

**OXFORD INSTRUMENTS PLC**  
**LONG TERM INCENTIVE PLAN**

Adopted by the Board and approved by the shareholders of the  
Company on 19 September 2023

Amended by the Board and approved by the shareholders of the  
Company on [23 July 2026]



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## 1. DEFINITIONS AND INTERPRETATION

1.1 In the Plan, unless the context otherwise requires:

**"Award"** means an Option, a Conditional Award or a Cash Conditional Award under the Schedule to the Plan;

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

**"Cash Conditional Award"** has the meaning given to it in the Schedule to this Plan;

**"Clawback"** means an obligation to pay or repay the amounts referred to in Rule 12.3;

**"Committee"** means the remuneration committee of the Board or, on and after the occurrence of a corporate event described in Rule 11 (*Takeovers and other corporate events*), the remuneration committee of the Board as constituted immediately before such event occurs;

**"Company"** means Oxford Instruments plc (registered in England and Wales with registered number 775598);

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

**"Control"** means control within the meaning of section 995 of the Income Tax Act 2007;

**"Dividend Equivalent"** means a benefit calculated by reference to dividends paid on Shares as described in Rule 6.3;

**"Early Vesting Date"** means either:

- (a) the later of
  - (i) the date of cessation of employment or office of a Participant in the circumstances referred to in Rules 10.1 and 10.3 (*Good leavers*); and
  - (ii) early determination of any Performance Condition(s) relating to such cessation; or
- (b) the date of notification referred to in Rule 11.1 (*General offers*), the date of the relevant event in Rule 11.2 (*Schemes of arrangement and winding up*) or the date of Vesting referred to in Rule 11.3 (*Demergers and similar events*);

**"Exercise Period"** means the period referred to in Rule 6.1 during which an Option may be exercised;

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

**"Group"** the Company, any Subsidiary of the Company, any holding company of the Company (within the meaning of section 1159 of the Companies Act 2006) or any Subsidiary of the Company's holding company, each from time to time;

**"Group Member"** means any member of the Group from time to time;

**"Holding Period"** means a period that starts on the date the Award Vests and ends on such date as the Committee may specify on the Grant Date, which shall in respect of Awards granted to executive directors of the Company, not ordinarily be earlier than two years from the Vesting date;

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

**"Listing Rules"** means the Listing Rules published by the Financial Conduct Authority, as amended from time to time;

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

**"Normal Vesting Date"** means the date on which an Award Vests under Rule 5.1 (*Timing of Vesting: Normal Vesting Date*);

**"Normal Vesting Period"** means such period as the Committee specifies for an Award for such purposes on or before its Grant Date subject to the Rules of the Plan;

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

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

**"Parallel Option"** means an Option granted in parallel to another option (whether under this Plan or otherwise) on the basis that if either of the options is exercised, the other, parallel, option will cease to be capable of exercise;

**"Participant"** means a person who holds an Award including his personal representatives;

**"Performance Condition"** means a condition related to performance which is specified by the Committee under Rule 3.1 (*Terms of grant*);

**"Performance Period"** means the period over which performance is measured to determine the extent to which any Performance Condition(s) has/have been achieved, which shall not ordinarily be less than three years;

**"Plan"** means the Oxford Instruments plc Long Term Incentive Plan, as amended from time to time;

**"Rule"** means a rule of the Plan;

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

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

**"Tax Liability"** means any amount of tax or employee (but not employer) social security contributions (or similar in any jurisdiction) for which a Participant would or may be liable and for which any Group Member or former Group Member would or may be obliged to (or would or may suffer a disadvantage if it were not to) account to any relevant authority;

**"Vest"** means:

- (a) in relation to an Option, it becoming exercisable;

(b) in relation to a Conditional Award, a Participant becoming entitled to have Shares issued or transferred to him (or, with the agreement of the Company, his nominee) subject to the Rules;

(c) in relation to a Cash Conditional Award, the cash payment becoming due and payable to the Participant,

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

"**Vested Shares**" means those Shares in respect of which an Award Vests.

1.2 Any reference in the Plan to any enactment includes a reference to that enactment as from time to time modified, extended or re-enacted.

1.3 Where the context admits, a reference to the singular includes the plural and a reference to the male includes the female.

1.4 Expressions in italics, headings and any footnotes are for guidance only and do not form part of the Plan.

## 2. **ELIGIBILITY**

An individual is eligible to be granted an Award only if he is an employee of a Group Member.

## 3. **GRANT OF AWARDS**

### 3.1 **Terms of grant**

Subject to Rule 3.5 (*Timing of grant*), Rule 3.6 (*Approvals and consents*) and Rule 4 (*Limits*), the Committee may resolve to grant an Award to any person who is eligible to be granted an Award under Rule 2 (*Eligibility*) with such Performance Conditions (if any), and on such additional terms, as the Committee may specify (which in the case of Awards granted to executive directors of the Company shall ordinarily include a Holding Period).

### 3.2 **Type of Award**

On or before the Grant Date, the Committee shall determine whether an Award shall be an Option, a Conditional Award or a Cash Conditional Award. If the Committee does not specify the type of an Award on or before the Grant Date then an Award shall be an Option with an Option Price per Share equal to the nominal value of a Share on the Grant Date.

### 3.3 **Method of grant**

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

### 3.4 **Method of satisfying Awards**

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

(a) by the issue of new Shares; and/or

- (b) by the transfer of treasury Shares; and/or
- (c) by the transfer of Shares (other than the transfer of treasury Shares); and/or
- (d) in respect of a Cash Conditional Award, by cash payment; and/or
- (e) where the Committee determines, by cash payment under Rule 8.

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

### 3.5 **Timing of grant**

Subject to Rule 3.6 (*Approvals and consents*), an Award may only be granted:

- (a) within the period of 6 weeks beginning with:
  - (i) the date on which the Plan is approved by the shareholders of the Company; or
  - (ii) the dealing day after the date on which the Company announces its results for any period; or
- (b) at any other time when the Committee considers that circumstances are sufficiently exceptional to justify its grant

but an Award may not be granted after 19 September 2033 (that is, the expiry of the period of 10 years beginning with the date on which the Plan is approved by the shareholders of the Company).

### 3.6 **Approvals and consents**

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

### 3.7 **Non-transferability and bankruptcy**

An Award granted to any person:

- (a) shall not be transferred, assigned, charged or otherwise disposed of (except on his death to his personal representatives) and shall lapse immediately on any attempt to do so; and
- (b) shall, unless the Committee decides otherwise, lapse immediately if he is declared bankrupt.

