ISSUE OF NEW SHARES TO SATISFY AWARDS

- 7.1 Subject to the following provisions of this Rule 7 and Rule 4, the Company may issue Shares (as new Shares or out of treasury) for the purposes of satisfying Awards and may do so on such terms, as to subscription price or otherwise, as the Committee may determine.
- 7.2 The number of Shares in respect of which Awards to subscribe for new Shares may be granted on any day, when added to the number of Shares issued or which remain issuable pursuant to rights to subscribe for Shares granted under this Plan and any other employees' share scheme in the period of 10 years preceding that day, shall not exceed 10 per cent of the Ordinary Share Capital on that day.
- 7.3 For the purposes of this Rule 7, "year" means a calendar year.

- 7.4 For the purposes of this Rule 7 references to rights to subscribe for Shares shall:-
- 7.4.1 if so required in accordance with guidance issued by the Association of British Insurers, be taken to include references to rights to acquire Shares issued or to be issued out of treasury; and
- 7.4.2 exclude any rights to subscribe for Shares which have in fact been, or will be satisfied by the transfer of Shares by an existing shareholder (other than the Company itself).
- 7.5 For the avoidance of doubt, if Shares issued to the Trustee have been counted for the purpose of this Rule 7, they shall not also be counted when they are used to satisfy an Award (or a right granted under any other employees' share scheme).
- 7.6 Subject to Rule 7.2 above, and any adjustment under Rule 31, the maximum number of Shares that may be issued pursuant to Awards granted under this Plan will be 10% of the Ordinary Share Capital at the date on which this Plan is first adopted by the Directors.¹ If an outstanding Award for any reason expires or is terminated or cancelled or if Shares are acquired pursuant to an Award subject to forfeiture and are forfeited, the Shares allocable to the expired, terminated or cancelled portion of such Award or such forfeited Shares shall again be available for issuance under the Plan.

8. **INDIVIDUAL LIMITS ON THE MAKING OF AWARDS**

- 8.1 Subject to Rule 8.2, the aggregate Market Value (as at the respective Award Dates) of Shares in respect of which Awards are made to an Eligible Employee in any financial year of the Company shall not be greater than 100 per cent of the amount of such Eligible Employee's annual basic salary at the Award Date.
- 8.2 In circumstances which are considered by the Committee to be exceptional, the aggregate Market Value (as at the respective Award Dates) of Shares in respect of which Awards are made to an Eligible Employee in any financial year of the Company may be greater than 100 per cent of the amount of such Eligible Employee's annual basic salary at the Award Date, but shall not be greater than 200 per cent of such Eligible Employee's annual basic salary at the Award Date.

9. **AWARD CERTIFICATE**

As soon as practicable after an Award has been made the Company shall procure the issue to the Awardholder of an Award Certificate (which may be by e-mail) which specifies:-

- 9.1 the Grantor;
- 9.2 the Award Date;
- 9.3 the number of Award Shares;
- 9.4 the Vesting Period;
- 9.5 the applicable Performance Condition(s);
- 9.6 that it is a condition of the Award that the Awardholder agrees to indemnify the Grantor and the Awardholder's Employer in respect of any Award Tax Liability;
- 9.7 (if appropriate) that, if the Awardholder is a participant in a Corporate Nominee Facility, the Award Shares will be issued to or transferred and delivered directly to the Corporate Nominee for the Awardholder's account

and is otherwise in such form as the Committee may specify from time to time.

¹ The Plan was adopted by the Directors on 18 October 2010. The Ordinary Share Capital at that date was 304,340,497.

10. **ACKNOWLEDGEMENT OF AN AWARD**

10.1 The provisions of Rule 10.2 shall only apply in relation to an Award if the Grantor determines that the Awardholder will be required to acknowledge his Award.

10.2 If the Grantor determines that the Awardholder will be required to acknowledge his Award and the Awardholder does not, within such period as the Grantor may notify to the Awardholder, deliver to the Grantor a duly completed Form of Acknowledgement in relation to such Award, then at the end of that period it shall lapse and the Awardholder shall not become entitled to any Shares pursuant to that Award.

11. **TAX INDEMNITY**

It shall be a term and condition of every Award that the Awardholder indemnifies the Grantor and the Awardholder's Employer against any Award Tax Liability.

12. **DATA PROTECTION**

It shall be a term and condition of every Award that an Awardholder agrees and consents to:-

12.1 the collection, use, processing and transfer of his Personal Data by any member of the Group, any Associated Company, the Grantor, the Trustee, any third party administrator of the Plan and the Company's brokers or registrars;

12.2 members of the Group, any Associated Company, the Grantor, the Trustee, any third party administrator of the Plan and the Company's brokers or registrars transferring the Awardholder's Personal Data amongst themselves for the purposes of implementing, administering and managing this Plan and the grant of Awards and the acquisition of Shares pursuant to Awards;

12.3 the use of Personal Data by any such person for any such purposes; and

12.4 the transfer to and retention of Personal Data by third parties including any Trustee or third party administrator of the Plan (whether or not any such third party is situated outside the European Economic Area) for or in connection with such purposes.

13. **RELATIONSHIP WITH CONTRACT OF EMPLOYMENT**

Notwithstanding any other provision of this Plan:-

13.1 the making of an Award shall not form part of the Awardholder's entitlement to remuneration or benefits pursuant to his contract of employment and no benefits under the Plan shall be pensionable;

13.2 the existence of a contract of employment between any person and the Company or any present or past Subsidiary or Associated Company, shall not give such person any right or entitlement to have an Award made to him in respect of any number of Shares or any expectation that an Award might be made to him, whether subject to any conditions or at all;

13.3 the rights and obligations of an Awardholder under the terms of his contract of employment with the Company or any present or past Subsidiary or Associated Company shall not be affected by the making of an Award or his participation in this Plan;

13.4 the rights or opportunity granted to an Awardholder on the making of an Award shall not give the Awardholder any rights or additional rights to compensation or damages in consequence of the loss or termination (and/or the giving or receiving of notice of termination) of his office or employment with the Company or any present or past Subsidiary or Associated Company for any reason whatsoever (whether or not the termination (and/or the giving or receiving of notice of termination) is ultimately held to be wrongful or unfair);

13.5 an Awardholder shall not be entitled to any compensation or damages for any loss or potential loss which he may suffer by reason of being unable to acquire Shares, or any interest in Shares pursuant to an Award in consequence of:-

13.5.1 the loss or termination (and/or the giving or receiving of notice of termination) of his office or employment with the Company or any present or past Subsidiary or Associated Company for any reason whatsoever (whether or not the termination (and/or the giving or receiving of notice of termination) is ultimately held to be wrongful or unfair); or

13.5.2 the exercise by the Committee or the Directors of any discretion in accordance with this Plan; and

13.6 the making of an Award on any occasion is at the discretion of the Committee. No entitlement to be granted an Award in the future shall be created on the grounds that an Award was or Awards were made in the past nor on the grounds that an Award or Awards may previously have been granted over a particular number of Shares. Even the repeated grant of Awards shall not create future entitlements to receive an Award or Awards at all or to be granted an Award or Awards over a specific number of Shares.

14. **NON-TRANSFERABILITY OF AWARDS**

14.1 An Award is personal to an Awardholder and may not be transferred during his lifetime.

14.2 If an Awardholder:-

14.2.1 transfers, assigns, mortgages, charges or otherwise disposes of an Award or of any interest in or right to acquire any Award Shares (other than to his Personal Representatives); or

14.2.2 is adjudged bankrupt or an interim order is made because he intends to propose a voluntary arrangement to his creditors under the Insolvency Act 1986 (or any other provision of the laws of any jurisdiction outside the UK which is intended to have similar effect or purpose); or

14.2.3 makes or proposes any other plan or arrangement, in relation to his debts, with his creditors or any section of them; or

14.2.4 is otherwise deprived (except on death) of the legal or beneficial ownership of an Award or of any interest in or right to acquire any Award Shares, whether by operation of law or by doing or omitting to do anything which causes him to be so deprived

the Awardholder shall immediately cease to have any right or entitlement to any Award Shares which have not then become Vested Award Shares.

15. **LAPSE OF AWARDS**

If or insofar as Award Shares will not become Vested Award Shares in consequence of a Performance Condition not being satisfied in full, an Award shall lapse in respect of the balance of such Award Shares.

PART C: NIL-COST OPTION AWARDS

16. STRUCTURE OF A NIL-COST OPTION AWARD

- 16.1 The Company may from time to time grant to any Eligible Employee a Nil-Cost Option Award, except that a US Awardholder may not be granted or hold a Nil-Cost Option Award.
- 16.2 The exercise of a Nil-Cost Option Award shall be subject to one or more Performance Condition(s).
- 16.3 No amount shall be payable by the Awardholder for the acquisition of Shares pursuant to a Nil-Cost Option Award.

17. EXERCISE OF A NIL-COST OPTION AWARD

- 17.1 A Nil-Cost Option Award may only ever be exercised in respect of Vested Award Shares.
- 17.2 A Nil-Cost Option Award may not be exercised after the tenth anniversary of the Award Date or such earlier date as may be specified at the Award Date.
- 17.3 Except as otherwise provided in Rule 18, a Nil-Cost Option Award may not be exercised at any time unless the Awardholder then holds office or employment with a member of the Group or an Associated Company.

