

**GULF KEYSTONE  
PETROLEUM LTD.**



**RULES  
OF  
THE GULF KEYSTONE PETROLEUM  
LONG-TERM INCENTIVE PLAN**

Adopted by Shareholders in general meeting on 17 July 2014

(as amended by resolution of the Remuneration Committee on 5<sup>th</sup> December 2017 [\[and pursuant to Shareholder approval on 19 June 2020\]](#))

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# RULES OF THE GULF KEYSTONE PETROLEUM LONG-TERM INCENTIVE PLAN

## 1 INTERPRETATION

### 1.1 Definitions

In these Rules, unless the context otherwise requires, the following words and expressions have the meanings given below:

<b>Adoption Date</b>	the date on which the Plan is adopted by the Company's shareholders in general meeting;
<b>Announcement Date</b>	the date on which the Company announces its interim or preliminary results for a Financial Year;
<b>Award</b>	a Conditional Share Award, a Nil-cost Option, a Nominal-cost Option or a Phantom Award;
<b>Award Certificate</b>	the certificate referred to in Rule 2.3;
<b>Board</b>	the board of directors of the Company or a duly authorised committee thereof;
<b>Capital Variation</b>	any variation in the share capital of the Company, including but without limitation a capitalisation issue, rights issue, bonus issue, rights offer and a subdivision, consolidation or reduction in the capital of the Company;
<b>Cause</b>	any material breach by a Participant of his contract of employment;
<b>Closed Period</b>	has the same meaning as in the Market Abuse <del>Regulations</del> <a href="#">Regulation</a> ;
<b>Committee</b>	the remuneration committee of the Board;
<b>Company</b>	Gulf Keystone Petroleum Limited which is registered in Bermuda (company number 31165) and whose registered office is at Cumberland House, 9th Floor, 1 Victoria Street, P.O. Box HM 1561, Hamilton HM FX, Bermuda;
<b>Conditional Share Award</b>	a conditional right to become absolutely entitled to Shares granted to an Eligible Employee under the Plan;
<b>Control</b>	<a href="#">has</a> the meaning given to that word by section 995 of the United Kingdom Income Tax Act 2007;
<b>Dealing Day</b>	any day on which the stock market or exchange on which Shares are traded is open for business;
<b>Eligible Employee</b>	a director (other than a non-executive director) or a bona fide employee of any member of the Group;

<b>Expiry Date</b>	the latest date on which an Option may be exercised, specified in the Award Certificate;
<b>Financial Year</b>	an accounting reference period of the Company;
<b>Grant Date</b>	the date on which an Award is granted to an Eligible Employee determined in accordance with Rule 2.3;
<b>Group</b>	the Company and the Subsidiaries from time to time and “ <b>member of the Group</b> ” shall be construed accordingly;
<b>London Stock Exchange</b>	London Stock Exchange plc or any successor body;
<b>Market Abuse Regulation</b>	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse;
<b>Market Value</b>	on any day: <ul style="list-style-type: none"> <li>(a) if the Shares are traded on a Recognised Stock Exchange, the closing price of a Share (as derived from the official list for such exchange) for the immediately preceding Dealing Day or, if the Committee so decides, the average of the Market Values over a number of immediately preceding Dealing Days (not exceeding five) (provided that all such Dealing Days shall be within one of the 42-day periods mentioned in Rule 2.2 where this is relevant); and</li> <li>(b) if the Shares are not so traded, the market value of a Share determined in accordance with Part 8 of the United Kingdom Taxation of Chargeable Gains Act 1992;</li> </ul>
<b>Definition of Model Code deleted</b>	
<b>NICs</b>	national insurance contributions (or their equivalent in any jurisdiction);
<b>NICs Agreement</b>	an agreement for an employee to pay employer’s NICs under paragraph 3A(2) of Schedule 1 to the United Kingdom Social Security Contributions and Benefits Act 1992 or an equivalent in another jurisdiction;
<b>NICs Election</b>	an election for an employee to pay employer’s NICs under paragraph 3B(1) of Schedule 1 to the United Kingdom Social Security Contributions and Benefits Act 1992 or an equivalent in another jurisdiction;