## 4. **LIMITS**

### 4.1 **10 per cent. in 10 years limit**

An Award shall not be granted in any calendar year if, at the time of its proposed Grant Date, it would cause the number of Shares allocated (as defined in Rule 4.3) in the period of 10 calendar years ending with that calendar year under the Plan and under any other employee share plan adopted by the Company to exceed such number as

represents 10 per cent. of the ordinary share capital of the Company in issue at that time.

#### 4.2 **5 per cent. in 10 years limit**

An Award shall not be granted to any executive director of the Company or other senior executive (together, "**Senior Employees**") in any calendar year if, at the time of its proposed Grant Date, it would cause the number of Shares allocated (as defined in Rule 4.3) in the period of 10 calendar years ending with that calendar year in respect of awards granted to Senior Employees under the Plan and under any other employee share plan adopted by the Company to exceed such number as represents 5 per cent. of the ordinary share capital of the Company in issue at that time.

#### 4.3 **Meaning of "allocated"**

For the purposes of Rule 4.1 and 4.2:

- (a) Shares are allocated:
  - (i) when an option, award or other contractual right is granted which may be satisfied with newly issued Shares or treasury Shares;
  - (ii) where Shares are issued or treasury Shares are transferred otherwise than pursuant to an option, award or other contractual right to acquire Shares, when those Shares are issued or treasury Shares transferred;
- (b) any Shares which have been issued or which may be issued (or any Shares transferred out of treasury or which may be transferred out of treasury) to any trustees to satisfy the exercise of any option, award or other contractual right granted under any employee share plan shall count as allocated unless they are already treated as allocated under this Rule; and
- (c) for the avoidance of doubt (i) existing Shares other than treasury Shares that are transferred or over which options, awards or other contractual rights are granted shall not count as allocated; (ii) Shares issued, transferred or over which options, awards or other contractual rights are granted to persons who are not Senior Employees; and (iii) Shares notionally awarded under Cash Conditional Awards shall not count as allocated for the purposes of the limit in rules 4.1 and 4.2.

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

For the purposes of Rule 4.3:

- (a) where:
  - (i) any option, award or other contractual right which will be satisfied with newly issued Shares or treasury Shares is released or lapses (whether in whole or in part); or
  - (ii) after the grant of an option, award or other contractual right the Committee determines that:
    - (aa) it shall be satisfied by the payment of cash equal to the gain made on its vesting or exercise; or

- (bb) it shall be satisfied by the transfer of existing Shares (other than Shares transferred out of treasury)

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

- (b) the number of Shares allocated in respect of an option, award or other contractual right shall be such number as the Board shall reasonably determine from time to time.

#### 4.5 **Changes to investor guidelines**

Treasury Shares shall cease to count as allocated Shares for the purposes of Rules 4.1 and 4.2 if institutional investor guidelines cease to require such Shares to be so counted.

Unless institutional investor guidelines provide to the contrary, Shares subject to Parallel Options shall only be counted as allocated Shares in respect of one of such options.

#### 4.6 **Individual limit**

The maximum total market value of Shares (calculated as set out in this Rule) over which Awards may be granted to any executive director of the Company during any financial year of the Company is X% of their salary where X% is the plan related percentage of salary maximum limit that applies at such time under the applicable Directors' Remuneration Policy for executive directors. This limit excludes buy-out awards that may be necessary in a recruitment situation.

Awards granted to an employee of a Group Member other than an executive director of the Company will not exceed the limits determined by the Committee from time to time.

For the purpose of this Rule 4.6:

- (i) an employee's **salary** shall be taken to be his base salary (excluding benefits in kind), expressed as an annual rate payable by the Group Member which employs him, on the Grant Date (or such earlier date as the Committee shall determine). Where a payment of salary is made in a currency other than sterling, the payment shall be treated as equal to the equivalent amount of sterling determined by using any rate of exchange which the Committee may reasonably select; and
- (ii) the **market value** of the Shares over which an Award is to be granted shall be taken to be an amount equal to the closing price of such Shares (as derived from the London Stock Exchange Daily Official List) on the dealing day before the Grant Date or, if the Committee so determines, the average of the closing prices during a period determined by the Committee not exceeding the period of 5 dealing days ending with the dealing day before the Grant Date provided such dealing day(s) do not fall within any period when dealings in Shares are prohibited under the Company's share dealing code or any applicable regulation.

#### 4.7 **Effect of limits**

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

#### 4.8 **Restriction on use of unissued Shares and treasury Shares**

No Shares may be issued or treasury Shares transferred to satisfy the exercise of any Option or the Vesting of any Conditional Award to the extent that such issue or transfer would cause the number of Shares allocated (as defined in Rule 4.3 and adjusted under Rule 4.4) to exceed the limit in Rule 4.1 (*10 per cent. in 10 years limit*) or Rule 4.2 (*5 per cent. in 10 years limit*) except where there is a variation of share capital of the Company which results in the number of Shares so allocated exceeding such limits solely by virtue of that variation.

## 5. VESTING OF AWARDS

### 5.1 Timing of Vesting: Normal Vesting Date

Subject to Rule 5.2 (*Extent of Vesting*) and Rule 5.3 (*Restrictions on Vesting: regulatory and tax issues*), an Award shall Vest on the later of:

- (a) the date on which the Committee determines the extent to which the Performance Conditions (if any) has been satisfied (in whole or part); and
- (b) such date as the Committee specifies for such purposes for an Award on or before the Grant Date, being no later than the tenth anniversary of the Grant Date, and in respect of Awards granted to executive directors of the Company, ordinarily no earlier than the third anniversary of the Grant Date;

except where earlier Vesting occurs on an Early Vesting Date under Rule 10 (*Leavers*) or Rule 11 (*Takeovers and other corporate events*).

### 5.2 Extent of Vesting

An Award shall only Vest to the extent:

- (a) that the Performance Condition is satisfied on the Normal Vesting Date or, if appropriate, the Early Vesting Date;
- (b) permitted by any other term imposed on the Vesting of the Award;
- (c) in relation to Vesting before the Normal Vesting Date, as permitted by Rules 10.6 and 11.5 (*Reduction in number of Vested Shares*);
- (d) permitted under any operation of Rule 12 (*Malus and Clawback*), and
- (e) adjusted by the Committee under its power in the rest of this Rule.

Where, under Rule 10 (*Leavers*) or Rule 11 (*Takeovers and other corporate events*), an Award would (subject to the satisfaction of the Performance Condition) Vest before the end of the full period over which performance would be measured under the Performance Condition then, unless provided to the contrary by the Performance Condition, the extent to which the Performance Condition has been satisfied in such circumstances shall be determined by the Committee on such reasonable basis as it decides.