Exercise Procedure

- 17.4 A Nil-Cost Option Award shall be exercised only by the Awardholder serving a notice on the Grantor (or otherwise as the Grantor may direct) which specifies the number of Award Shares in respect of which such Nil-Cost Option Award is exercised on that occasion which shall not exceed the number of Vested Award Shares in respect of which such Nil-Cost Option Award subsists and which have not been specified for this purpose in an earlier notice of exercise.
- 17.5 A Nil-Cost Option Award shall not be exercised on any occasion if such exercise would not be in accordance with the Model Code.

Issue or Transfer of Shares

- 17.6 Subject to Rule 25, within 30 days after the Grantor receives a notice of exercise pursuant to Rule 17.4, the Grantor shall issue or transfer or procure the transfer to or to the order of the Awardholder of the Shares in respect of which the Nil-Cost Option Award is duly exercised on that occasion.
- 17.7 If, when a Nil-Cost Option Award is exercised, in consequence of the Model Code or otherwise, the Grantor is restricted from issuing or transferring or procuring the transfer of Shares, the Grantor shall not be obliged to issue or transfer or procure the issue or transfer of any Shares until after all such restrictions are lifted.
- 17.8 As soon as reasonably practicable after the allotment or transfer of any Shares upon the exercise of a Nil-Cost Option Award, the Grantor shall procure:-
 - 17.8.1 the issue of a definitive share certificate or such acknowledgement of shareholding as is prescribed from time to time for the Shares allotted or transferred to the Awardholder; and
 - 17.8.2 if Shares are to be allotted and, on the date of allotment, Shares of the same class are listed on the Official List, that any Shares so allotted are admitted to the Official List.

Issue or Transfer to a Nominee

- 17.9 If the Awardholder requests, some or all of the Shares he acquires on the exercise of a Nil-Cost Option Award may be issued or transferred to a nominee of the Awardholder, provided that beneficial ownership of the Shares vests in the Awardholder.

17.10 If the Awardholder is a participant in a Corporate Nominee Facility, Shares he acquires shall be issued or transferred automatically to the Corporate Nominee.

18. NIL-COST OPTION AWARD – LEAVING

18.1 The following provisions of this Rule 18 shall apply if an Awardholder to whom a Nil-Cost Option Award has been made Leaves.

18.2 Subject to Rules 18.3 and 18.4, if an Awardholder Leaves for any reason his Award shall immediately lapse and he will not be entitled to receive any Shares pursuant to such Award.

18.3 Subject to Rule 19, if the Awardholder Leaves after any Award Shares have become Vested Award Shares, such Nil-Cost Option Award may be exercised within the period of 6 months following the Leaving Date (subject to Rule 17.2) in respect of such Award Shares that, immediately before the Leaving Date, were Vested Award Shares.

18.4 If an Awardholder Leaves before his Award Shares have become Vested Award Shares then, subject to Rules 17.2, 18.5, 18.6 and 19, the Committee may in its absolute discretion permit the Awardholder to retain his Award in respect of any such unvested Award Shares and to exercise such Award either:-

18.4.1 within the period of 6 months after the Award Shares become Vested Award Shares, but only in respect of a proportion (corresponding to such proportion of the Vesting Period applicable to those unvested Award Shares as fell before the Leaving Date) of the Award Shares as would otherwise have become Vested Award Shares in consequence of the Performance Condition(s) being satisfied; or

18.4.2 if the Committee so determines, within the period of 6 months after the Leaving Date, but only in respect of a proportion (corresponding to such proportion of the Vesting Period applicable to those unvested Award Shares as fell before the Leaving Date) of such of the Award Shares as would otherwise have become Vested Award Shares in consequence of the Committee making a determination pursuant to Rule 24.6 (Deemed Vesting upon Leaving).

18.5 The Committee may (if it so determines in its absolute discretion) permit the exercise by the Awardholder of a proportion of the Award Shares which is different to the proportion of Award Shares determined by the application of either of Rules 18.4.1 or 18.4.2 (as appropriate).

18.6 A Nil-Cost Option Award shall lapse in respect of any remaining Award Shares.

19. NIL-COST OPTION AWARD – MISCONDUCT, CLAWBACK AND PERFORMANCE ADJUSTMENT

19.1 If either:-

19.1.1 an Awardholder Leaves by reason of Misconduct; or

19.1.2 an Awardholder Leaves and the Company subsequently determines that before the Leaving Date circumstances had arisen in which the Awardholder's Employer was entitled to dismiss the Awardholder by reason of Misconduct,

a Nil-Cost Option Award granted to the Awardholder shall immediately lapse and none of the Grantor, the Company, the Trust (or any successor trust) or the Awardholder's Employer shall be under any obligation to issue, transfer or procure the transfer of any Shares or of any interest in Shares pursuant to such Nil-Cost Option Award.

19.2 The provisions of Rule 19.1 shall have effect in relation to a Nil-Cost Option Award regardless of whether the Award Shares have already become Vested Award Shares.

19.3 Without prejudice to the provisions of Rules 19.1 and 19.2, if, before Award Shares have become Vested Award Shares:

- 19.3.1 the accounts of the Company or of any member of the Group are required to be restated in circumstances where the Committee determines that there has been a mis-statement in the relevant accounts which would result or did in fact result either directly or indirectly in the Award Shares becoming Vested Award Shares to a greater degree than would have been the case if the mis-statement had not been made;
- 19.3.2 circumstances have arisen in which the Awardholder's Employer would be entitled to dismiss the Awardholder summarily (but such Awardholder has not in fact become a Leaver); or
- 19.3.3 the Committee determines that there was a material misjudgement of the performance of the Company or a member of the Group due to inaccuracies in underlying information or assumptions and that misjudgement would result either directly or indirectly in the Award Shares becoming Vested Award Shares to a greater degree than would have been the case if that misjudgement had not taken place

the Committee may determine that a Nil-Cost Option Award should lapse and cease to be exercisable in respect of such number of Award Shares as the Committee may in its discretion consider appropriate or that further conditions should be imposed on the Award.

- 19.4 Where the Committee suspects that circumstances may have occurred that it considers may fall within Rules 19.1 or 19.3, and it wishes to investigate or await the outcome of any internal or external investigation before confirming the application of this Rule, it may determine that an Award shall not become a Vested Award pending the outcome of the investigation, in which case the Committee shall notify each affected Awardholder of the impact of the determination.
- 19.5 Following a determination made under Rule 19.3:-
 - 19.5.1 the Grantor, acting on the instruction of the Committee, shall notify each affected Awardholder of the number of Award Shares in respect of which his Nil-Cost Option Award has lapsed and ceased to be exercisable or the additional conditions imposed and the reason for this;
 - 19.5.2 each affected Nil-Cost Option Award shall immediately lapse and cease to be exercisable in respect of such number of the Award Shares as is determined by the Committee, and:
 - (a) none of the Grantor, the Company or the Awardholder's Employer shall be under any obligation to issue or transfer or procure the issue or transfer of, or of any interest in, those Award Shares pursuant to such Nil-Cost Option Award;
 - (b) all references to Award Shares going forward shall be construed as reference only to those Award Shares over which the Nil-Cost Option Award continues to subsist following the application of this Rule 19.
- 19.6 The Committee may in its discretion make any alteration or amendment to this Rule 19 as is necessary or desirable to take account of local laws affecting any member of the Group or any Awardholder.

PART D: PERFORMANCE SHARE AWARDS

20. STRUCTURE OF A PERFORMANCE SHARE AWARD

- 20.1 The Company may from time to time grant to any Eligible Employee a Performance Share Award.
- 20.2 Entitlement to receive Shares pursuant to a Performance Share Award shall be subject to one or more Performance Condition(s).
- 20.3 No amount shall be payable by the Awardholder for the acquisition of Shares pursuant to a Performance Share Award.

21. SATISFACTION OF PERFORMANCE SHARE AWARDS

- 21.1 Except as otherwise provided in Rule 22, no Shares subject to a Performance Share Award shall be issued or transferred to an Awardholder unless the Awardholder then holds office or employment with a member of the Group or an Associated Company.
- 21.2 Except as otherwise provided in this Plan, as soon as practicable after any Award Shares subject to a Performance Share Award have become Vested Award Shares, the Grantor shall issue or transfer or procure the transfer of Vested Award Shares to or to the order of the Awardholder.
- 21.3 Where the Awardholder is subject to US Federal Income Tax, Vested Award Shares subject to a Performance Share Award must be issued or transferred in accordance with this Part D no later than the end of the second month after the end of the financial year in which the Award Shares become Vested Award Shares, or if later, the end of the second month after the end of the Awardholder's taxable year in which the Award Shares become Vested Award Shares.
- 21.4 An Awardholder shall have no right or entitlement to Award Shares which do not become Vested Award Shares.
- 21.5 For the avoidance of doubt, no Performance Share Award shall confer any beneficial interest in any Award Shares prior to the Awardholder (or his nominee) being registered as the holder of the Shares and, for the avoidance of doubt, no Awardholder shall be entitled to any dividends paid or any other distribution made, or to exercise or direct the exercise of any votes or any other rights, in respect of any such Award Shares by reference to a record date before he (or his nominee) is registered as the holder of the Shares.

