

Dated 26 April 2022

**Award Agreement**

between

**BSF ENTERPRISE PLC**

and

**CHE JOHN CONNON**

THIS AGREEMENT IS DATED 26 April 2022

## Between

- 1) **BSF ENTERPRISE PLC** a company incorporated in England and Wales with company number 11554014 (the "**Company**"); and
- 2) **CHE JOHN CONNON** of [REDACTED] (the "**Award Holder**").

## Background

The Award Holder is an Employee. The Company has agreed to enter into this Agreement to grant an Award to the Award Holder under the rules of the Scheme in order to retain and incentivise the Award Holder in employment with the Company.

## 1. Definitions

- 1.1 In this Agreement the words and expressions set out below shall have the meanings specified against them unless the context otherwise requires. Any reference to a provision of an Act of Parliament of the United Kingdom shall include any amendment, extension, re-enactment, consolidation or replacement from time to time.

**"Admission"** admission of the Company's issued and to be issued Shares (including the Shares awarded to the Award Holder) to the standard segment of the UK Financial Conduct Authority's Official List and to trading on the London Stock Exchange plc's Main Market for listed securities becoming effective;

**"Award"** the award of Shares (subject to restrictions and forfeiture risks) granted in accordance with Clause 2;

**"Grant Date"** the date specified in Clause 2;

**"Rules"** the rules of the Scheme, as set out in Schedule 1 to this Agreement;

**"Scheme"** the BSF Enterprise PLC Restricted Share Scheme; and

**"Shares"** means ordinary shares in the capital of the Company.

- 1.2 In this Agreement unless the context otherwise requires, any terms defined in the Rules shall bear the same meaning, and words in the singular shall include the plural number and vice versa.

## 2. Grant of Award

- 2.1 The Directors have resolved to grant the Award to the Award Holder on the following terms:

- 2.1.1 the grant is made conditional on Admission occurring by no later than 8.00 am on 17 May 2022;

- 2.1.2 the Grant Date is the date on which Admission occurs;
  - 2.1.3 the Award is granted over 3,899,246 Shares;
  - 2.1.4 the price payable by the Award Holder for the Shares shall be £0.01 per Share (the aggregate amount payable being the "**Subscription Costs**"), such amount to be paid by no later than the date of Admission; and
  - 2.1.5 the Employment Period is the period that starts on the Grant Date and ends on the third anniversary of the Grant Date.
- 2.2 The Award is granted on and subject to the terms set out in the Rules, supplemented by this Agreement.
- 2.3 Subject to any restrictions imposed by statutes, orders or regulations and/or the Company's share dealing code, the Company shall arrange for the allotment and issue of the Shares to the Award Holder as soon as reasonably practicable after the payment of the Subscription Costs. The costs for such issue of Shares shall be borne by the Company. Where shares in the Company are traded on the London Stock Exchange, the Company shall apply to the UK Listing Authority for a listing and to the London Stock Exchange for admission to trading for the Shares allotted.
- 2.4 In the event that Admission does not take place on or before 8.00 am on 17 May 2022, this Agreement shall lapse and be of no effect.
3. Additional terms
- The issue of Shares under the Award to the Award Holder shall be subject to the Rules and to following terms:
- 3.1 The Shares will be issued in certificated form. While the Award Holder's name will be entered onto the Company's register as a shareholder, the share certificate (the "**Certificate**") in respect of the Shares shall be held by the Company. The Award Holder agrees that until the Release Date, the Certificate shall be held by the Company.
  - 3.2 Except as provided in Clause 3.3, until the Certificate is released to the Award Holder in accordance with Clause 3.8, the Award Holder undertakes not to take any steps to transfer, charge, assign or otherwise dispose of the legal and beneficial ownership of the Shares. Any attempt by the Award Holder to do so shall result in the Shares and all the interest therein being transferred to the Company or to another person nominated by the Company (the "**Nominee**") for nil consideration.
  - 3.3 The Award Holder may transfer, assign, charge or otherwise dispose of the interest in some of your Shares with the written permission of the Directors. The consent of the Directors will usually only be given if the disposal is necessary to enable the Award Holder to raise sufficient funds to meet any income tax and social security liabilities arising in respect of the Shares. If the Directors consent to the disposal of some of the Shares, the remaining Shares shall continue to be the subject to the terms of the Rules and this Agreement.
  - 3.4 Dividends paid on the Shares where the record date occurs after the Grant Date but before the Release Date shall be waived by the Award Holder.