In addition, the Committee reserves the discretion to adjust the formulaic outcome of any Performance Condition to ensure that the amount payable to a Participant:

- (i) is reflective of the underlying business performance of the Group, a Subsidiary, business unit or a division; or

- (ii) is appropriate in light of any unexpected or unforeseen circumstances including (but not limited to) a material change in the Company Share price or any corporate event.

### 5.3 **Restrictions on Vesting: regulatory and tax issues**

An Award shall not Vest unless and until the following conditions are satisfied:

- (a) the Vesting of the Award, and the issue or transfer of Shares after such Vesting, would be lawful in all relevant jurisdictions and in compliance with the Listing Rules, any relevant share dealing code of the Company, the City Code on Takeovers and Mergers and any other relevant UK or overseas regulation or enactment;
- (b) if, on the Vesting of the Award, a Tax Liability would arise by virtue of such Vesting and the Board decides that such Tax Liability shall not be satisfied by the sale of Shares pursuant to Rule 5.4 (*Payment of Tax Liability*) then the Participant must have entered into arrangements acceptable to the Board that the relevant Group Member will receive the amount of such Tax Liability, and
- (c) where the Committee requires, the Participant has entered into, or agreed to enter into, a valid election under Part 7 of ITEPA (*Employment income: elections to disapply tax charge on restricted securities*) or any similar arrangement in any overseas jurisdiction.

For the purposes of this Rule 5.3 and in Rule 5.4., references to Group Member include any former Group Member and any other person who is or could be required to account to any tax authority for a Tax Liability in respect of a Participant.

### 5.4 **Payment of Tax Liability**

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

Each Participant unconditionally and irrevocably agrees as a condition of the grant, holding and Vesting of an Award to indemnify and keep indemnified the relevant Group Member in respect of any Tax Liability.

## 6. **CONSEQUENCES OF VESTING**

### 6.1 **Options**

An Option shall, subject to Rule 7.1 (*Restrictions on the exercise of an Option: regulatory and tax issues*) and Rule 7.7 (*Holding Period*), be exercisable in respect of Vested Shares during the period commencing on the date on which the Option Vests and ending on the day before the tenth anniversary of the Grant Date (or such shorter period as the Committee shall determine on or before the Grant Date) subject to it lapsing earlier under Rule 10 (*Leavers*) or Rule 11 (*Corporate events*).

### 6.2 **Conditional Awards**

On or as soon as reasonably practicable after the Vesting of a Conditional Award, the Company shall, subject to Rule 5.4 (*Payment of Tax Liability*) and any arrangement made under Rules 5.3(b) and 5.3(c) (*Restrictions on Vesting: regulatory and tax issues*) and Rule 8 (*Cash alternative*), transfer or procure the transfer to him (or a nominee for him) and/or allot and issue to him (or a nominee for him) the number of Vested Shares. Where the Company newly issues Vested Shares to the Participant, the Participant will, unless the Committee determines otherwise, be required to pay the nominal value of each Vested Share.

### 6.3 Cash Conditional Awards

As soon as reasonably practicable after a Phantom Conditional Award has Vested, the Company shall, subject any restriction under subject to Rule 5.4 (*Payment of Tax Liability*) and any arrangement made under Rules 5.3(b) and 5.3(c) (*Restrictions on Vesting: regulatory and tax issues*), make a cash payment in respect of the number of Shares in respect of which the Phantom Conditional Award has Vested in accordance with the Schedule to this Plan.

### 6.4 Dividend equivalent

The Committee may decide on or before the Vesting of an Award that a Participant (or his nominee) shall be entitled to cash and/or Shares (as determined by the Committee) of a value determined by reference to the dividends that would have been paid on his Vested Shares (or in respect of an Option exercised in part, the number of Shares acquired by the Participant) in respect of dividend record dates occurring during (a) the period between the Grant Date and the date of Vesting, or (b) in respect of an Option which is subject to a Holding Period, the period between the Grant Date and the earlier of (i) the date of exercise or (ii) the date of the last day of the Holding Period. The Committee shall decide the basis on which the value of such dividends shall be calculated, which may assume the reinvestment of dividends.

The Committee may decide to exclude the value of all or part of a special dividend or any other dividend from the amount of the Dividend Equivalent.

The provision of any Dividend Equivalent to the Participant shall be made as soon as practicable after (a) the issue or transfer of Vested Shares or, (b) where the Award is subject to a Holding Period, the end of the Holding Period, and:

- (a) in the case of a cash payment, shall be subject to such deductions (on account of tax or similar liabilities) as may be required by law or as the Board may reasonably consider to be necessary or desirable; and
- (b) in the case of a provision of Shares, Rule 5.3 (*Restrictions on Vesting: regulatory and tax issues*) and Rule 5.4 (*Payment of Tax Liability*) shall apply as if such provision was the Vesting of an Award.

This Rule 6.3 shall not apply to any Parallel Option which is a Parallel Option by reason of being linked to an option under a scheme established under Schedule 4 to ITEPA (CSOP schemes), unless HMRC guidance so permits.

## 7. EXERCISE OF OPTIONS

### 7.1 Restrictions on the exercise of an Option: regulatory and tax issues

An Option which has Vested may not be exercised unless the following conditions are satisfied:

- (a) the exercise of the Option and the issue or transfer of Shares after such exercise would be lawful in all relevant jurisdictions and in compliance with the Listing Rules, any relevant share dealing code of the Company, the City Code on Takeovers and Mergers and any other relevant UK or overseas regulation or enactment;
- (b) if, on the exercise of the Option, a Tax Liability would arise by virtue of such exercise and the Board decides that such Tax Liability shall not be satisfied by the sale of Shares pursuant to Rule 7.4 (*Payment of Tax Liability*) then the Participant must have entered into arrangements acceptable to the Board that the relevant Group Member, former Group Member and any other person who is or could be required to account to any tax authority for a Tax Liability in respect of a Participant shall receive the amount of such Tax Liability, and
- (c) where the Committee requires, the Participant has entered into a valid election under Part 7 of ITEPA (*Employment income: elections to disapply tax charge on restricted securities*) or any similar arrangement in any overseas jurisdiction.

## 7.2 Exercise in whole or part

An Option may be exercised in full or in respect of such fewer number of Shares as the Committee permits. Where an Option is exercised in part, the Option will continue on its terms over the remaining Shares over which it subsists.