Issue or Transfer of Shares

- 21.6 Vested Award Shares subject to a Performance Share Award may not be issued to, transferred to or transferred to the order of an Awardholder on any occasion if such issue or transfer would not then be in compliance with the Model Code.
- 21.7 If, in consequence of the Model Code or otherwise, the Grantor is restricted from issuing, transferring or procuring the transfer of Shares on vesting of a Performance Share Award, the Grantor shall not be obliged to issue, transfer or procure the transfer of any Shares until after all such restrictions are lifted.
- 21.8 In relation to any US Awardholder, if the Shares, or another class of equity securities issued by the Company, are not registered under the Exchange Act at the time that Shares become Vested Award Shares, the Grantor shall not be obliged to issue, transfer or procure the transfer of any Shares until such time as (i) the Shares are registered under the Exchange Act, (ii) the Company has made other arrangements for the holding of such Shares or (iii) in the opinion of legal counsel of the Company, the Company is exempt from the registration requirements under the Exchange Act, which may include where the Awardholder's Vested Award Shares are held in a trust or other entity respected as a single holder of record under Section 12(g) of the Exchange Act and Regulation 12g5-1 promulgated thereunder (in which case such trust or other entity shall be treated as the Awardholder's nominee for the purposes of this Rule 21). If the Awardholder's Vested Award Shares are held in such a trust or other entity, then the Awardholder's rights shall be

governed by the governing documents of such trust or other entity and, where relevant, references to the Awardholder in this Plan shall apply to the trust or other entity.

21.9 As soon as reasonably practicable after the issue or transfer of any Shares in respect of a Performance Share Award, the Grantor shall procure:-

21.9.1 the issue of a definitive share certificate or such acknowledgement of shareholding as is prescribed from time to time for the Shares issued or transferred to the Awardholder; and

21.9.2 if Shares are to be allotted and, on the date of allotment, Shares of the same class are listed on the Official List, that any Shares so allotted are admitted to the Official List.

Transfer to a nominee

21.10 If the Awardholder is a participant in a Corporate Nominee Facility then any Shares he acquires shall be issued or transferred automatically to the Corporate Nominee.

21.11 If the Awardholder so requests, some or all of the Shares he acquires in respect of a Performance Share Award may be issued or transferred to a nominee of the Awardholder, provided that beneficial ownership of the Shares vests in the Awardholder.

22. PERFORMANCE SHARE AWARDS – LEAVING

22.1 The following provisions of this Rule 22 shall apply if an Awardholder to whom a Performance Share Award has been made Leaves.

22.2 Subject to Rules 22.3 and 22.4, if an Awardholder Leaves for any reason his Award shall immediately lapse and he will not be entitled to receive any Shares pursuant to such Award.

22.3 Subject to Rule 23, if the Awardholder Leaves after any Award Shares have become Vested Award Shares, the Grantor shall (subject to Rule 21.8) as soon as reasonably practicable after the Leaving Date, issue, transfer or procure the transfer to, or to the order of, the Awardholder of the Award Shares that, immediately before the Leaving Date, were Vested Award Shares **SAVE THAT** if the Awardholder is subject to US Federal Income Tax, Shares must be issued or transferred in all events prior to two months after the end of the financial year in which the Award Shares become Vested Award Shares, or if later, the end of the second month after the end of the Awardholder's taxable year in which the Award Shares become Vested Award Shares.

22.4 If an Awardholder Leaves before his Award Shares have become Vested Award Shares then, subject to Rules 22.5, 22.6 and 23, the Committee may in its absolute discretion permit the Awardholder to retain his Award in respect of any such unvested Award Shares and shall either:-

22.4.1 subject to Rule 21.8, as soon as reasonably practicable after the Award Shares become Vested Award Shares, issue, transfer or procure the transfer to, or to the order of, the Awardholder of a proportion (corresponding to such proportion of the Vesting Period applicable to those unvested Award Shares as fell before the Leaving Date) of the Award Shares as would otherwise have become Vested Award Shares in consequence of the Performance Condition(s) being satisfied **SAVE THAT** if the Awardholder is subject to US Federal Income Tax, Shares must be issued or transferred in all events prior to two months after the end of the financial year in which the Award Shares become Vested Award Shares, or if later, the end of the second month after the end of the Awardholder's taxable year in which the Award Shares become Vested Award Shares; or

22.4.2 if the Committee so determines, subject to Rule 21.8, as soon as reasonably practicable after the Leaving Date, issue, transfer or procure the transfer to, or to the order of, the Awardholder of a proportion (corresponding to such proportion of the Vesting Period applicable to those unvested Award Shares as fell before the Leaving Date) of such of the Award Shares as would otherwise have become Vested Award Shares in consequence of the Committee making a determination pursuant to Rule 24.6 (Deemed Vesting upon Leaving) **SAVE THAT** if the Awardholder is subject to US Federal Income Tax, Shares must be issued or transferred in all events prior to two months after the end

of the financial year in which the Leaving Date occurs, or if later, the end of the second month after the end of the Awardholder's taxable year in which the Leaving Date occurs.

22.5 The Committee may (if it so determines in its absolute discretion) issue, transfer or procure the transfer to the Awardholder of a proportion of the Award Shares which is different to the proportion of Award Shares determined by the application of either of Rules 22.4.1 or 22.4.2 (as appropriate). If the Awardholder is subject to US Federal Income Tax, Vested Award Shares must be issued or transferred in all events prior to two months after the end of the financial year in which the Committee exercises its discretion under this Rule 22.5, or if later, the end of the second month after the end of the Awardholder's taxable year in which the Committee exercises its discretion under this Rule 22.5.

22.6 A Performance Share Award shall lapse in respect of any remaining Award Shares.

23. **PERFORMANCE SHARE AWARD – MISCONDUCT, CLAWBACK AND PERFORMANCE ADJUSTMENT**

23.1 If either:-

23.1.1 an Awardholder Leaves by reason of Misconduct; or

23.1.2 an Awardholder Leaves and the Company subsequently determines that before the Leaving Date circumstances had arisen in which the Awardholder's Employer was entitled to dismiss the Awardholder by reason of Misconduct,

a Performance Share Award granted to the Awardholder shall immediately lapse and none of the Grantor, the Company, the Trust (or any successor trust) or the Awardholder's Employer shall be under any obligation to issue, transfer or procure the transfer of any Shares or of any interest in Shares pursuant to such Performance Share Award.

23.2 The provisions of Rule 23.1 shall have effect in relation to a Performance Share Award regardless of whether the Award Shares have already become Vested Award Shares.

23.3 Without prejudice to the provisions of Rules 23.1 and 23.2, if, before Award Shares have become Vested Award Shares:

23.3.1 the accounts of the Company or of any member of the Group are required to be restated in circumstances where the Committee determines that there has been a mis-statement in the relevant accounts which would result or did in fact result either directly or indirectly in the Award Shares becoming Vested Award Shares to a greater degree than would have been the case if the mis-statement had not been made;

23.3.2 circumstances have arisen in which the Awardholder's Employer would be entitled to dismiss the Awardholder summarily (but such Awardholder has not in fact become a Leaver); or

23.3.3 the Committee determines that there was a material misjudgement of the performance of the Company or a member of the Group due to inaccuracies in underlying information or assumptions and that misjudgement would result either directly or indirectly in the Award Shares becoming Vested Award Shares to a greater degree than would have been the case if that misjudgement had not taken place

the Committee may determine that a Performance Share Award should lapse in respect of such number of Award Shares as the Committee may in its discretion consider appropriate or that further conditions should be imposed on the Award.

23.4 Where the Committee suspects that circumstances may have occurred that it considers may fall within Rules 23.1 or 23.3, and it wishes to investigate or await the outcome of any internal or external investigation before confirming the application of this Rule, it may determine that an Award shall not become a Vested Award pending the outcome of the investigation, in which case the Committee shall notify each affected Awardholder of the impact of the determination.

- 23.5 Following a determination made under Rule 23.3:-
- 23.5.1 the Grantor, acting on the instruction of the Committee, shall notify each affected Awardholder of the number of Award Shares in respect of which his Performance Share Award has lapsed or the additional conditions imposed and the reason for this;
- 23.5.2 each affected Performance Share Award shall immediately lapse in respect of such number of the Award Shares as is determined by the Committee, and:
- (a) none of the Grantor, the Company or the Awardholder's Employer shall be under any obligation to issue or transfer or procure the issue or transfer of, or of any interest in, those Award Shares pursuant to such Performance Share Award;
 - (b) all references to Award Shares going forward shall be construed as reference only to those Award Shares over which the Performance Share Award continues to subsist following the application of this Rule 23.
- 23.6 The Committee may in its discretion make any alteration or amendment to this Rule 23 as is necessary or desirable to take account of local laws affecting any member of the Group or any Awardholder.

PART E: PERFORMANCE CONDITIONS

24. PERFORMANCE CONDITIONS

- 24.1 The Committee shall determine the Performance Condition(s) applicable to an Award before the Award is granted.
- 24.2 A Performance Condition may provide that a given number or proportion of Award Shares shall become Vested Award Shares according to whether, and the extent to which, different levels of performance are achieved or exceeded.
- 24.3 After an Award has been granted the Committee may (with the consent of the Grantor, where appropriate), in appropriate circumstances, amend the Performance Condition(s) if an event has occurred or events have occurred in consequence of which the Committee reasonably considers that the existing Performance Condition(s) should be so amended **PROVIDED THAT** the Committee considers such an amendment to be fair and reasonable and that the amended Performance Condition(s) are not materially less or more difficult to satisfy than were the original Performance Condition(s) when first set but for the event or events in question.
- 24.4 The number of Shares in respect of which Award Shares shall become Vested Award Shares on any occasion shall be rounded up to the nearest whole number of Shares.