<b>Nil-cost Option</b>	an Option with an Option Price of zero;
<b>Nominal-cost Option</b>	an Option with an Option Price which is equal to the nominal value of a Share;
<b>Normal Vesting Date</b>	the date stated in the Award Certificate on which the Participant normally becomes absolutely entitled to the Shares subject to a Conditional Share Award or the cash subject to a Phantom Award or from which an Option may normally be exercised;
<b>Option</b>	a right to acquire Shares granted to an Eligible Employee under the Plan;
<b>Option Price</b>	the amount per Share (if any) payable by the Participant on the exercise of an Option;
<b>Other Group Plan</b>	an employees' share plan, other than the Plan, operated by a member of the Group;
<b>Participant</b>	an individual who holds a subsisting Award or, where the context permits, his legal personal representatives;
<b>Performance Conditions</b> <b>Condition</b>	<del>the A</del> performance <del>conditions</del> <u>condition (which may be made up of one or more performance elements)</u> imposed by the Committee <del>pursuant to Rule 5.2 as varied</del> in accordance with Rule 5.3;
<b>Phantom Award</b>	a conditional right to be paid a cash amount based on the Market Value of a specified number of Shares at the Vesting Date, granted to an Eligible Employee under the Plan;
<b>Plan</b>	the Gulf Keystone Petroleum Long-Term Incentive Plan constituted by these Rules;
<del><b>Definition of Proscribed Period</b></del> <del><b>deleted</b></del>	
<b>Recognised Stock Exchange</b>	the main market of the London Stock Exchange and any other market which is for the time being designated as a recognised stock exchange for the purpose of section 1005 of the United Kingdom Income Tax Act 2007;
<b>Rules</b>	these rules, as amended from time to time, and "Rule" shall be construed accordingly;
<b>Shares</b>	fully-paid Common Shares of US \$ <del>0.01</del> <u>1</u> each in the capital of the Company (or any shares representing them);
<b>Subsidiary</b>	a subsidiary of the Company within the meaning of section 86 of the Bermuda Companies Act 1981;

<b>Trust</b>	any employee benefit trust established by a member of the Group whose beneficiaries include Eligible Employees;
<b>Trustee</b>	the trustee or trustees for the time being of the Trust;
<b>Vesting Date</b>	the Normal Vesting Date or such earlier date, pursuant to Rule 7 or 8, when the Participant becomes absolutely entitled to the Shares subject to a Conditional Share Award or the cash subject to a Phantom Award or from which an Option may be exercised and “ <b>vest</b> ”, “ <b>vested</b> ” and “ <b>vesting</b> ” shall be construed accordingly; and
<b>Vesting Period</b>	the period between the Grant Date and the Normal Vesting Date.

## 1.2 Construction

In these Rules, unless otherwise specified:

- the contents and headings are inserted for ease of reference only and do not affect their interpretation;
- save as provided for by law a reference to writing includes any mode of reproducing words in a legible form and reduced to paper or electronic format or communication including, for the avoidance of doubt, correspondence via e-mail;
- the singular includes the plural and vice-versa and ~~the masculine includes the feminine~~[a reference to any one gender shall be treated as a reference to any other gender](#); and
- a reference to a statutory provision includes any statutory modification, amendment or re-enactment thereof for the time being in force.

## 2 GRANT OF AWARDS

### 2.1 Grant decisions

The Committee shall determine in its absolute discretion when Awards shall be granted, the form of Awards, the Eligible Employees to whom such Awards are to be granted and the terms governing such Awards in accordance with the provisions of these Rules.

The number of Shares subject to an Award shall be calculated with reference to the Market Value at the Grant Date (or, if the Committee so decides, on the date on which it resolves to grant the Award under Rule 2.3).

### 2.2 Timing of grants

The Committee may grant an Award within the period of 42 days commencing on:

- (a) the Adoption Date; or
- (b) the Dealing Day following an Announcement Date.

or at any other time when the Committee considers that there are circumstances which justify the granting of an Award (for example, on recruitment of a senior executive or if the granting of an Award has been delayed due to a Closed Period) PROVIDED THAT Awards shall not be granted at any time if the grant would be unlawful, or in breach of the Market Abuse Regulation or any other law or regulations with the force of law or rule of an investment exchange on which Shares are listed or traded, or any non-statutory rule with a purpose similar to any part of the Market Abuse Regulation or guidance with which the Company complies or after the Plan has terminated as provided in Rule ~~17~~18.