## 7.3 Method of exercise

The exercise of any Option shall be effected in the form and manner prescribed by the Board. Unless the Board, acting fairly and reasonably determines otherwise, any notice of exercise shall, subject to Rule 7.1 (*Restrictions on the exercise of an Option: regulatory and tax issues*), take effect only when the Company receives it, together with payment of any relevant Option Price (or, if the Board so permits, an undertaking to pay that amount).

## 7.4 Payment of Tax Liability

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

## 7.5 Transfer or allotment timetable

As soon as reasonably practicable after an Option has been exercised, the Company shall, subject to Rule 7.4 (*Payment of Tax Liability*), any arrangement made under Rules 7.1(b) and 7.1(c) (*Restrictions on exercise: regulatory and tax issues*) and Rule 8 (*Cash Equivalent*), transfer or procure the transfer to him (or a nominee for him) and/or allot and issue to him (or a nominee for him) the number of Vested Shares in respect of which the Option has been exercised.

## 7.6 Lapse of Options

An Option which has become exercisable shall lapse at the end of the Exercise Period to the extent it has not been exercised unless it lapses earlier under Rule 10 (*Leavers*) or Rule 11 (*Corporate events*).

## 7.7 Holding Period

- (a) If Shares are acquired by a Participant during a Holding Period, the Committee may decide that (i) the share certificates representing the relevant Shares shall be retained by an officer of the Company during the Holding Period and/or (ii) the Shares shall be issued or transferred to a nominee for the Participant selected by the Committee (the “**HP Nominee**”) to be held on the basis of a nominee agreement in such form as the Committee shall specify (and if the Committee does so decide, references in the relevant rules to the issue or transfer of Shares to the Participant shall be construed as references to the issue or transfer of Shares to the HP Nominee to be held on behalf of the Participant in accordance with the rules of this Plan and the relevant nominee agreement).
- (b) During any applicable Holding Period, the Participant may not transfer, assign, charge or otherwise encumber or dispose of their interest (or their beneficial interest where the Shares are held by a HP Nominee) in Shares acquired under an Award (together, the “**Held Shares**”) except:
  - (i) with the permission of the Committee;
  - (ii) in order to raise sufficient funds to pay a Tax Liability in relation to the Held Shares;
  - (iii) in order to raise sufficient funds to pay an Option Price, or
  - (iv) where Rule 11 or Rule 12 apply.
- (c) An Participant who breaches or attempts to breach this Rule 7.7 shall, unless the Committee determines otherwise, immediately forfeit (i.e. the Participant's beneficial interest in the Held Shares shall cease to exist) for no consideration all interest in the Held Shares.
- (d) If the Held Shares are held by a HP Nominee:
  - (i) at the end of the Holding Period, the HP Nominee shall (subject to the operation of Rule 12), transfer full legal title to the Held Shares (save for any which have been forfeited) to the Participant, and
  - (ii) the HP Nominee will deal with any forfeited Held Shares as directed by the Company.

## 8. CASH ALTERNATIVE

### 8.1 Committee determination

Where an Option has been exercised or where a Conditional Award Vests and Vested Shares have not yet been allotted or transferred to the Participant (or his nominee), the Committee may determine that, in substitution for his right to acquire such number of Vested Shares as the Committee may decide (but in full and final satisfaction of his right to acquire those Shares), he shall be paid a sum equal to the cash equivalent (as defined in Rule 8.3) of that number of Shares in accordance with the following provisions of this Rule 8.

## 8.2 Limitation on the use of this Rule

Rule 8.1 shall not apply in relation to an Award made to a Participant in any jurisdiction where the presence of Rule 8.1 would cause:

- (a) the grant of the Award to be unlawful or for it to fall outside any applicable securities law exclusion or exemption; or
- (b) in the opinion of the Board, adverse tax or social security contribution consequences for the Participant or any Group Member as determined by the Board

provided that this Rule 8.2 shall only apply if its application would prevent the occurrence of a consequence referred to in (a) or (b) above.

Rule 8.1 shall not apply to any Parallel Option which is a Parallel Option by reason of being linked to an option under a scheme established under schedule 4 to ITEPA (CSOP schemes).

## 8.3 Cash equivalent

For the purpose of this Rule 8, the cash equivalent of a Share is:

- (a) in the case of a Conditional Award, the market value of a Share on the day when the Award Vests;
- (b) in the case of an Option, the market value of a Share on the day when the Option is exercised reduced by the Option Price in respect of that Share.

Market value on any day shall be determined as follows:

- (a) if on the day of Vesting or exercise, Shares are quoted in the London Stock Exchange Daily Official List, the closing price of a Share, as derived from that List, on that day; or
- (b) if Shares are not so quoted, such value of a Share as the Committee reasonably determines.

## 8.4 Payment of cash equivalent

As soon as reasonably practicable after the Committee has determined under Rule 8.1 that a Participant shall be paid a sum in substitution for his right to acquire any number of Vested Shares:

- (a) the Company shall pay to him or procure the payment to him of that sum in cash; and
- (b) if he has already paid the Company for those Shares, the Company shall return to him the amount so paid by him.

## 8.5 Deductions

There shall be deducted from any payment under this Rule 8 such amounts (on account of tax or employee (but not employer) social security contributions or similar liabilities) as may be required by law or as the Board may reasonably consider to be necessary or desirable.

## 9. LAPSE OF AWARDS

An Award shall lapse:

- (a) in accordance with the Rules; or
- (b) to the extent it does not Vest under these Rules, on the earlier of the Normal Vesting Date or Early Vesting Date.

## 10. LEAVERS

### 10.1 Good leavers before the Normal Vesting Date – other than death

If a Participant ceases to be a director or employee of a Group Member before the Normal Vesting Date by reason of:

- (a) retirement with the agreement of his employer;
- (b) ill-health, injury or disability in each case evidenced to the satisfaction of the Committee;
- (c) redundancy (within the meaning of the Employment Rights Act 1996) or any overseas equivalent;
- (d) his office or employment being with either a company which ceases to be a Group Member or relating to a business or part of a business which is transferred to a person who is not a Group Member; or
- (e) for any other reason, if the Committee so decides

then

- (i) subject to Rule 5.3 (*Restrictions on Vesting: regulatory and tax issues*) and Rule 11 (*Takeovers and other corporate events*), his Award shall Vest (in accordance with Rule 5.2) on the Normal Vesting Date and Rule 10.6 (*Leavers: reduction in number of Vested Shares*) shall apply; unless
- (ii) exceptionally, the Committee at its discretion decides that, subject to Rule 5.3 (*Restrictions on Vesting: regulatory and tax issues*), his Award shall Vest on the Early Vesting Date and Rule 10.6 (*Leavers: reduction in number of Vested Shares*) shall apply; and

an Award in the form of an Option which Vests under (i) or (ii) above may, subject to Rule 7.1 (*Restrictions on exercise*) and Rule 7.7 (Holding Period), Rule 10.8 (*Death following cessation of employment*) and Rule 11 (*Takeovers and other corporate events*), be exercised in respect of the Vested Shares within the period of 12 months commencing on the date of Vesting (or, if shorter, until the expiry of the Exercise Period) and, to the extent that the Option is not exercised, it shall lapse at the end of that period.