Deemed Vesting upon a Corporate Event

- 24.5 If, before Award Shares become Vested Award Shares, circumstances arise as mentioned in Rules 28 ("Demerger"), 29 ("Compulsory Acquisition, etc") or 30 ("Change of Control") the Committee shall determine whether and to what extent any Performance Condition(s) shall then be deemed to be satisfied in respect of such Award Shares having regard to the progress towards meeting any applicable Performance Condition(s).

Deemed Vesting upon Leaving

- 24.6 If an Awardholder Leaves before his Award Shares become Vested Award Shares, the Committee may determine whether and to what extent any Performance Condition(s) shall then be deemed to be satisfied in respect of such Award Shares having regard to the progress towards meeting any applicable Performance Condition(s).

Determination by the Committee

- 24.7 The questions of:-
- 24.7.1 whether and to what extent a Performance Condition is or is deemed to be satisfied; and
- 24.7.2 the number or proportion of Award Shares which become Vested Award Shares
- shall be for the determination of the Committee whose decision shall be final and binding.
- 24.8 The Company shall, as soon as practicable, notify an Awardholder of the fact that a Performance Condition has been satisfied in whole or in part.

PART F: RECOVERY OF AWARD TAX LIABILITY

25. RECOVERY OF AWARD TAX LIABILITY

If, on any occasion, any Award Tax Liability arises in relation to, or in consequence of, anything done pursuant to this Plan, then unless:-

- 25.1 the Awardholder has previously made arrangements, satisfactory to the Company, for payment of his Award Tax Liability; or
- 25.2 the Awardholder has authorised the Grantor to the extent necessary to reimburse the Awardholder's Employer, to sell as agent for the Awardholder (at the best price which can reasonably be expected to be obtained at the time of sale) such number of Vested Award Shares as the Grantor considers appropriate for the purposes of the indemnity mentioned in Rule 11, and to procure payment to the Awardholder's Employer out of the net proceeds of sale of such Shares (after deduction of all fees, commissions and expenses incurred in relation to such sale) of monies sufficient to satisfy the indemnity mentioned in Rule 11

the Grantor shall, to the extent necessary to reimburse the Awardholder's Employer, have the right to sell as agent for the Awardholder (as mentioned in Rule 25.2) such number of the Vested Award Shares as the Grantor considers appropriate for the purposes of the indemnity mentioned in Rule 11, and to procure payment to the Awardholder's Employer, out of the net proceeds of sale of such Shares (after deduction of all fees, commissions and expenses incurred in relation to such sale) of monies sufficient to satisfy the indemnity mentioned in Rule 11 and/or the Awardholder's Employer shall have the right to deduct any amount from the Awardholder's salary and/or reimburse any balance to the Awardholder through payroll or by cheque.

PART G: CORPORATE EVENTS

26. VESTING ON A CORPORATE EVENT

26.1 If, after Award Shares have become Vested Award Shares, an event as mentioned in Rules 28 to 30 (inclusive) occurs and this Rule 26 applies, the relevant rule within this Part G shall apply to any such Award Shares that have already become Vested Award Shares.

26.2 If, before Award Shares have become Vested Award Shares, an event as mentioned in Rules 28 to 30 (inclusive) occurs and this Rule 26 applies, any such unvested Award Shares shall become Vested Award Shares as follows:-

26.2.1 the Committee shall determine whether and to what extent any Performance Condition(s) shall then be deemed to be satisfied in accordance with Rule 24.5;

26.2.2 the number of Award Shares calculated pursuant to Rule 26.2.1 will be reduced on a time pro-rata basis on the basis of the ratio that the number of complete months from the Award Date to the date of such event bears to the Vesting Period applicable to such Award Shares; and

26.2.3 the Committee may (if it so determines in its absolute discretion) adjust the number of Award Shares which shall become Vested Award Shares in accordance with this Rule 26.2.

27. EXCHANGE OF AWARDS ON AN INTERNAL RECONSTRUCTION

27.1 The Committee may invite an Awardholder to accept an Exchange of Awards. The invitation shall be open for a period of at least 14 days following its issue. At the end of the invitation period, the Awardholder shall not be entitled to any Award Shares subject to the Award.

27.2 Rule 27.1 shall apply only if, immediately after the Company has come under the Control of an Acquiring Company, the Company would nevertheless remain or remains under the Control of the person who, or persons who together, had Control of the Company immediately before the Company comes or came under the Control of the Acquiring Company.

27.3 The provisions of this Part G shall have effect subject to this Rule 27.

28. DEMERGER

28.1 If:-

28.1.1 notice is given to shareholders of the Company of a proposed demerger of the Company or of any Subsidiary; and

28.1.2 the Committee is of the opinion that the interests of Awardholders would or might be substantially prejudiced by the proposed demerger

the Grantor (acting with the consent of the Committee) may, as soon as practicable after the giving of the notice referred to in Rule 28.1.1, determine that Rule 26 shall apply and

28.1.3 (subject to Rule 28.2 below) issue, transfer or procure the transfer to Awardholders of Vested Award Shares under Performance Share Awards; and

28.1.4 notify Awardholders that Nil-Cost Option Awards may then be exercised, within one month (or such longer period as may be specified in such notice), in respect of any Vested Award Shares.

28.2 If an Awardholder is subject US Federal Income Tax, Award Shares may not be delivered to the Awardholder pursuant to Rule 28.1.3 more than two months after the end of the financial year in which the demerger occurs, or if later, the end of the second month after the end of the Awardholder's taxable year in which the demerger occurs.

28.3 Any Nil-Cost Option Awards that are subject to this Rule 28 shall lapse and cease to be exercisable upon the expiry of the period mentioned in Rule 28.1.4 above.

29. **COMPULSORY ACQUISITION, RECONSTRUCTION AND WINDING-UP**

29.1 If:-

29.1.1 any person becomes bound or entitled to acquire Shares in the Company under sections 974 – 991 of the Companies Act 2006; or

29.1.2 the court sanctions a compromise or arrangement in connection with the Company pursuant to Part 26 or Part 27 of the Companies Act 2006; or

29.1.3 notice is given of a resolution for a voluntary winding-up of the Company

the Grantor (acting with the consent of the Committee) may, as soon as practicable after the event mentioned in Rules 29.1.1, 29.1.2 or 29.1.3 above determine that Rule 26 shall apply and

29.1.4 (subject to Rule 29.3 below) issue, transfer or procure the transfer to Awardholders of Vested Award Shares under Performance Share Awards; and

29.1.5 notify Awardholders that Nil-Cost Option Awards may then be exercised, within one month (or such longer period as may be specified in such notice), in respect of any Vested Award Shares.

29.2 If it appears that an event as mentioned in Rule 29.1.2 is likely to occur, the Grantor (acting with the consent of the Committee) may, in addition or as an alternative to the provisions of Rule 29.1, but subject to Rule 29.3 in relation to Performance Share Awards, determine that Rule 26 shall apply and:-

29.2.1 Rule 29.1.4 and Rule 29.1.5 shall apply following the date on which the compromise or arrangement becomes effective; and/or

29.2.2 notify Awardholders that Nil-Cost Option Awards may be exercised conditionally on the court sanction of the compromise or arrangement. This means that the exercise would take effect on, or as soon as practicable after, the court sanction but before the compromise or arrangement becomes effective. In this case the Grantor will notify Awardholders of the period (of at least 14 days, ending no more than 14 days before the date on which the court is expected to sanction the proposals) during which they may exercise their Nil-Cost Option Awards if they wish the exercise to take effect conditionally.

29.3 If an Awardholder is subject to US Federal Income Tax, Award Shares may not be delivered to the Awardholder pursuant to Rule 29.1.4 more than two months after the end of the financial year in which the relevant event within Rule 29.1 occurs, or if later, the end of the second month after the end of the Awardholder's taxable year in which the relevant event within Rule 29.1 occurs.

29.4 Any Nil-Cost Option Awards that are subject to this Rule 29 shall lapse and cease to be exercisable upon the expiry of the period mentioned in Rule 29.1.5 above.

30. **CHANGE OF CONTROL**

30.1 If any person:-

30.1.1 obtains Control of the Company as a result of making a general offer to acquire Shares in the Company; or

30.1.2 having obtained such Control, makes such an offer

then the Grantor (acting with the consent of the Committee) shall, as soon as practicable after becoming aware of the events mentioned in Rules 30.1.1 or 30.1.2 above determine that Rule 26 shall apply and

30.1.3 (subject to Rule 30.3 below) issue, transfer or procure the transfer to Awardholders of Vested Award Shares under Performance Share Awards; and

30.1.4 notify Awardholders that Nil-Cost Option Awards may then be exercised, within one month (or such longer period as may be specified in such notice), in respect of any Vested Award Shares.

30.2 For the purposes of this Rule 30 a person shall be deemed to have Control of the Company if he and others acting in concert with him have together obtained Control of it.

30.3 If an Awardholder is subject to US Federal Income Tax, Award Shares may not be delivered to the Awardholder pursuant to Rule 30.1.3 more than two months after the end of the financial year in which the change of Control of the Company occurs, or if later, the end of the second month after the end of the Awardholder's taxable year in which the change of Control of the Company occurs.

30.4 Any Nil-Cost Option Awards that are subject to this Rule 30 shall lapse and cease to be exercisable upon the expiry of the period mentioned in Rule 30.1.4 above.