- 3.5 The Award Holder shall not exercise any voting rights in respect of the Shares at any general meetings which take place before the Release Date.
- 3.6 If the Company makes an offer conferring any rights on its shareholders to acquire (for payment) additional securities in the Company prior to the Release Date, the Award Holder shall be entitled to participate in the offer in respect of the Shares on the same terms as other shareholders.
- 3.7 If the Award Holder leaves the employment of the Company prior to the Release Date and is a Bad Leaver, the Award Holder agrees that the Shares will be transferred to the Company or the Nominee for nil consideration (unless the Directors specify another amount). The transfer of the Shares will take effect as at the Cessation Date (as defined below).
- 3.8 If the Award Holder ceases to be employed by the Company prior to the Release Date and is a Good Leaver, the Directors shall, subject to Clauses 3.9, 3.10 and 3.11, release the Certificate to the Award Holder as soon as practicable following the Cessation Date.

The Award Holder shall only be regarded as having left the Company if no longer employed or an officer of any Group Company. The date the Award Holder leaves the Company shall be referred to as the **Cessation Date**.

- 3.9 The Certificate may not be released at any time:
- (a) while disciplinary proceedings by any Group Company are underway against the Award Holder; or
  - (b) while any Group Company is investigating the Award Holder's conduct and may as a result begin disciplinary proceedings.
  - (c) while there is a breach of the Award Holder's employment contract that is a potentially fair reason for dismissal; or
  - (d) while the Award Holder is in breach of a fiduciary duty owed to any Group Company; or
  - (e) after the Award Holder has ceased to be an Employee, if there was a breach of employment contract or fiduciary duties that (in the reasonable opinion of the Directors) would have prevented the Release of Shares had the Company been aware (or fully aware) of that breach, and of which the Company was not aware (or not fully aware) until after both:
    - (i) the Award Holder's ceasing to be an Employee; and
    - (ii) the time (if any) when the Directors decide to permit the Release of Shares to the Award Holder.

An Award that was not Released on its expected Release Date due to the application of the above Clause shall be Released if the Directors so determine following the conclusion of the disciplinary proceedings or investigation. The Release Date of that Award shall be the date of the Directors' determination, or, if that date falls in a Closed Period, the first business day following the end of that Closed Period.

- 3.10 If, before the Release Date, the Award Holder becomes bankrupt or has an interim order made against them under the Insolvency Act 1986 or compromises with the creditors generally, the Shares will be transferred to the Company or the Nominee for nil consideration.
- 3.11 The release of the Certificate is subject to any restrictions imposed by statutes, orders or regulations and/or the Company's share dealing code. The Company undertakes to release the Certificate as soon as reasonably practicable once the applicable restrictions cease to apply.
- 3.12 To enable the Company to enforce the terms of this Agreement, the Award Holder agrees to sign, at the Grant Date, one or more stock transfer forms in respect of the Shares as the Company directs. The forms shall be returned to the Award Holder at the same time when the Certificate is Released.
- 3.13 By way of security, the Award Holder irrevocably appoints the Company to be the Award Holder's attorney and, in his/her name, on his/her behalf and as his/her act and deed, to execute any documents and do any acts and things that the Award Holder is required to execute and do under this Agreement and/or the Company deems proper or desirable in exercising any of the rights, powers, authorities and discretions conferred by this Agreement on the Company.
- 3.14 The Award Holder acknowledges that under the Rules, the Company may require the Award Holder to repay some or all the Shares Released in the event of a Clawback Event. The Award Holder agrees that he/she may be required, prior to the Shares being Released, to enter into such further arrangement as the Directors determine to ensure that the Company is in a position to enforce its right in the event of a Clawback Event.

#### **4. Tax Liability**

The Award Holder irrevocably agrees to:

- (a) pay the Tax Liability to the Employer Company; and
- (b) enter into arrangements to the satisfaction of the Company or Employer Company to pay the Tax Liability.

#### **5. Alterations**

Subject to Rule 16, the Company and the Award Holder may at any time, by the execution of a Deed, alter or add to all or any of the provisions of this Agreement in any respect.

#### **6. General**

- 6.1 The decision of the Directors in any dispute, question or determination relating to or under this Agreement shall be final and conclusive.
- 6.2 This Agreement may be executed in counterparts each of which when executed by one or both of the parties hereto shall constitute an original but all of which shall constitute one and the same instrument.
- 6.3 This Agreement shall be governed by and interpreted in accordance with English law.