### 10.2 Good leavers on or after the Normal Vesting Date – other than death

If a Participant who holds an Option ceases to be a director or employee of a Group Member on or after the Normal Vesting Date for a reason specified in Rule 10.1 then, subject to Rule 7.1 (*Restrictions on exercise*) and Rule 7.7 (Holding Period) and Rule 11 (*Takeovers and other corporate events*), that Option shall continue to be exercisable for a period of 12 months commencing on the date of cessation (or, if shorter, until the

expiry of the Exercise Period) and, to the extent that the Option is not exercised, it shall lapse at the end of that period.

### **10.3 Participant's death before the Normal Vesting Date**

If a Participant ceases to be a director or employee of a Group Member before the Normal Vesting Date by reason of death then subject to Rule 5.3 (*Restrictions on Vesting: regulatory and tax issues*), his Award shall Vest on the Early Vesting Date and Rule 10.6 (*Leavers: reduction in number of Vested Shares*) shall apply. Rule 7.7 shall not apply, and if the Award is already subject to a Holding Period, it shall be deemed not to be subject to any Holding Period.

An Award in the form of an Option which Vests under this Rule 10.3 may, subject to Rule 7.1 (*Restrictions on exercise*) and Rule 11 (*Takeovers and other corporate events*), be exercised in respect of the Vested Shares within the period of 12 months commencing on the date of Vesting (or, if shorter, until the expiry of the Exercise Period) and, to the extent that the Option is not exercised, it shall lapse at the end of that period.

### **10.4 Participant's death on or after the Normal Vesting Date**

If a Participant who holds an Option ceases to be a director or employee of a Group Member on or after the Normal Vesting Date by reason of death then, subject to Rule 7.1 (*Restrictions on exercise*) and Rule 11 (*Takeovers and other corporate events*), that Option shall continue to be exercisable for a period of 12 months commencing on the date of cessation (or, if shorter, until the expiry of the Exercise Period) and to the extent that the Option is not exercised, it shall lapse at the end of that period. Rule 7.7 shall not apply, and if the Award is already subject to a Holding Period, it shall be deemed not to be subject to any Holding Period.

### **10.5 Cessation of employment in other circumstances**

If a Participant ceases to be a director or employee of a Group Member for any reason other than those specified in Rules 10.1 to 10.4 (*Good leavers*) then any Award held by him shall lapse immediately on such cessation.

### **10.6 Leavers: reduction in number of Shares over which Award vests**

Where an Award Vests on or after a Participant ceasing to be a director or employee of a Group Member, the Committee shall determine the number of Vested Shares of that Award by the following steps:

- (a) applying any Performance Condition and any other condition imposed on the Vesting of the Award; and
- (b) unless the Committee decides otherwise, applying a pro rata reduction to the number of Shares determined under 10.6(a) based on the proportion of the Performance Period (or if there are no Performance Conditions, the Normal Vesting Period) which has elapsed as at the date of cessation.

If an Award Vests under any of Rules 11.1 to 11.3 when the holder of that Award has ceased to be a director or employee of a Group Member then this Rule 10.6 shall take precedence over Rule 11.5.

### **10.7 Meaning of ceasing employment**

A Participant shall not be treated for the purposes of this Rule 10 as ceasing to be a director or employee of a Group Member until such time as he is no longer a director or employee of any Group Member. If any Participant ceases to be such a director or employee before the Vesting of his Award in circumstances where he retains a statutory right to return to work then he shall be treated as not having ceased to be such a director or employee until such time (if at all) as he ceases to have such a right to return to work while not acting as an employee or director.

The reason for the termination of office or employment of a Participant shall be determined by reference to Rules 10.1 to 10.5 regardless of whether such termination was lawful or unlawful.

#### 10.8 **Death following cessation of employment**

If a Participant dies following cessation of employment in circumstances where his Award did not lapse but it has not Vested by the time of his death, it shall Vest immediately on his death to the extent determined by reference to the time of cessation in accordance with Rule 10.1(ii) and no Holding Period shall apply.

An Award in the form of an Option that Vests under this Rule may, subject to Rule 7.1 (*Restrictions on exercise*) and Rule 11 (*Takeovers and other corporate events*), be exercised in respect of the Vested Shares within the period of 12 months commencing on the date of Vesting (or, if shorter, until the expiry of the Exercise Period) and, to the extent that the Option is not exercised, it shall lapse at the end of that period.

### 11. **TAKEOVERS AND OTHER CORPORATE EVENTS**

#### 11.1 **General offers**

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

- (a) obtains Control of the Company (a “**Change of Control**”) as a result of making a general offer to acquire Shares; or
- (b) having obtained Control of the Company makes such an offer and such offer becomes unconditional in all respects

the Board shall within 7 days of becoming aware of that event notify every Participant of it and, subject to Rule 11.5 (*Internal reorganisations*), the following provisions shall apply:

- (i) subject to Rule 5.3 (*Restrictions on Vesting: regulatory and tax issues*), all Awards shall Vest on the date of such notification if they have not then Vested and Rule 11.6 (*Corporate events: reduction in number of Vested Shares*) shall apply; and
- (ii) any Option may, subject to Rule 7.1 (*Restrictions on exercise*) and Rule 11.7 (*Vesting in Advance of the Change of Control*), be exercised within one month of the date of such notification (or, if shorter, until the expiry of the Exercise Period), but to the extent that an Option is not exercised within that period, that Option shall (regardless of any other provision of the Plan) lapse at the end of that period.

#### 11.2 **Schemes of arrangement and winding up**

In the event that:

- (a) a compromise or arrangement is sanctioned by the Court under section 899 or 901F of the Companies Act 2006 in connection with or for the purposes of a change in Control of the Company; or
- (b) the Company passes a resolution for a voluntary winding up of the Company; or
- (c) an order is made for the compulsory winding up of the Company

all Awards shall, subject to Rule 5.3 (*Restrictions on Vesting: regulatory and tax issues*) and Rule 11.5 (*Internal reorganisations*), Vest in the case of (a) and (c) on the date of such event and in the case of (b), upon the passing of that resolution, if they have not then Vested and Rule 11.6 (*Corporate events: reduction in number of Vested Shares*) shall apply.