PART H: AMENDMENTS

31. VARIATION OF SHARE CAPITAL

31.1 In the event of any alteration of the Ordinary Share Capital by way of capitalisation or rights issue, sub-division, consolidation or reduction, or the payment to shareholders of a special dividend or, subject to Rule 28, a demerger of the Company or of any Subsidiary or any other variation of the share capital of the Company, the Committee may make such adjustment as it considers appropriate:-

31.1.1 to the number of Shares in respect of which an Award subsists;

31.1.2 if an Award has vested but the Vested Award Shares have not been issued or transferred, to the number of Shares which may be so issued or transferred;

31.1.3 to the limit provided for in Rule 7.6

PROVIDED THAT:-

(a) the number of Shares as so adjusted has been rounded down to the nearest whole number; and

(b) if the Grantor of an Award is not the Company, no such adjustment shall be made without the consent of the Grantor.

31.2 As soon as reasonably practicable after making any adjustment pursuant to Rule 31.1, the Directors shall (on behalf of the Grantor) give notice to every Awardholder affected thereby and shall, at the written request of any such Awardholder and upon the surrender of any Award Certificates which he holds, deliver, or procure the delivery to him of, revised Award Certificates in respect of his Awards.

32. ALTERATION OF THE PLAN

32.1 The Committee may alter or amend any of the provisions of this Plan in any respect **PROVIDED THAT:-**

32.1.1 no such alteration or amendment shall be made to the advantage of existing or new Awardholders to the provisions relating to eligibility to participate, the individual limitations on the making of Awards and the basis for determining Awardholders' rights to acquire Shares and the adjustment of such rights in the event of a variation of the Ordinary Share Capital or this Rule 32 without the prior approval by ordinary resolution of the shareholders of the Company **SAVE THAT** the provisions of this Rule 32.1.1 shall not apply to the extent that such alteration or amendment is in the opinion of the Committee:-

(a) a minor amendment which is necessary or appropriate to benefit the administration of this Plan;

(b) to take account of any change in legislation or developments in the law; or

(c) to obtain or maintain favourable tax, exchange control or regulatory treatment for existing or new Awardholders, the Company, any Subsidiary or any Associated Company; and

32.1.2 if, in relation to any Awards, the Grantor is not the Company, no alteration or addition shall be made to the terms of such Awards without the approval of the Grantor.

32.2 As soon as reasonably practicable after making any such alteration or addition the Directors shall (on behalf of the Grantor) give notice to every Awardholder (if any) affected thereby.

32.3 No alteration shall be made to the terms of any Award without the prior consent of the Awardholder if such alteration would, in the opinion of the Committee, materially prejudice the rights or entitlements of such Awardholder.

PART I: MISCELLANEOUS

33. SERVICE OF DOCUMENTS

33.1 Except as otherwise provided in this Plan, any notice or document to be given by, or on behalf of, the Company, the Committee, the Directors, the Grantor, the Trustee or any administrator of this Plan to any Eligible Employee or Awardholder in accordance or in connection with this Plan shall be duly given:-

33.1.1 if both the sender and the recipient are located in the UK, by sending it through the post in a pre-paid envelope to the address last known to the Company to be his address and, if so sent, it shall be deemed to have been duly given if sent by first class post, on the day after posting and if sent by second class post, on the second day after posting; or

33.1.2 if both the sender and the recipient are located in the US, by sending it through the post in a pre-paid envelope to the address last known to the Company to be his address and, if so sent, it shall be deemed to have been duly given on the third day after posting, or if the sender uses an overnight delivery service (such as FedEx or DHL), on the first business day after the sender has delivered possession of such notice or document to such overnight delivery service; or

33.1.3 if the sender and the recipient are located in different countries, by sending it through the post in a pre-paid envelope to the address last known to the Company to be his address and, if so sent, it shall be deemed to have been duly given on the seventh day after posting, or if the sender uses an overnight delivery service (such as FedEx or DHL), on the second business day after the sender has delivered possession of such notice or document to such overnight delivery service; or

33.1.4 if he holds office or employment with any member of the Group or any Associated Company, by delivering it to him at his place of work or by sending a facsimile transmission or an e-mail addressed to him at his place of work and, if so sent, it shall be deemed to have been duly given at the time of transmission **SAVE THAT** a notice or document shall not be duly given by e-mail unless that person is known by his employer company to have personal access during his normal business hours to information sent by e-mail.

33.2 Any notice or document so sent to an Eligible Employee or Awardholder shall be deemed to have been duly given notwithstanding that such person is then deceased (and whether or not the Company or the Trustee has notice of his death) except where his Personal Representatives have supplied to the Company an alternative address to which documents are to be sent.

33.3 Any notice or document to be submitted or given to the Company, the Committee, the Directors, the Grantor, the Trustee or any administrator of this Plan in accordance or in connection with this Plan may be delivered, sent by post, facsimile transmission or e-mail but shall not in any event be duly given unless it is actually received (or, in the case of an e-mail, opened) by the Secretary of the Company or such other person as may from time to time be nominated by the Company and whose name and address is notified to Awardholders.

33.4 For the purposes of this Plan, an e-mail shall be treated as not having been duly sent or received if the recipient of such e-mail notifies the sender that it has not been opened because it contains, or is accompanied by a warning or caution that it could contain or be subject to, a virus or other computer programme which could alter, damage or interfere with any computer software or e-mail.

34. STAMP DUTY

Any stamp duty or stamp duty reserve tax payable in respect of an issue or transfer of Shares to, or to the order of, an Awardholder (other than stamp duty or stamp duty reserve tax payable on a sale of Shares at the direction of the Awardholder) shall be paid by the Company or, if different, the Grantor (who shall be reimbursed by the Company).

35. **JURISDICTION**

35.1 This Plan and any Award shall be governed by and construed in all respects in accordance with English law.

35.2 The courts of England shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning an Award and any matter arising from or in relation to this Plan.

36. **PURCHASES BY TRUSTEE**

Subject to Rule 25, an Awardholder may, subject to the Model Code, direct the Trustee to sell Vested Award Shares on his behalf and, in this event, the Shares may, if the Trustee so determines, be purchased by the Trustee **PROVIDED THAT** the price per Share paid by the Trustee is not less than the Market Value of a Share on the date of purchase.

37. **THIRD PARTY RIGHTS**

Except as otherwise expressly stated to the contrary, neither this Plan nor the making of any Award nor the Contracts (Rights of Third Parties) Act 1999 shall have the effect of giving any third party any rights under this Plan and that Act shall not apply to this Plan or to the terms of any Award under it.

38. **SECTION 409A**

This Plan shall be operated in accordance with the requirements of Section 409A of the United States Internal Revenue Code of 1986, as amended, and the applicable regulations and other guidance of general applicability that are issued thereunder ("**Section 409A**") in order to avoid the negative tax consequences that may apply under Section 409A. It is the intent of the Company that Awards be exempt from the provisions of Section 409A since the Awards do not provide for a "deferral of compensation" within the meaning of US Treasury Regulation section 1.409A-1(b) promulgated under Section 409A, including but not limited to the exemption for short-term deferrals under Treasury Regulation section 1.409A-1(b)(4), and the Plan shall be administered consistently with this intent. Unless the Committee otherwise determines, the Plan shall be administered in all respects as if such provisions were expressly set forth.

SCHEDULE 1

INDIA

This Schedule to the Plan sets out specific terms which shall apply to Eligible Employees and/or Awardholders who are resident in India ("**Indian Awardholders**").

1. **APPLICABILITY**

1.1 The terms set out in this Schedule shall apply to Indian Awardholders.

2. **RELATIONSHIP WITH CONTRACT OF EMPLOYMENT**

2.1 Rule 13.2 shall be extended as follows:-

"and in particular, the existence of such a contract of employment, the existence of this Plan or the grant of an Award shall not give rise to or be considered or be deemed to be a "condition of service" under the Industrial Disputes Act 1947 or other applicable laws in India."

2.2 Rule 13 shall be extended as follows:-

"13.7 any rights granted to an Awardholder pursuant to this Plan shall not be taken into consideration on any occasion when calculating severance indemnity, termination pay, gratuity or any other statutory employee benefits;

13.8 neither the existence of this Plan nor the fact that an individual has on any occasion been granted an Award shall give such individual any right, entitlement or expectation that he has or will in future have any such right, entitlement or expectation to participate in this Plan by being granted an Award on any other occasion; and

13.9 this Plan may be amended or terminated at any time without the consent of and without notice to Awardholders".

3. **CONFLICT**

3.1 If there is any conflict between the terms of this Schedule and the other rules of the Plan, the terms set out in this Schedule shall prevail.

SCHEDULE 2

CASH-BASED AWARDS

1. INTRODUCTION

- 1.1 This Schedule shall be used for the grant of Awards to Eligible Employees in any jurisdiction where the Committee believes that local laws or other circumstances at the Committee's discretion make cash based awards preferable to share based awards.
- 1.2 Unless stated otherwise below, the terms and conditions in the main body of the rules of the Plan shall apply to Awards granted pursuant to this Schedule.