6.4 By entering into this Agreement, the Company and the Award Holder submit to the exclusive jurisdiction of the English Courts.

In witness whereof this document has been executed and delivered as a Deed the day and year first above written.

<p>Executed as a deed and delivered by <b>BSF Enterprise PLC</b> acting by a director:</p> <p>in the presence of:</p> <p>.....</p> <p>Witness' signature</p> <p>Witness name:</p> <p>Witness address:</p> <p>Witness occupation:</p>	<p>.....</p> <p>Director</p>
<p>Executed as a deed and delivered by the <b>Award Holder</b>:</p> <p>in the presence of:</p> <p>.....</p> <p>Witness' signature</p> <p>Witness name: <i>Miguel Garrin</i></p> <p>Witness address: [REDACTED]</p> <p>Witness occupation: <i>Scientist</i></p>	<p>[REDACTED]</p> <p>.....</p> <p>Award Holder</p>

6.4 By entering into this Agreement, the Company and the Award Holder submit to the exclusive jurisdiction of the English Courts.

In witness whereof this document has been executed and delivered as a Deed the day and year first above written.

<p>Executed as a deed and delivered by <b>BSF Enterprise PLC</b> acting by a director:</p> <p>in the presence of:</p> <p>..... [Redacted Signature] .....</p> <p>Witness' signature</p> <p>Witness name: HH Zhang</p> <p>Witness address: [Redacted Address]</p> <p>Witness occupation: Consultant</p>	<p>..... [Redacted Signature] .....</p> <p>Director</p>
<p>Executed as a deed and delivered by the <b>Award Holder</b>:</p> <p>in the presence of:</p> <p>..... .....</p> <p>Witness' signature</p> <p>Witness name:</p> <p>Witness address:</p> <p>Witness occupation:</p>	<p>..... Award Holder</p>

## **Schedule 1**

Rules of the BSF Enterprise PLC Restricted Share Scheme

# **BSF ENTERPRISE PLC**

## **RESTRICTED SHARE SCHEME RULES**

Adopted by the Directors on 26 April 2022 and approved by the shareholders on \_\_\_\_\_2022

**BSF ENTERPRISE PLC**  
**RESTRICTED SHARE SCHEME RULES**

**1. Definitions**

1.1 In this Scheme the words and expressions set out below shall have the meanings specified against them unless the context otherwise requires. Any reference to a provision of an Act of Parliament shall include any amendment, extension, re-enactment, consolidation or replacement from time to time.

**“Acting in Concert”** has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers;

**“Adoption Date”** the date the Scheme is approved by the shareholders of the Company;

**“Articles”** the articles of association of the Company as amended from time to time;

**“Award”** an award of Shares which are subject to forfeiture.

**“Award Agreement”** an agreement between the Company and an Employee executed as a deed in substantially the form contained in Appendix 1 to this Scheme, or such other form as the Directors may from time to time prescribe;

**“Award Holder:** an individual who holds an Award or, where applicable, that individual's personal representatives.

**“Bad Leaver”** a Leaver who is not a Good Leaver;

**“Clawback Event”** means a circumstance determined by the Directors including (but without limitation):

- a) gross misconduct on the part of the Award Holder;
- b) the extent to which any performance target was satisfied was based on an error, or on inaccurate or misleading information or assumptions which resulted either directly or indirectly in the Shares in the Award being Released to a greater extent than would have been the case had that error not been made;
- c) a material financial misstatement of the Group's audited financial accounts (other than as a result of a change in accounting practice) or a material failure in the Group's risk management.

**“Closed Period”** has the same meaning as in the UK MAR;

**“Company”** BSF Enterprise PLC (registered in England and Wales with company no.11554014);

**“Control”** (in relation to a body corporate) the power of a Person to secure:

- a) by means of the holding of shares or the possession of voting power in or in relation to that or any other body corporate; or
- b) by virtue of any powers conferred by the articles of association or any other document regulating that or any other body corporate,

that the affairs of the first-mentioned body corporate are conducted in accordance with the wishes of that Person (and the term **“Controlled”** shall be construed accordingly);

**“Directors”** the board of directors of the Company or a duly appointed remuneration committee of the board of directors at which a quorum is present;

**“Employee”** any employee (including an executive director) of a Group Company;

**“Employer Company”** the Award Holder's employer or former employer as applicable.

**“Employment Period”** the period that starts on the Grant Date and ends on such date as the Directors may specify, not being earlier than the third anniversary of the Grant Date;