If an event as described in this Rule occurs then an Option may, subject to Rule 7.1 (*Restrictions on exercise*) and Rule 11.6 (*Internal reorganisations*), be exercised within one month of such event (or, if shorter, until the expiry of the Exercise Period), but to the extent that the Option is not exercised within that period, it shall (regardless of any other provision of the Plan) lapse at the end of that period.

### 11.3 Compulsory acquisitions

If any person becomes bound or entitled to acquire Shares under sections 979 to 982 or 983 to 985 of the Companies Act 2006:

- (a) subject to Rule 5.3 (*Restrictions on Vesting: regulatory and tax issues*), all Awards shall Vest if they have not then Vested and Rule 11.6 (*Corporate events: reduction in number of Vested Shares*) shall apply; and
- (b) a Participant may exercise all or any part of any Option (subject to Rule 11.6 (*Corporate events: reduction in number of Vested Shares*)) at any time when the person remains so bound or entitled and the Option shall lapse to the extent unexercised at the end of the period during which that person first becomes bound or entitled (unless it is exchanged under Rule 11.5 (*Internal reorganisations*)).

### 11.4 Demergers and similar events

If a demerger, special dividend or other similar event (the “**Relevant Event**”) is proposed which, in the opinion of the Committee, would affect the market price of Shares to a material extent, then the Committee may, at its discretion, decide that the following provisions shall apply:

- (a) the Committee shall, as soon as reasonably practicable after deciding to apply these provisions, notify a Participant that, subject to earlier lapse under Rule 10 (*Leavers*), his Award will Vest and, if relevant, his Option may, subject to Rule 7.6 (*Lapse of Options*) and Rule 10 (*Leavers*), be exercised, on such date and on such terms as the Committee may determine (and an Option may be exercised during such period preceding the Relevant Event or on the Relevant Event as the Committee may determine and shall (regardless of any other provision of the Plan) lapse at the end of that period to the extent unexercised);
- (b) if an Award Vests, or an Option is exercised, conditional upon the Relevant Event, the Vesting (and in respect of an Option, the exercise) shall take place immediately before the occurrence of the Relevant Event and if such event does

not occur then the conditional Vesting or exercise shall not be effective and the Award shall continue to subsist; and

- (c) if the Committee decides that an Award Vests under this Rule 11.4 then the date of that Vesting shall be the Early Vesting Date and the provisions of Rule 11.6 (*Corporate events: reduction in number of Shares over which Awards Vest*) shall apply.

## 11.5 Internal reorganisations

In the event that:

- (a) a company (the “**Acquiring Company**”) is expected to obtain Control of the Company as a result of an offer referred to in Rule 11.1 (*General offers*) or a compromise or arrangement referred to in Rule 11.2 (a) (*Schemes of arrangement and winding up*); and
- (b) at least 50 per cent. of the shares in the Acquiring Company are expected to be held by substantially the same persons who immediately before the obtaining of Control of the Company were shareholders in the Company; or
- (c) the Committee decides that the Change of Control is a merger (including a reverse merger)

then the Committee, with the consent of the Acquiring Company, may decide before the obtaining of such Control that an Award shall not Vest under Rule 11.1 or Rule 11.2 but shall be automatically surrendered in consideration for the grant of a new award which the Committee determines is equivalent to the Award (including as to any Performance Conditions) it replaces except that it will be over shares in the Acquiring Company or some other company.

The Rules will apply to any new award granted under this Rule 11.5 as if references to Shares were references to shares over which the new award is granted and (save in Rule 12 and the definition of Board as it applies in the definition of Committee), references to the Company were references to the company whose shares are subject to the new award.

## 11.6 Corporate events: reduction in number of Shares over which Awards Vest

If an Award Vests under any of Rules 11.1 to 11.3, the Committee shall determine the number of Vested Shares of that Award by the following steps:

- (a) applying any Performance Conditions and any other condition imposed on the Vesting of the Award; and
- (b) subject to Rule 10.6 (*Leavers: reduction in number of Vested Shares*), unless the Committee decides otherwise, by applying a pro rata reduction to the number of Shares determined under Rule 11.6(a) based on the proportion of the Performance Period (or if there are no Performance Conditions, the Normal Vesting Period) which has elapsed as at the Early Vesting Date.

## 11.7 Vesting in advance of the Change of Control

If the Committee considers that a Change of Control is likely to occur, the Committee may in its absolute discretion:

- (a) decide that all Unvested Awards shall Vest, subject to Rule 5.3 (Restrictions on Vesting: regulatory and tax issues) and Rule 11.6 (Corporate events: reduction in number of Vested Shares), and
- (b) in respect of Options which Vest pursuant to Rule 11.7(a) above (or have already Vested), the Committee may request in writing that Participants give a notice exercising their Option(s) within a period to be specified by the Committee ending before the Acquiring Company obtains Control of the Company.

If the Committee decides under (a) that Awards shall Vest and/or makes a request pursuant to (b):

- (c) the Vesting of Awards, and the exercise of Options in respect of which a valid exercise notice has been received by the Company by the relevant deadline, shall take effect immediately before the Change of Control (or, in the case of a Scheme of Arrangement, within the period beginning with the time the Court sanctions the Scheme of Arrangement and ending on the scheme record time);
- (d) if a Participant fails to give an exercise notice in respect of their Option(s) within the time period specified by the Committee in any written request made pursuant to Rule 11.7(b), then unless before the occurrence of the Change of Control the Participant has irrevocably agreed with the prospective Acquiring Company to surrender the Option pursuant to Rule 11.8 below, his or her Option shall lapse on the occurrence of the Change of Control (which in respect of a Scheme of Arrangement shall for the purposes of this Rule be deemed to be when the scheme becomes effective), and
- (e) if the anticipated Change of Control does not occur, the Vesting of Awards pursuant to Rule 11.7(a) shall be treated as having no effect, any exercise notice given pursuant to Rule 11.7(b) shall be deemed never to have been given, and all Awards shall continue on their terms.