2. DEFINITIONS

- 2.1 In this Schedule "**Cash-Based Award**" means a right to a payment of cash under the Plan granted pursuant to this Schedule.
- 2.2 References to an Award in the Plan shall include a Cash-Based Award except where stated otherwise in this Schedule.
- 2.3 The following wording shall be added at the end of the definition of "Award Tax Liability" in Rule 1.1:-

"or the payment of any cash amounts under this Plan".
- 2.4 References to "rights to acquire shares" in the definition of "Exchange of Awards" in Rule 1.1 shall be read as *"rights to receive a cash payment in respect of shares"*.
- 2.5 The definition of "Personal Data" shall include:-

2.5.1 *"or cash payments"* after "other securities" and before "granted to such Awardholder";
and

2.5.2 *"or cash payments made"* after "issued or transferred" and before "to such Awardholder".
- 2.6 For the avoidance of doubt, the definition of "Plan" shall be taken to include any schedule(s) to the main body of the rules.
- 2.7 The definition of "Vested Award Shares" shall include:-

2.7.1 *"or in respect of which an Awardholder has become entitled to a cash payment"* after "entitled to acquire" and before "in consequence of";

2.7.2 *"or paragraph 11 of Schedule 2"* after "22" and before "(Leaving)" in "(b)"; and

2.7.3 *"or paragraph 12 of Schedule 2"* after "23" and before "(as appropriate)".

3. MAKING OF AWARDS

- 3.1 An Award granted pursuant to this Schedule will take the form of a Cash-Based Award.
- 3.2 The number of Award Shares to be nominally comprised in an Eligible Employee's Award will be determined at the Award Date.

4. OVERALL LIMITS ON THE ISSUE OF NEW SHARES TO SATISFY AWARDS

- 4.1 References to "an Award" or "Awards" in Rule 7 shall not be taken to include a Cash-Based Award.

4.2 For the avoidance of doubt, any Shares nominally comprised in a Cash-Based Award will not count towards the limit set out in Rules 7.2 or 7.6.

5. **AWARD CERTIFICATE**

5.1 Rule 9.7 shall not apply to Cash-Based Awards.

6. **ACKNOWLEDGEMENT OF AN AWARD**

6.1 The words "*or to any cash payment*" shall be added in Rule 10.2 between "entitled to any Shares" and "pursuant to that Award".

7. **DATA PROTECTION**

7.1 The words "*and the payment of cash*" shall be added in Rule 12.2 between "acquisition of Shares" and "pursuant to Awards".

8. **RELATIONSHIP WITH CONTRACT OF EMPLOYMENT AND NON-TRANSFERABILITY OF AWARDS**

8.1 References to acquiring Shares or interests in Shares in Rules 13.5 and 14.2 shall include a reference to receiving a cash payment.

8.2 The reference to "any Award Shares which have not then become Vested Award Shares" at the end of Rule 14.2 shall apply as if it read "any benefits of any kind under this Plan".

9. **STRUCTURE OF A CASH-BASED AWARD**

9.1 Entitlement to a cash payment pursuant to a Cash-Based Award shall be subject to one or more Performance Condition(s).

10. **SATISFACTION OF CASH-BASED AWARDS**

10.1 Except as otherwise provided in paragraph 11 below, no cash payment shall be made to an Awardholder pursuant to a Cash-Based Award unless the Awardholder then holds office or employment with a member of the Group or an Associated Company.

10.2 As soon as practicable after any Award Shares have become Vested Award Shares, the Grantor shall procure that the Awardholder is paid in cash for each Vested Award Share an amount equal to the Market Value at that time less any Award Tax Liability in relation to such payment.

10.3 For the avoidance of doubt, any cash payment under paragraph 10.2 shall be subject to all such deductions as may be required by law.

10.4 An Awardholder shall have no right or entitlement to a cash payment under paragraph 10.2 above in respect of any Award Shares which do not become Vested Award Shares.

10.5 Payment under paragraph 10.2 above shall be subject to any necessary consents of any governmental or other authorities (whether in the UK or otherwise) under any enactments or regulations from time to time in force and it shall be the responsibility of the Awardholder to ensure that any such consents are obtained or requirements fulfilled.

11. **CASH-BASED AWARDS – LEAVING**

11.1 The following provisions of this paragraph 11 shall apply if an Awardholder to whom a Cash-Based Award has been made Leaves.

11.2 Subject to paragraphs 11.3 and 11.4, if an Awardholder Leaves for any reason, his Award shall immediately lapse and he will not be entitled to receive any cash payment pursuant to such Award.

- 11.3 Subject to paragraph 12, if the Awardholder Leaves after any Award Shares have become Vested Award Shares, the Grantor shall as soon as reasonably practicable after the Leaving Date procure that the Awardholder is paid in cash an amount equal to the aggregate of the Market Values at that time of each Award Share that, immediately before the Leaving Date, was a Vested Award Share less any Award Tax Liability in relation to such payment.
- 11.4 If an Awardholder Leaves before his Award Shares have become Vested Award Shares then, subject to paragraphs 11.5, 11.6 and 12, the Committee may in its absolute discretion permit the Awardholder to retain his Cash-Based Award in respect of any such unvested Award Shares and shall either:-
- 11.4.1 as soon as reasonably practicable after the Award Shares become Vested Award Shares procure that, in respect of a proportion (corresponding to such proportion of the Vesting Period applicable to those unvested Award Shares as fell before the Leaving Date) of such of the Award Shares as would otherwise have become Vested Award Shares in consequence of the Performance Condition(s) being satisfied, the Awardholder is paid in cash an amount equal to the aggregate of the Market Values of each such Award Share at that time less any Award Tax Liability in relation to such payment; or
- 11.4.2 if the Committee so determines, as soon as reasonably practicable after the Leaving Date, procure that, in respect of a proportion (corresponding to such proportion of the Vesting Period applicable to those unvested Award Shares as fell before the Leaving Date) of such of the Award Shares as would otherwise have become Vested Award Shares in consequence of the Committee making a determination pursuant to Rule 24.6 (Deemed Vesting upon Leaving), the Awardholder is paid in cash an amount equal to the aggregate of the Market Values of each such Award Share at that time less any Award Tax Liability in relation to such payment.
- 11.5 The Committee may (if it so determines in its absolute discretion) procure that, in respect of a proportion of the Award Shares which is different to the proportion of Award Shares determined by the application of either of paragraphs 11.4.1 or 11.4.2 (as appropriate), the Awardholder is paid in cash an amount equal to the aggregate of the Market Values of each such Award Share at that time less any Award Tax Liability in relation to such payment.
- 11.6 A Cash-Based Award shall lapse in respect of any remaining Award Shares.
12. **CASH-BASED AWARD - MISCONDUCT, CLAWBACK AND PERFORMANCE ADJUSTMENT**
- 12.1 If either:-
- 12.1.1 an Awardholder Leaves by reason of Misconduct; or
- 12.1.2 an Awardholder Leaves and the Company subsequently determines that before the Leaving Date circumstances had arisen in which the Awardholder's Employer was entitled to dismiss the Awardholder by reason of Misconduct,
- a Cash-Based Award granted to the Awardholder shall immediately lapse and none of the Grantor, the Company or the Awardholder's Employer shall be under any obligation to procure or make any cash payment to the Awardholder in respect of such Cash-Based Award.
- 12.2 The provisions of paragraph 12.1 shall have effect in relation to a Cash-Based Award regardless of whether the Award Shares have already become Vested Award Shares.
- 12.3 Without prejudice to the provisions of paragraphs 12.1 and 12.2, if, before Award Shares have become Vested Award Shares:
- 12.3.1 the accounts of the Company or of any member of the Group are required to be restated in circumstances where the Committee determines that there has been a mis-statement in the relevant accounts which would result or did in fact result either directly or indirectly in the Award Shares becoming Vested Award Shares to a greater degree than would have been the case if the mis-statement had not been made;

- 12.3.2 circumstances have arisen in which the Awardholder's Employer would be entitled to dismiss the Awardholder summarily (but such Awardholder has not in fact become a Leaver); or
- 12.3.3 the Committee determines that there was a material misjudgement of the performance of the Company or a member of the Group due to inaccuracies in underlying information or assumptions and that misjudgement would result either directly or indirectly in the Award Shares becoming Vested Award Shares to a greater degree than would have been the case if that misjudgement had not taken place

the Committee may determine that a Cash-Based Award should lapse in respect of such number of Award Shares as the Committee may in its discretion consider appropriate or further conditions should be imposed on the Award.

- 12.4 Where the Committee suspects that circumstances may have occurred that it considers may fall within paragraphs 12.1 or 12.3, and it wishes to investigate or await the outcome of any internal or external investigation before confirming the application of this Rule, it may determine that an Award shall not become a Vested Award pending the outcome of the investigation, in which case the Committee shall notify each affected Awardholder of the impact of the determination.
- 12.5 Following a determination made under paragraph 12.3:-
 - 12.5.1 the Grantor, acting on the instruction of the Committee, shall notify each affected Awardholder of the number of Award Shares in respect of which his Cash-Based Award has lapsed or the additional conditions imposed and the reason for this;
 - 12.5.2 each affected Cash-Based Award shall immediately lapse in respect of such number of the Award Shares as is determined by the Committee, and:
 - (a) none of the Grantor, the Company or the Awardholder's Employer shall be under any obligation to issue or transfer or procure the issue or transfer of, or of any interest in, those Award Shares pursuant to such Cash-Based Award;
 - (b) all references to Award Shares going forward shall be construed as reference only to those Award Shares over which the Cash-Based Award continues to subsist following the application of this paragraph 12.