**Grant Date:** the date on which an Award is, was, or is to be granted as set out in the Award Agreement.

**“Good Leaver”** a Leaver who ceases to be an employee or director by reason of death, retirement or redundancy (in each case as agreed with the Company), ill health or permanent incapacity rendering the Leaver incapable of continuing as an employee or director, sale of the Leaver's employing business or employing company out of the Group or any other reason at the absolute discretion of the Directors;

**“Group”** the Company and any Subsidiary of the Company and Group Company shall be construed accordingly.

**“Issue or Re-organisation”** any issue of shares or other securities by the Company, any capitalisation, rights issue, consolidation, sub-division or reduction of share capital by the Company and/or any other event resulting in a variation to the share capital of the Company, which in any case, in the opinion of the Directors justifies a variation in the number of Shares subject to an Award;

**Leaver”** any Award Holder who ceases to be and is no longer continuing as an employee or director of any Group Company without becoming an employee or director of another Group Company;

**“London Stock Exchange”** means the London Stock Exchange plc;

**“Nominee”** the person (including a trustee) nominated by the Directors to hold the Shares on behalf of the Award Holder subject to the rules;

**“Person”** a natural person, firm, company, corporation or other statutory or independent legal body;

**“Release”** in relation to an Award, that the Shares subject to the Award cease to be subject to forfeiture in accordance with Rule 5;

**“Release Date”** the date upon which Release takes place;

**“Rules”** these rules of the BSF Enterprise PLC Restricted Share Scheme as amended from time to time;

**“Scheme”** the BSF Enterprise PLC Restricted Share Scheme as set out in these Rules as amended from time to time;

**“Shares”** ordinary shares of £0.01 each in the Company or, as the context may require, shares for the time being representing those shares whether because of any Issue or Re-organisation or otherwise;

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

**“Tax Liability”** in relation to any Award Holder, any liability in relation to an Award of any Group Company or any other person to account for any amount of tax (including income tax), duties and/or social security contributions (including primary Class 1 (employee’s) National Insurance contributions and unless otherwise determined by the Directors at any time prior to the Release of the Award, secondary Class 1 (employer’s) National Insurance contributions) whether of the United Kingdom or elsewhere;

**“UK Listing Authority”** the UK Listing Authority within the meaning given to that expression in the Listing Rules made by the Financial Services Authority as the relevant competent authority under the Official Listing of Securities (Change of Competent Authority) Regulations 2000;

**“UK MAR”** the retained EU law version of the Market Abuse Regulation (596/2014) which applies in the UK following the end of the Brexit transition period.

1.2 In these Rules, unless the context otherwise requires, words in the singular number shall include the plural number and vice versa and a reference to one gender shall include reference to the other gender.

## **2. GRANT OF AWARDS**

2.1 Subject to the rules, the Directors may grant an Award to any Employee they choose during:

2.1.1 the period of 42 days after the Adoption Date;

2.1.2 any period of 42 days immediately following the end of a Closed Period; and

2.1.3 any other period in which the Directors have decided to grant an Award due to exceptional circumstances which justify such a decision.

- 2.2 The Company may not grant Awards:
- 2.2.1 during a Closed Period; or
  - 2.2.2 after the tenth anniversary of the Adoption Date.
- 2.3 The Company shall grant an Award by executing an Award Agreement and is on the basis that participation in the Scheme is deemed to constitute an agreement to be bound by the rules of the Scheme.
- 2.4 The amount payable by an Employee for the grant of an Award shall be the aggregate nominal value of the Shares subject to the Award.

### **3. PERFORMANCE CONDITION AND EMPLOYMENT PERIOD**

- 3.1 The Directors may determine that the Release of Shares subject to the Award will be conditional upon the satisfaction of an objective performance target. The Directors may vary or waive any performance target, provided that any varied performance target shall be (in the reasonable opinion of the Directors):
- 3.1.1 a fairer measure of performance than the original performance target, as judged at the time of the variation;
  - 3.1.2 no more difficult to satisfy than the original performance target was at the Grant Date; and;
  - 3.1.3 not materially easier to satisfy than the original performance target was at the Grant Date, unless the variation of the performance target has been approved in advance by the Company in general meeting.
- 3.2 The Directors also have power to shorten the Employment Period in respect of an Award.

### **4. OVERALL GRANT LIMITS**

The Company may not grant an Award if that grant would result in the total number of Shares issued or issuable under the Scheme exceeding 15% of the issued share capital of the Company from time to time.