#### 11.8 Change of Control where the Acquiring Company agrees to rollover

- (a) Rule 11.8 applies (subject to Rule 11.5 (*Internal Reorganisations*)) if a Change of Control occurs and (i) the Committee has not decided that Rule 11.7 (*Vesting in advance of the Change of Control*) shall apply and (ii) the Acquiring Company has declared that it is willing to agree that each Participant may, within a specified period after the Change of Control (the “**Rollover Period**”), surrender any Award in exchange for a replacement right (the “**New Award**”) to be granted on such terms and in relation to such shares of such company as the acquiror and the Participant may agree.
- (b) The Committee (as constituted before the Change of Control occurs) has discretion to determine that Awards that are not so exchanged shall lapse at the end of the Rollover Period. If the Committee does not so determine:
  - (i) any Awards that are not so exchanged shall Vest (subject to Rule 11.6) immediately following the end of the Rollover Period and lapse in relation to the balance, and
  - (ii) any unexchanged Options which Vest pursuant to (i) above (or have already Vested) may be exercised (having applied Rule 11.6) within 30

days following the end of the Rollover Period and shall lapse to the extent unexercised by the end of that 30 day period.

## 12. MALUS AND CLAWBACK

### 12.1 Application

This Rule 12 shall apply if the Committee, in its absolute discretion, determines that any of the following circumstances exist, save that it will not apply after the Company is subject to an event described in Rules 11.1 or 11.2 (*Takeovers and other corporate events*) unless Awards are exchanged for new awards in connection with an internal reorganisation under Rule 11.6 (*Internal reorganisations*):

- (a) the Committee forms the view that the Company materially misstated its financial results for whatever reason and that such misstatement resulted either directly or indirectly in that Award Vesting to a greater degree than would have been the case had that misstatement not been made;
- (b) the Committee forms the view that in (i) determining whether the Award should be made, or its size and nature or (ii) assessing any Performance Condition and/or any other condition imposed on the Award such assessment was based on an error, or on inaccurate or misleading information or assumptions and that such error, information or assumptions resulted either directly or indirectly in that Award Vesting to a greater degree than would have been the case had that error not been made, or the Committee would not have granted the Award or would have granted the Award in relation to a smaller number of Shares if the error not been made;
- (c) the relevant individual ceases to be a director or employee of a Group Member (as defined in Rule 10.7) as a result of fraud, misconduct, dishonesty or other behaviour which would have entitled the Participant's employer to summarily dismiss them;
- (d) the Participant was a Good Leaver by reason of retirement with the agreement of his or her employer, but becomes employed in an executive role by any entity other than a role for which he receives no remuneration;
- (e) a Participant who has ceased to be an Employee materially breaches any confidentiality, non-competition, non-disclosure or non-solicitation agreement with any Group Company;
- (f) any other exceptional adverse circumstance or circumstances arise, including reputational damage, failure of risk management or corporate failure, which in the opinion of the Committee justify the operation of this Rule.

The Committee may make a determination in relation to an Award under this Rule 12.1 at any time between the Award's Grant Date and the third anniversary of the date on which the Award Vests.

### 12.2 Malus

If at the date of the determination under Rule 12.1, all or any part of the Award has not Vested (or, in the case of an Option, all or any part has not Vested or the part which has Vested has not been exercised), the Committee may determine to cancel the Award or reduce it by such number of Shares as the Committee considers to be fair and

reasonable, taking account of all circumstances that the Committee considers to be relevant.

### 12.3 Clawback

If at the date of the determination under Rule 12.1, all or any part of the Award has Vested (and, in the case of an Option, all or any part has been exercised), the Committee may determine a Clawback amount in relation to the Award (or relevant part) in accordance with Rule 12.4 below.

### 12.4 Amount to be subject to Clawback

Where the Committee determines that the circumstances in Rule 12.1(a) and/or 12.1(b)(ii) above exist, the Committee shall decide on the amount to be subject to Clawback which shall be all or part of the additional value which the Committee considers has Vested and/or been received by the relevant individual as referred to in those Rules.

Where the Committee determines that one or more of the other circumstances in Rule 12.1 exist, the amount to be subject to Clawback shall be such amount as the Committee decides is appropriate, but shall not be more than:

- (a) in relation to an Option that has been exercised, the greater of the following (plus any Dividend Equivalents paid to the Participant in respect of that Option):
  - (i) the market value (as determined by the Board) of the Shares over which it was exercised measured on the date the Option was exercised, and
  - (ii) the market value of the Shares over which it was exercised measured on the date of the determination

minus the aggregate Option Price (if any), and

- (b) in relation to a Conditional Award, the greater of the following (plus any Dividend Equivalents paid to the Participant in respect of that Award):
  - (i) the market value of the Shares in respect of which the Award Vested measured on the date of Vesting, and
  - (ii) the market value of the Shares in respect of which the Award Vested measured on the date of the determination.

The Participant shall use his or her best endeavours to seek and obtain repayment or credit from the relevant tax authority of any Tax Liability paid on the Participant's behalf in relation to the Award as soon as reasonably practicable and to notify the Company of their receipt of any credit or payment by the Tax Authority of an amount representing all or part of such Tax Liability (the "**Tax Refund**"). Within the 30 days following such notification, the Participant will pay to the Company an amount equivalent to the amount of the Tax Refund.

If the Participant has paid or is liable to pay any Tax Liability in relation to the Award or the Shares and which cannot be recovered from or repaid by the Tax Authority, the Committee may in its discretion decide to reduce the Clawback Amount to take account

of this amount (save where the calculation of the Clawback Amount already took into account any Tax Liability paid).

## 12.5 Satisfaction of the Clawback

The Clawback shall be satisfied in one or more of the following ways:

- (a) The Committee may reduce (including, if appropriate, reducing to zero) any of the following:
  - (i) the amount of any future bonus which would, but for the operation of the Clawback, be payable to the relevant individual under any bonus plan operated by any Group Member; and/or
  - (ii) the extent to which any subsisting Awards held by the relevant individual Vest notwithstanding the extent to which any Performance Condition and/or any other condition imposed on any such Award has been satisfied; and/or
  - (iii) the extent to which any rights to acquire Shares granted to the relevant individual under any share incentive plan (other than the Plan, any deferred bonus plan (not approved by the Company's shareholders) and any tax-advantaged share plan established under schedules 2 to 5 (inclusive) of ITEPA) operated by any Group Member vest or become exercisable notwithstanding the extent to which any conditions imposed on such rights to acquire Shares have been satisfied; and/or
  - (iv) the number of Shares subject to any Vested but unexercised Option; and/or
  - (v) the number of Shares subject to any vested but unexercised right to acquire Shares granted to the relevant individual under any share incentive plan (other than the Plan, any deferred bonus plan (not approved by the Company's shareholders) and any tax-advantaged share plan established under schedules 2 to 5 (inclusive) of ITEPA) operated by any Group Member.
- (b) The Committee may require the relevant individual to pay to such Group Member as the Committee may direct, and on such terms as the Committee may direct (including, but without limitation to, on terms that the relevant amount is to be deducted from the relevant individual's salary or from any other payment to be made to the relevant individual by any Group Member and, for the purposes of section 13(1)(b) of the Employment Rights Act 1996 and any relevant laws in any other jurisdiction, by accepting an Award the Participant consents to such deductions being made)), such amount as is required for the Clawback to be satisfied in full.