13. CORPORATE EVENTS

- 13.1 Part G shall apply to Awardholders who have been granted Cash-Based Awards, except that:
 - 13.1.1 the reference to "Award Shares subject to the Award" in Rule 27.1 shall be construed as "cash payment in respect of the Award";
 - 13.1.2 the following wording shall be added as Rule 28.1.5, Rule 29.1.6 and Rule 30.1.5:-

"procure that, in relation to Cash-Based Awards, the Awardholders are paid in cash an amount equal to the aggregate of the Market Values at that time of each Award Share (if any) which is a Vested Award Share less any Award Tax Liability in relation to such payment";
 - 13.1.3 Rule 29.2.1 shall include reference to Rule 29.1.6; and
 - 13.1.4 Rules 28.2, 29.3 and 30.3 shall not apply to Cash-Based Awards.

14. VARIATION OF SHARE CAPITAL

Rule 31.1.2 shall be read as: *"if an Award has vested but no cash payment has been made, to the number of Vested Award Shares in respect of which the Award subsists"*.

15. PURCHASES BY TRUSTEE

15.1 Rule 36 shall not apply to Cash-Based Awards.

16. **CONFLICT**

If there is any conflict between the terms of this Schedule and the other rules of the Plan, the terms set out in this Schedule shall prevail.

SCHEDULE 3

ISRAEL

1. GENERAL

- 1.1 The terms set out in this Schedule 3 (the "**Israeli Appendix**") shall apply only to persons who are, or are deemed to be, residents of the State of Israel for Israeli taxation purposes. The provisions specified hereunder shall form an integral part of the Plan, which applies, *inter alia*, to the issuance of Nil-Cost Option Awards and/or Performance Share Awards (collectively and separately, "**Securities**") to Eligible Employees (as defined below) who are Israeli residents.
- 1.2 The Israeli Appendix is effective with respect to Securities granted on or after the Award Date.
- 1.3 The Israeli Appendix is to be read as a continuation of the Plan and only refers to Securities granted to Eligible Employees who are Israeli residents so that the Plan complies with the requirements set by the Israeli law in general, and in particular with the provisions of Section 102 of the Israeli Income Tax Ordinance (New Version), 1961 (the "**Ordinance**"), and any regulations, rules, orders or procedures promulgated thereunder, as may be amended or replaced from time to time (hereinafter – "**Section 102**"). For the avoidance of doubt, the Israeli Appendix does not add to or modify the Plan in respect of any other category of Securityholders.
- 1.4 The Plan and the Israeli Appendix are complementary to each other and shall be deemed one. In any case of contradiction, whether explicit or implied, between the provisions of the Plan and the Israeli Appendix, the provisions set out in the Israeli Appendix shall prevail with respect to Securities granted to Israeli Securityholders.
- 1.5 Any capitalised terms not specifically defined in the Israeli Appendix shall be construed according to the interpretation given to them in the Plan.
- 1.6 In the event that the ITA (as defined below) shall request an amendment to the Israeli Appendix, the Israeli Appendix shall be amended accordingly.

2. DEFINITIONS

- 2.1 "**Israeli Appendix**", "**Securities**", "**Ordinance**", "**Section 102**" as defined above.
- 2.2 "**102 Security**" means any Nil-Cost Option Award or Performance Share Award granted to an Employee pursuant to Section 102 as an Approved 102 Security or Unapproved 102 Security.
- 2.3 "**Approved 102 Security**" means any Nil-Cost Option Award or Performance Share Award granted pursuant to the terms and restrictions of Section 102(b)(2) of the Ordinance (the qualified capital gains tax course) and held in trust by the Israeli Trustee (as defined below) during the Restricted Period.
- 2.4 "**Controlling Shareholder**" shall have the meaning ascribed to it in Section 32(9) of the Ordinance.
- 2.5 "**Employee**" means a person who is employed by the Employer, including an individual who is serving as a director or an office holder of the Employer, but excluding any Controlling Shareholder.
- 2.6 "**Employer**" means the Israeli resident subsidiary by which the Israeli Securityholder is employed directly.
- 2.7 "**Israeli Securityholder**" means an Israeli resident Employee who holds a Security.
- 2.8 "**Israeli Trustee**" means any individual or entity appointed by the Company to serve as a trustee for the purposes of the Plan and the Israeli Appendix and approved by the ITA, all in accordance with the provisions of Section 102 of the Ordinance and "Israeli Trust" shall be construed accordingly.

- 2.9 "ITA" means the Israeli Tax Authorities.
- 2.10 "Required Tax Payments" – has the meaning given in Section 10.1 below.
- 2.11 "Restricted Period" means – with respect to Approved 102 Securities - a period of no less than 24 (twenty-four) months commencing from the date on which the Approved 102 Securities were issued and deposited with the Israeli Trustee, or such other period as shall be prescribed from time to time under Section 102 with respect to Approved 102 Securities.
- 2.12 "Trust Agreement" means the agreement signed between the Company, the Employer and the Israeli Trustee for the purposes of Section 102.
- 2.13 "Unapproved 102 Security" means a Nil-Cost Option Award or Performance Share Award granted pursuant to Section 102(c) of the Ordinance.

3. ISSUANCE OF SECURITIES - ELIGIBILITY

- 3.1 The persons eligible for participation in the Plan and the Israeli Appendix shall include, *inter alia*, any Israeli resident Employee; provided, however, that only Israeli resident Employees may be granted 102 Securities.
- 3.2 The Directors may designate Nil-Cost Option Awards or Performance Share Awards granted to Eligible Employees pursuant to Section 102 as Unapproved 102 Securities or Approved 102 Securities.
- 3.3 The grant of an Approved 102 Security shall be made in accordance with the Plan and the Israeli Appendix, subject to Section 3.4 below, and shall be conditional upon the approval of the Plan and the Israeli Appendix by the ITA.
- 3.4 No Approved 102 Security may be granted under the Israeli Appendix to any Employee until thirty (30) days after the requisite filings under Section 102, including the Company's and the Employer's application for the approval of this Plan for Section 102 purposes and the election of the qualified capital gains tax course (the "Election"), the Trust Agreement, the Plan, and the Israeli Appendix, have been made with the ITA. Such Election shall become effective commencing on the first grant date of an Approved 102 Security under the Israeli Appendix and shall remain in effect until the end of the year following the year during which the Company first granted Approved 102 Securities. For the avoidance of doubt, such Election shall not prevent the Company from also granting Unapproved 102 Securities.
- 3.5 All Approved 102 Securities must be held in trust by an Israeli Trustee, as provided in Section 4 below.
- 3.6 The Israeli Securityholder shall confirm in writing, as a condition to the grant of the Approved 102 Security, that: (i) he is familiar with the tax provisions and restrictions of Section 102 under which the Approved 102 Security is issued to him through the Israeli Trustee, and (ii) that he agrees to be bound by the terms and conditions of the Plan, the Israeli Appendix and the restrictions and limitations under the tax provisions of Section 102, and (iii) with respect to the qualified capital gains course only (if applicable) - that he understands that the capital gains rate benefit of 25% is not promised to him, and that under certain circumstances he may be subject to regular working income tax rates in respect to the benefit derived from the Approved 102 Security, if a violation of the capital gains tax course occurs as detailed in Section 4.4 below.

4. TRUST AND TRUSTEE

- 4.1 Approved 102 Securities granted under the Plan and the Israeli Appendix, any Award Shares issued or transferred upon exercise or vesting of such Approved 102 Securities, and all rights (if any) accruing on such Approved 102 Securities, shall be allocated or issued or transferred to the Israeli Trustee, who shall hold such Approved 102 Securities and Award Shares (if issued or transferred to the Israeli Trustee) and all accrued rights thereon (if any) in trust for the benefit of the Israeli Securityholder and/or the Company, as the case may be, during the Restricted Period (as a minimum). All certificates (including Award Certificates) or registrations (as may be required by

applicable law or by the relevant governmental body or regulatory authority) representing the Approved 102 Securities, the Award Shares and/or all rights accruing thereon (if any) shall be issued or transferred to the Israeli Trustee, deposited and/or registered in the name of the Israeli Trustee and shall be held by the Israeli Trustee until such time as the Approved 102 Securities or Award Shares are released from the Israeli Trust as provided herein.