### **5. AWARDS**

- 5.1 On or as soon as practicable after the Grant Date of an Award, the proposed Award Holder shall sign an Award Agreement which shall give effect to the following provisions of this Rule 5. If the Award Holder fails to sign and return the Award Agreement to the Company or fails to make the payment pursuant to Rule 2.4 within 30 days after the Grant Date (or such other period prescribed by the Directors), the Award Holder shall forfeit for no consideration all interest in the Shares.

- 5.2 If the Directors so decide, the Shares shall be registered in the name of the Nominee until the Release Date on such terms as the Directors determine. Alternatively, the Directors shall specify in the Award Agreement other methods to ensure that, unless the Directors agree otherwise, the Award Holder shall continue to hold the Shares until the Release Date and to ensure that the Company can give effect to the forfeiture of the Shares for no consideration where the Rules so provide, including, without limitation to the generality of the foregoing, compelling the Award Holder to deposit the share certificate with the Company, complete blank stock transfer forms and appoint one or more Directors as attorney of the Award Holder in respect of the Shares.
- 5.3 Subject to Rule 5.4, an Award Holder who attempts to transfer, assign, charge or otherwise dispose of the interest (legal or beneficial) in the Shares before the Release Date shall forfeit for no consideration all interest in the Shares.
- 5.4 The Award Holder may not transfer, assign, charge or otherwise dispose of the interest in the Shares prior to the Release Date except:
- 5.4.1 with the permission of the Directors;
- 5.4.2 where Rules 8,10 or 11 apply.
- 5.5 If the Directors decide that the Award is subject to a performance target that has become incapable of being satisfied, in whole or in part, the Award Holder shall forfeit for no consideration all interest in the Shares, or the appropriate proportion of them.
- 5.6 Dividends paid on the Shares where the record date occurs before the Release Date shall be dealt with in one or more of the following ways, as specified by the Directors in the Award Agreement:
- 5.6.1 paid by the Company to the Award Holder whenever the Company pays dividends on Shares generally;
- 5.6.2 waived by the Nominee (if any) or Award Holder.
- 5.7 The voting rights on the Shares at any general meeting of members of the Company that occurs before the Release Date may not be exercised unless the Directors specify otherwise in the Award Agreement.
- 5.8 If the Company makes an offer conferring any rights on its members to acquire (for payment) additional securities in a Group Company, the Award Holder may give any direction concerning the exercise or sale of any rights or securities attributable to the Shares provided that the Award Holder complies with the terms of the offer in such manner as the Directors specify.
- 5.9 The words "forfeit for no consideration" or similar wording mean that the Award Holder's legal and beneficial interest in the Shares ceases to exist and the Award Holder receives no consideration for the cessation of the interest.

## **6. RELEASE DATE**

- 6.1 The Directors shall specify in the Award Agreement the Employment Period.
- 6.2 As soon as reasonably practicable after the end of the Employment Period, the Directors will determine the extent to which any performance target have been satisfied. The Shares subject to the Award will then be Released on the Release Date or lapse accordingly, in whole or in part.
- 6.3 Subject to Rule 7, the Release Date shall be the later of the day the Directors determine the extent the performance target has been met and the first business day following the end of the Employment Period. However, if that date falls in a Closed Period, the Release Date will be the first business day following the end of that Closed Period.

## **7. SUSPENSION OF AWARDS**

- 7.1 Subject to Rule 7.2, Shares subject to an Award shall not be Released at any time:
- 7.1.1 while disciplinary proceedings by any Group Company are underway against the Award Holder; or
  - 7.1.2 while any Group Company is investigating the Award Holder's conduct and may as a result begin disciplinary proceedings.
  - 7.1.3 while there is a breach of the Award Holder's employment contract that is a potentially fair reason for dismissal; or
  - 7.1.4 while the Award Holder is in breach of a fiduciary duty owed to any Group Company; or
  - 7.1.5 after the Award Holder has ceased to be an Employee, if there was a breach of employment contract or fiduciary duties that (in the reasonable opinion of the Directors) would have prevented the Release of Shares had the Company been aware (or fully aware) of that breach, and of which the Company was not aware (or not fully aware) until after both:
    - (a) the Award Holder's ceasing to be an Employee; and
    - (b) the time (if any) when the Directors decide to permit the Release of Shares to the Award Holder.
- 7.2 For the avoidance of doubt, and subject to Rule 6.3, Rule 9 and Rule 10, an Award that was not Released on its expected Release Date due to the application of Rule 7.1 shall be Released if the Directors so determine following the conclusion of the disciplinary proceedings or investigation. The Release Date of that Award shall be the

date of the Directors' determination, or, if that date falls in a Closed Period, the first business day following the end of that Closed Period.