Any reduction made pursuant to Rule 12.5(a)(ii) and/or Rule 12.5(a)(iii) above shall take effect immediately prior to the Award Vesting or the right vesting or becoming exercisable (as applicable) and any reduction made pursuant to Rule 12.5(a)(iv) and/or Rule 12.5(a)(v) shall take effect at such time as the Committee decides.

## 12.6 Reduction in Awards to give effect to clawback provisions in other plans

The Committee may decide at any time to reduce the number of Shares subject to an Award (including, if appropriate, reducing to zero) to give effect to a clawback provision of any form contained in any incentive plan (other than the Plan) or any bonus plan

operated by any Group Member. The value of the reduction shall be in accordance with the terms of the clawback provision in the relevant plan or, in the absence of any such term, on such basis as the Committee, acting fairly and reasonably, decides is appropriate.

### 13. **ADJUSTMENT OF AWARDS**

#### 13.1 **General rule**

In the event of:

- (a) any variation of the share capital of the Company; or
- (b) a demerger, special dividend or other similar event which affects the market price of Shares to a material extent (in the opinion of the Committee)

the Committee may make such adjustments as it considers appropriate under Rule 13.2 (*Method of adjustment*).

#### 13.2 **Method of adjustment**

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

- (a) the number of Shares comprised in an Award;
- (b) subject to Rule 13.3 (*Adjustment below nominal value*), the Option Price; and
- (c) where any Award has Vested or Option has been exercised but no Shares have been transferred or allotted after such Vesting or exercise, the number of Shares which may be so transferred or allotted and (if relevant) the price at which they may be acquired.

#### 13.3 **Adjustment below nominal value**

An adjustment under Rule 13.2 may have the effect of reducing the price at which Shares may be subscribed for on the exercise of an Option to less than their nominal value, but only if and to the extent that the Board is authorised:

- (a) to capitalise from the reserves of the Company a sum equal to the amount by which the nominal value of the Shares in respect of which the Option is exercised and which are to be allotted after such exercise exceeds the price at which the Shares may be subscribed for; and
- (b) to apply that sum in paying up such amount on such Shares

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

### 14. **ALTERATIONS**

#### 14.1 **General rule on alterations**

Except as described in Rule 14.2 (*Shareholder approval*) and Rule 14.4 (*Alterations to disadvantage of Participants*) the Committee may at any time alter the Plan or the terms of any Award.

#### 14.2 **Shareholder approval**

Except as described in Rule 14.3 (*Exceptions to shareholder approval*), no alteration to the advantage of an individual to whom an Award has been or may be granted shall be made under Rule 14.1 to the provisions concerning:

- (a) eligibility;
- (b) the individual limits on participation;
- (c) the overall limits on the issue of Shares or the transfer of treasury Shares;
- (d) the basis for determining a Participant's entitlement to, and the terms of, Shares or cash provided under the Plan;
- (e) the adjustments that may be made in the event of any variation of capital; and
- (f) the terms of this Rule 14.2

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

#### **14.3 Exceptions to shareholder approval**

Rule 14.2 (*Shareholder approval*) shall not apply to:

- (a) any minor alteration to benefit the administration of the Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for Participants or any Group Member; or
- (b) any alteration relating to the Performance Condition made under Rule 14.5.

#### **14.4 Alterations to disadvantage of Participants**

No alteration to the material disadvantage of Participants (other than a change to any Performance Condition) shall be made under Rule 14.1 unless:

- (a) the Board shall have invited every relevant Participant to indicate whether or not he approves the alteration; and
- (b) the alteration is approved by a majority of those Participants who have given such an indication.

#### **14.5 Alterations to a Performance Condition**

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

- (a) an event has occurred which causes the Committee reasonably to consider that it would be appropriate to amend the Performance Condition;
- (b) the altered Performance Condition will, in the reasonable opinion of the Committee, be not materially less difficult to satisfy than the unaltered Performance Condition would have been but for the event in question; and
- (c) the Committee shall act fairly and reasonably in making the alteration.

## **15. MISCELLANEOUS**

### **15.1 Employment**

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

### **15.2 Disputes**

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

### **15.3 Exercise of powers and discretions**

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

### **15.4 Share rights**

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

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

### **15.5 Notices**

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

- (a) by personal delivery or by post, in the case of a company to its registered office, and in the case of an individual to his last known address, or, where he is a director or employee of a Group Member, either to his last known address or to the address of the place of business at which he performs the whole or substantially the whole of the duties of his office or employment;
- (b) in an electronic communication to their usual business address or such other address for the time being notified for that purpose to the person giving the notice; or
- (c) by such other method as the Board determines.

### **15.6 Third parties**

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

#### **15.7 Benefits not pensionable**

Benefits provided under the Plan shall not be pensionable.

#### **15.8 Data Protection**

For the purpose of operating the Plan, the Company (or relevant Group Member) will collect and process information relating to employees and Participants in accordance with the privacy notice which is available on request from the Company Secretary.

#### **15.9 Governing law**

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

## SCHEDULE

### CASH CONDITIONAL AWARDS

The Rules of the Oxford Instruments plc Long Term Incentive Plan shall apply to a right (a “**Cash Conditional Award**”) to receive a cash sum granted or to be granted under this Schedule as if it was a Conditional Award, except as set out in this Schedule. Where there is any conflict between the Rules and this Schedule, the terms of this Schedule shall prevail.

1. The Committee may grant or procure the grant of a Cash Conditional Award.
2. Each Cash Conditional Award shall relate to a given number of notional Shares.
3. On the Vesting of the Cash Conditional Award the holder of that Award shall be entitled to a cash sum which shall be equal to the “**Cash Value**” of the notional Vested Shares, where the Cash Value of a notional Share is the market value of a Share on the date of Vesting of the Cash Conditional Award. For the purposes of this Schedule, the market value of a Share on any day shall be determined in accordance with Rule 8.3 (*Cash equivalent*).
4. The cash sum payable under paragraph 3 above shall be paid by the employer of the Participant as soon as practicable after the Vesting of the Cash Conditional Award, net of any deductions (on account of tax or similar liabilities) as may be required by law.
5. For the avoidance of doubt, a Cash Conditional Award shall not confer any right on the holder of such an Award to receive Shares or any interest in Shares.