- 4.2 Notwithstanding anything to the contrary and without derogating from the limitation and restrictions provisions of the Plan regarding the transferability of the Awards and/or Award Shares, neither the Approved 102 Security, nor the Award Shares to be issued or transferred upon exercise or vesting of such Approved 102 Security or all rights accruing thereon (if any) shall: (i) be released from the Israeli Trust, whether to an Israeli Securityholder or to any third party; (ii) whether directly or indirectly, be sold, transferred (except for transfer by will and according to the relevant laws of inheritance and distribution), assigned, pledged, hypothecated, encumbered or otherwise disposed of; or (iii) be subject to execution, attachment or similar process, all the foregoing whether by the Israeli Securityholder or the Israeli Trustee, prior to the end of the Restricted Period and prior to the full payment of the Required Tax Payments arising from the Approved 102 Security and/or any Award Shares or other accrued rights (if any).
- 4.3 At any time after the expiry of the Restricted Period, and pursuant to a written request, the Israeli Trustee may release and transfer the Award Shares held in the Israeli Trust and all rights accruing thereon (if any) to the Israeli Securityholder or to a third party upon the sale of the Award Shares, by executing and delivering to the Company, or to such other person as it may direct, such instrument(s) as the Company may require and by giving due notice of such release to the Israeli Securityholder, provided that all of the following conditions have been fulfilled prior to such transfer: (i) the Israeli Trustee has received a written request from the Israeli Securityholder; (ii) payment has been rendered to the ITA of all the Required Tax Payments (as detailed in Section 10 below), and confirmation of such payment has been received by the Israeli Trustee; and (iii) the Israeli Trustee has received a written confirmation from the Company that all requirements for such release and transfer have been fulfilled according to the terms of the Company's corporate documents, the Plan, the Israeli Appendix, any Award documentation and any applicable law.
- 4.4 Notwithstanding Sections 4.2-4.3 above, if the Approved 102 Security and/or Award Shares or all rights accruing thereon (if any) shall (i) be released from the Israeli Trust, whether to an Israeli Securityholder or to any third party, whether by a voluntary transfer or a forced transfer upon a merger or any other transaction; or (ii) whether directly or indirectly, be sold, transferred (except for transfer by will and according to the relevant laws of inheritance and distribution), assigned, pledged, hypothecated, encumbered or otherwise disposed of; or (iii) be subject to execution, attachment or similar process, all the foregoing whether by the Israeli Securityholder or the Israeli Trustee, prior to the end of the Restricted Period, then it may be considered a violation of the capital gains tax course conditions of Section 102 which may lead to higher tax rates (regular income tax rates) for the relevant Israeli Securityholder.
- 4.5 The Israeli Securityholder shall undertake in writing, as a condition to the grant of an Award, to release the Israeli Trustee from any liability in respect of any action or decision taken and executed by the Israeli Trustee and/or the Company and/or the Employer in relation to the Plan and the Israeli Appendix, or to any Approved 102 Security or Award Shares granted to the Israeli Securityholder thereunder.
- 4.6 Unapproved 102 Securities granted under the Plan, any Award Shares issued or transferred upon exercise or vesting of such Unapproved 102 Securities, and all rights (if any) accruing on such Unapproved 102 Securities and Award Shares shall be allocated or issued or transferred to a trustee, who shall hold such Unapproved 102 Securities, Award Shares and all accrued rights thereon (if any) in trust for the benefit of the Israeli Securityholder and/or the Company, as the case may be, until the full payment of the Required Tax Payments arising from the Unapproved 102 Securities and/or any Award Shares or other accrued rights (if any).²

² Please note that the Israeli tax law does not require the appointment of a trustee in the event of a grant of Unapproved 102 securities. However, since the tax moment occurs upon the sale of the shares and the withholding duty applies even if the participant is no longer employed by the employer on the date of sale of the shares – the Company (or the Employer) may face a problem of withholding in certain circumstances. Accordingly, it is recommended that the Awards and Award Shares issued upon exercise or vesting should be held in trust (by the Company or any other trustee) till all of the tax liability is paid by the relevant Awardholder or, alternatively, employees be required to sell the shares upon exercise or vesting of the securities or receive the net cash value of the shares (and not shares).

5. FAIR MARKET VALUE FOR TAX PURPOSES

Without derogating from the provisions of the Plan and solely for the purpose of determining the tax liability with respect to the work income component under the qualified capital gains tax course pursuant to Section 102(b)(3) of the Ordinance for Approved 102 Securities (which is subject to regular income tax and social security duties), if, at the Award Date, the Shares are listed on any established stock exchange or a national market system (including, without limitation, the London Stock Exchange) or if the Award Shares will be registered for trading within ninety (90) days following the Award Date of the Approved 102 Security, then a portion of the Israeli Securityholder's benefit at the date of tax event which equals to the fair market value of the Award Shares at the Award Date or the date of the deposit of the Approved 102 Security with the Israeli Trustee (which shall be determined in accordance with the average value of the shares during the thirty (30) trading days preceding such date or during the thirty (30) trading days following the date of registration for trading, as the case may be), minus the exercise price (if relevant) and other expenses, while all the amounts are index-linked to the date of tax event, shall be considered work income and be taxed accordingly, unless otherwise determined by the Ordinance.

6. EXERCISE AND VESTING OF SECURITIES

Nil-Cost Option Awards shall be exercised by the Israeli Securityholder as set forth in Rule 17 of the Plan and subject to all of the Plan's provisions and the Company's directions. The Israeli Securityholder shall send a copy of the notice of exercise referred to in Rule 17.4 of the Plan to the Israeli Trustee's registered office. Notwithstanding anything to the contrary, in the event that an Israeli Securityholder is entitled to receive Shares under the Plan upon exercise or vesting of an Approved 102 Security, the Company and/or the broker and/or the administrator shall issue the certificates of such Shares in the name of the Israeli Trustee and deposit such certificates with the Israeli Trustee.

7. INTEGRATION OF SECTION 102 AND TAX AUTHORITIES' PERMIT

Regarding Approved 102 Securities, the provisions of the Plan and/or the Israeli Appendix shall be subject to the provisions of Section 102, the Ordinance, and any terms set forth in approvals issued by the ITA (if any) and such terms or provisions shall be deemed an integral part of the Plan and the Israeli Appendix.

8. RESTRICTIONS ON VOTING RIGHTS

Without derogating from the provisions of the Plan, no person shall have any right as a shareholder of the Company with respect to any Award Share, unless and until such person becomes a shareholder of record with respect to such Award Share. Notwithstanding the foregoing or anything to the contrary in the Plan, the Israeli Trustee shall not be required to vote with respect to Award Shares, for so long as such Award Shares are held by the Israeli Trustee.

9. DIVIDEND

With respect to all Award Shares (but excluding, for avoidance of any doubt, any Award Shares subject to unexercised Nil-Cost Option Awards or unvested Performance Share Awards) allocated or issued or transferred upon the exercise of Nil-Cost Option Awards or vesting of Performance Share Awards to the Israeli Securityholder and held by the Israeli Securityholder or by the Israeli Trustee, as the case may be, the Israeli Securityholder shall be entitled to receive dividends in accordance with the quantity of such Award Shares, subject to the provisions of the Company's incorporation documents (and all amendments thereto) and the Plan and subject to any applicable taxation on distribution of dividends and, when applicable, subject to the provisions of Section 102.

10. TAX CONSEQUENCES

- 10.1 Any and all taxes, duties, levies and other liabilities and obligations, including, but not limited to, income tax, capital gains tax, national insurance and health care payments (as applicable from time to time) in Israel, or in any other relevant jurisdiction, arising from: (i) the grant, vesting and exercise of any 102 Security and/or Award Shares; (ii) the issuance or delivery of any Award Shares or the payment of any amount in respect thereof; (iii) the release of any 102 Security or

Award Shares from the Israeli Trust; (iv) the sale of such Award Shares; or (v) any other event or act of the Company, the Employer, the Israeli Trustee or the Israeli Securityholder (as applicable) hereunder (the "**Required Tax Payments**") shall be borne by the Israeli Securityholder who shall be solely liable for all such taxes, duties, levies and other liabilities and obligations. The Israeli Securityholder shall not be entitled to receive any 102 Security, Award Shares, or any payment in respect thereof until the Company, the Employer and the Israeli Trustee (as applicable) are satisfied that all the Required Tax Payments due or payable in respect thereof have been discharged in full (or after an arrangement with respect to such discharge has been reached with the Company, and/or the Employer and the Israeli Trustee, to the satisfaction of the Israeli Trustee).

- 10.2 The Company, the Employer or the Israeli Trustee (as applicable) shall withhold all the Required Tax Payments which may be required to be withheld or paid in connection with any 102 Security or the Award Shares covered thereby, in accordance with the requirements under applicable laws, rules and regulations and, for such purpose, the Company, the Employer or the Israeli Trustee (as applicable) shall be entitled, at its sole discretion, to approach the ITA at any time and from time to time in order to obtain an approval or a pre-ruling with respect to the Required Tax Payments which are required to be withheld or paid in connection with any 102 Security or the Award Shares covered thereby. As a condition precedent to: (i) the grant, vesting or exercise of any 102 Security and/or Award Shares; (ii) the issuance or delivery of any Award Shares or the payment of any amount in respect thereof; or (iii) the release of any 102 Security or Award Shares from the Israeli Trust (as applicable), the Israeli Securityholder shall pay the Company, the Employer or the Israeli Trustee (as applicable) such amount as the Company, the Employer or the Israeli Trustee (as applicable) may be required, as determined by it at its sole discretion, under all applicable laws, rules and regulations, to withhold and pay over as Required Tax Payments with respect to the relevant 102 Security or the Award Shares covered thereby. The Required Tax Payments shall be paid by the Israeli Securityholder to the Company, the Employer or the Israeli Trustee (as applicable) in cash (or cash equivalent). If the Israeli Securityholder fails to pay the Required Tax Payments, the Company and/or the Employer (as applicable) may, in its sole discretion, deduct any Required Tax Payments from any amount then, or thereafter becoming, payable by the Company or the Employer to the Israeli Securityholder.

For purposes of simplicity and in order to ensure compliance with Section 102 or any other provisions of the Ordinance, the exercise or vesting of the 102 Security and the purchase and sale of Award Shares issued or transferred thereunder may be executed and delivered by the Company.

- 10.3 The Company and/or the Israeli Trustee shall not be required to effect the registration or transfer of any Award Share or release any related share certificate until all Required Tax Payments have been made in full, to the satisfaction of the Israeli Trustee.

11. **GOVERNING LAW & JURISDICTION**

The Israeli Appendix shall be governed by and construed and enforced in accordance with the laws of the State of Israel applicable to contracts made and to be performed therein, without giving effect to the principles of conflict of laws. The competent courts of Israel shall have sole jurisdiction in any matters pertaining to the Israeli Appendix.