- 7.3 No Award shall be Released during a period when the Award Holder is on notice of termination of employment (whether or not lawful). An Award that would otherwise have been Released during such a period shall instead be Released, subject to Rule 9, when and if the notice ceases to be effective in accordance with Rule 10.

## **8. CIRCUMSTANCES IN WHICH MALUS AND CLAWBACK CAN APPLY**

- 8.1 If a Clawback Event occurs at any time up to the period of twelve months after Shares subject to an Award are Released, the Directors may, in their absolute discretion, require the Award Holder to repay, in the manner they determine, such number of Shares received in respect of the Award as the Directors consider appropriate. The Directors will determine whether the clawback is to be net or gross of any tax liability met by the Award Holder in respect of the Award.
- 8.2 The Award Holder may be required, prior to the Shares being Released, to enter into such further agreement as the Directors determine to ensure that the Company is in a position to enforce Rule 8.1.

## **9. LAPSE OF AWARDS**

- 9.1 An Award Holder may not transfer or assign or create any charge or other security interest over an Award (or any right arising under it). An Award shall lapse if the Award Holder attempts to do any of those things. However, this Rule 9.1 does not prevent the transmission of an Award to an Award Holder's personal representatives on the death of the Award Holder.
- 9.2 An Award shall lapse on the earliest of the following:
- 9.2.1 any attempted action by the Award Holder falling within Rule 5.3 or Rule 9.1;
  - 9.2.2 when the Directors decide to the extent that the performance target has become wholly or partly incapable of being met;
  - 9.2.3 any date on which the Award shall lapse, as specified in the Award Agreement;
  - 9.2.4 to the extent necessary to give effect to any reduction or cancellation under Rule 8.1;
  - 9.2.5 to the extent required by Rule 10, the date the Award Holder ceases employment;
  - 9.2.6 If the Directors so determine under Rule 12; or
  - 9.2.7 when the Award Holder becomes bankrupt under Part IX of the Insolvency Act 1986, applies for an interim order under Part VIII of the Insolvency Act 1986, proposes or makes a voluntary arrangement under Part VIII of the Insolvency Act 1986, takes similar steps, or is similarly affected, under laws of any jurisdiction that correspond to those provisions of the Insolvency Act 1986.

## **10. TERMINATION OF EMPLOYMENT**

### 10.1 If an Award Holder:

10.1.1 dies while an Employee; or

10.1.2 ceases to be an Employee and is a Good Leaver

before the end of the Employment Period, the Shares shall, subject to Rule 7, be Released as soon as practicable to the Award Holder (or the personal representatives) following the death or cessation of employment provided that the number of Shares Released may be reduced to the extent determined by the Directors to reflect the extent the performance target has been met.

10.2 If the Award Holder ceases to be an Employee and is a Bad Leaver before the end of the Employment Period, the Award will lapse and the Award Holder shall forfeit for no consideration (or such consideration as the Directors determine) all interest in the Shares.

10.3 The Directors shall notify the relevant Award Holder of any decision made under Rule 10.1 or Rule 10.2 within a reasonable time after making it.

10.4 An Award Holder who continues to be an employee or director of any Group Company shall not be regarded as ceasing to be an Employee.

## **11. TAKEOVERS AND LIQUIDATIONS**

11.1 Subject to Rule 11.7, on a change of Control of the Company, the Shares subject to the Awards shall be Released. If the Directors consider that a change of Control is likely to occur, the Directors may in their absolute discretion decide that the Shares subject to the Awards shall, subject to Rule 11.7, be Released. The Directors may decide that the Release of Awards shall be conditional on the change of Control actually occurring and the Release shall be treated as having no effect if the change of Control does not occur.

11.2 If any person becomes bound or entitled to acquire Shares under sections 979 to 982 or 983 to 985 of the Companies Act 2006, the Shares subject to the Awards shall, subject to Rule 11.7, be Released.

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11.3 If the court sanctions a compromise or arrangement under either section 899 or section 901F of the Companies Act 2006, the Directors may decide that the Shares subject to the Awards shall, subject to Rule 11.7, be Released.

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11.4 If any Shares, in one or a series of transactions, are sold resulting in the buyer and persons Acting in Concert with the buyer together acquiring Control of the Company, but the buyer is a company and its shareholders and the proportion of its shares held

by each of them following completion of the sale are substantially the same as the shareholders and their shareholdings in the Company immediately before the sale, the Directors may determine that this does not constitute a change of Control.

- 11.5 In this Rule 11, a person shall be deemed to have obtained Control of a company if that person, and others Acting in Concert with that person, have obtained Control of it together.
- 11.6 If the shareholders of the Company receive notice of a resolution for the voluntary winding up of the Company, the Shares subject to the Awards shall, subject to Rule 11.7, be Released.
- 11.7 The Directors shall have discretion to reduce the number of Shares Released to take into account the extent the performance target has been met.
- 11.8 The Directors shall notify Award Holders of any event that is relevant to Awards under this Rule 11 within a reasonable period after the Directors become aware of it.
- 11.9 For the avoidance of doubt, Rule 11 is subject to Rules 7 and 8.

## **12. VARIATION OF SHARE CAPITAL**

12.1 This Rule 12 applies where there is:

- 12.1.1 a variation of share capital; or
- 12.1.2 an extraordinary distribution to shareholders.

12.2 In this Rule 12:

- 12.2.1 a variation of share capital includes a capitalisation issue, rights issue, consolidation, subdivision or reduction of capital, a vendor placing with clawback, a vendor rights offer or a cash open offer. However, a scrip dividend is not a variation of share capital.
- 12.2.2 an extraordinary distribution to shareholders includes a demerger or special dividend.

12.3 If notice is given to shareholders of the Company of a proposed extraordinary distribution, the Directors shall determine whether the interests of Award Holders would or might be substantially prejudiced by the proposed extraordinary distribution. If the Directors do so decide, it may determine that, some or all Awards shall be Released. The Directors may decide that the Release of Awards shall be conditional on the extraordinary distribution actually occurring and the Release shall be treated as having no effect if the extraordinary distribution does not occur.

For the avoidance of doubt, if the Directors do not determine that Awards shall be Released, the Directors may nevertheless make an adjustment to the Awards under Rule 12.4.

12.4 If a variation of share capital or an extraordinary distribution occurs and the Directors considers that it has affected the value of Awards, the Directors shall consider whether it is fair to adjust the terms of the Awards and, if so, the Directors shall make such adjustment as they consider appropriate to:

12.4.1 the number of Shares subject to the Award;

12.4.2 the class of Shares subject to the Award.

12.5 The Directors shall notify all affected Award Holders of any decision made under Rule 12 within a reasonable time after making it.

### **13. TAX LIABILITIES**

13.1 The Award Holder shall indemnify the Employer Company in respect of any Tax Liability.

13.2 The Award Agreement shall include the Award Holder's irrevocable agreement to:

13.2.1 pay the Tax Liability to the Employer Company; and

13.2.2 enter into arrangements to the satisfaction of the Company or Employer Company to pay the Tax Liability.

13.3 If an Award Holder does not pay the Tax Liability within seven days of event giving rise to such liability, the Company or Employer Company, as appropriate, may:

13.3.1 if the Shares are readily saleable at the time, retain and sell such number of Shares on behalf of the Award Holder as is necessary to meet the Tax Liability, and any costs of sale; or

13.3.2 deduct the amount of any Tax Liability from any payments of remuneration made to the Award Holder on or after the date on which the Tax Liability arose except that, in the case of national insurance contributions, the Employer Company may only withhold such amount as is permitted by the Social Security (Contributions) Regulations 2001 (*SI 2001/1004*).

The Award Holder's obligations under Rule 13 shall not be affected by any failure of the Company or Employer Company to withhold shares or deduct from payments of remuneration under this Rule 13.3.

13.4 At the request of the Employer Company at any time before the Release of Shares, the Award Holder must elect, to the extent permitted by law, and using a form approved by HMRC, that the whole or any part of the liability for Employer national insurance contributions arising from the Award shall be transferred to the Award Holder.

13.5 It is a condition of the Release of an Award that the Award Holder enters into a joint election, under section 431(1) or 431(2) of ITEPA 2003, in respect of the Shares to be

acquired on the Release of the Award, if required to do so by the Company or Employer Company, on or before the Release of Shares subject to the Award.

- 13.6 The Release of Shares may be conditional on a power of attorney appointing the Company as the Award Holder's agent and attorney for the purposes of this Rule 13.

#### **14. RELATIONSHIP WITH EMPLOYMENT CONTRACT**

- 14.1 The rights and obligations of any Award Holder under the terms of an office or employment with any Group Company or former Group Company shall not be affected by being an Award Holder.

- 14.2 The value of any benefit realised under the Scheme by Award Holders shall not be taken into account in determining any pension or similar entitlements.

- 14.3 Award Holders and Employees shall have no rights to compensation or damages on account of any loss in respect of Awards or the Scheme where this loss arises (or is claimed to arise), in whole or in part, from:

14.3.1 termination of office or employment with; or

14.3.2 notice to terminate office or employment given by or to, any Group Company or any former Group Company. This exclusion of liability shall apply however termination of office or employment, or the giving of notice, is caused (including wrongful dismissal or breach of contract by any Group Company), and however compensation or damages are claimed.

- 14.4 Award Holders and Employees shall have no rights to compensation or damages from any Group Company or any former Group Company on account of any loss in respect of Awards or the Scheme where this loss arises (or is claimed to arise), in whole or in part, from:

14.4.1 any company ceasing to be a Group Company; or

14.4.2 the transfer of any business from a Group Company to any person that is not a Group Company.

This exclusion of liability shall apply however the change of status of the relevant Group Company, or the transfer of the relevant business, is caused, and however compensation or damages are claimed.

- 14.5 An Employee shall not have any right to receive Awards, whether or not the Employee has previously been granted any.

#### **15. NOTICES**

- 15.1 Any notice from the Company to an Award Holder (or the Award Holder's personal representative(s)) shall be given by hand or sent through the post in prepaid cover addressed to the Award Holder (or the Award Holder's personal representative(s)) at

the last address known to the Company as being the Award Holder's address or sent electronically to the Award Holder's last known e-mail address.

- 15.2 Any notice given to the Company shall be properly given if sent to or delivered to the Company at its registered office or to the designated email by the Award Holder.
- 15.3 Any notice or certificate sent by post shall be deemed delivered on the second day following the date of posting and any notice sent electronically on the date of despatch. All notices, documents or certificates given by or to an Award Holder (or the Award Holder's personal representative(s)) shall be sent at the Award Holder's risk.

## **16. ADMINISTRATION AND AMENDMENT**

16.1 The Directors shall administer the Scheme.

16.2 The Directors may amend the Scheme from time to time provided that:

16.2.1 The Directors may not amend the Scheme if the amendment applies to Awards granted before the amendment was made and materially adversely affects the interests of Award Holders except that an Award Holder whose Awards would be adversely affected may consent to the application of the amendment to those Awards.

16.2.2 The Directors may not make any amendment to the advantage of Award Holders if that amendment relates to the definition of "Bad Leaver", "Employee", "Good Leaver", Rules 4, 5, 6, 9, 10, 11, 12 and 14 without the prior approval of the Company in general meeting (except for minor amendments to benefit the administration of the Scheme, to take account of a change in legislation, or to obtain or maintain favourable tax, exchange control or regulatory treatment for Award Holders or for a Group Company).

16.3 The cost of establishing and operating the Scheme shall be borne by the Group Companies in proportions determined by the Directors.

16.4 Any decision under the Scheme and whether to consider making such a decision, shall be entirely at the discretion of the Directors.

16.5 The Directors shall determine any question of interpretation and settle any dispute arising under the Scheme matters and their decision shall be final.

## **17. THIRD PARTY RIGHTS**

17.1 A person who is not a party to an Award shall not have any rights under or in connection with it as a result of the Contracts (Rights of Third Parties) Act 1999 except where

these rights arise under any rule of the Scheme for any Employer Company that is not a party to an Award.

This does not affect any right or remedy of a third party that exists, or is available, apart from the Contracts (Rights of Third Parties) Act 1999.

- 17.2 The rights of the parties to an Award to surrender, terminate or rescind it, or agree any variation, waiver or settlement of it, are not subject to the consent of any person that is not a party to the Award as a result of the Contracts (Rights of Third Parties) Act 1999.

## **18. DATA PROTECTION**

For the purpose of operating the Scheme, the Company will collect and process information relating to Employees and Award Holders in accordance with the privacy notice which is available from the human resources function.

## **19. GOVERNING LAW**

- 19.1 The Scheme and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.
- 19.2 Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with the Scheme or its subject matter or formation (including non-contractual disputes or claims).

**Appendix 1**  
Award Agreement