### **2.3 Procedure for grant of Awards and Grant Date**

Awards shall be granted by a resolution of the Committee. The Grant Date of an Award shall be the date of the resolution or such later date as specified in the resolution and allowed by Rule 2.2. The grant of an Award shall be evidenced by an Award Certificate executed by the Company as a deed. An Award Certificate shall be issued to each Eligible Employee who has been granted an Award as soon as reasonably practicable following the Grant Date.

### **2.4 Contents of Award Certificate**

An Award Certificate shall state:

- (a) whether the Award comprises a Conditional Share Award, a Nil-cost Option, a Nominal-cost Option or a Phantom Award;
- (b) the Grant Date;
- (c) the number and class of Shares subject to the Award;
- (d) the Option Price (for an Option);
- (e) the Normal Vesting Date for the Award (or for each part of the Award), which shall be no earlier than the third anniversary of the Grant Date;
- (f) if applicable, the requirement for the Participant to enter into a NICs Agreement or a NICs Election; ~~and~~
- (g) the Expiry Date (for an Option), which shall be six months after the Normal Vesting Date;
- (h) if applicable, that the dividend equivalent provisions of Rule 9 shall apply;
- (i) ~~and shall state,~~ or have attached to it in the form of a schedule, the Performance ~~Conditions~~ Condition applicable to the Award; ~~and~~
- (j) any other conditions applicable to the Award as may be determined by the Committee.

Subject thereto, an Award Certificate shall be in such form as the Committee may determine from time to time.

### **2.5 No consideration for grants**

No consideration shall be payable by the Participant for the grant of an Award.

### **2.6 Right to renounce Awards**

An Eligible Employee to whom an Award is granted may, by notice in writing to the Company within 30 days after the Grant Date and, if available, accompanied by the Award Certificate, renounce in whole or in part any rights or benefits conferred by his Award. In such a case, the Award shall to that extent be treated, for the purpose of the Plan, as never having been granted. No consideration shall be due from the Company for any such renunciation.

### **2.7 Awards non-transferable**

An Award shall be personal to the Participant to whom it is granted and, except in the event of the death of the Participant, shall not be capable of being transferred, charged or otherwise alienated and shall lapse immediately if the Participant purports to transfer, charge or otherwise alienate the Award.

### **2.8 Participant's rights over Shares**

For the avoidance of doubt, a Participant shall not become the beneficial owner of the Shares subject to a Conditional Share Award or an Option until the Shares have been issued or transferred to him on the vesting of the Conditional Share Award or the valid exercise of the Option and until that date the Participant shall not be entitled to any voting, dividend, transfer or other rights attaching to the Shares.

## **3 SHARE CAPITAL LIMIT**

### **3.1 10 per cent in 10 years**

An Award may not be granted if the result would be that the total number of Shares issued or issuable to satisfy Awards, when aggregated with the number of Shares issued or issuable to satisfy awards granted in the preceding 10-year period under [the Plan and](#) any Other Group Plan, would exceed 10 per cent of the Company's issued ordinary share capital at the proposed Grant Date.

### **3.2 Clarification of share capital limit**

For the purpose of the limit contained in Rule 3.1, there shall be disregarded:

- [\(a\)](#) any Shares which have been purchased on the market by the Trustee or another intermediary, or which the Committee has determined shall be so purchased, in order to satisfy an award; ~~and~~
- [\(b\)](#) any Shares subject to an award which has lapsed, been renounced or otherwise become incapable of vesting~~;~~
- [\(c\)](#) [any reference in this Rule 3 to the issue of Shares shall include the transfer of treasury shares, but only until such time as the guidelines issued by institutional investor bodies cease to provide that they should be so included; and](#)
- [\(d\)](#) [any Shares that were used to satisfy an option or award granted more than 10 years previously.](#)

## **4 INDIVIDUAL LIMIT**

### **[4.1 Limit](#)**

An Award may not be granted to an Eligible Employee if as a result the aggregate Market Value of the Shares subject to all awards granted to him in that Financial Year (under the



Plan or any Other Group Plan which is not offered to employees generally on similar terms) would exceed (or further exceed) 150 per cent (or 200 per cent, in the case of the Chief Executive Officer of the Company) of his gross annual rate of basic salary as at the Grant Date in respect of his employment with the Group. For the purpose of this Rule 4, the Market Value of the Shares subject to an ~~award~~Award shall be determined at its grant date (or, if the Committee so decides, on the date on which it resolves to grant the ~~award~~Award).

#### **4.2 Effect of Breach of Limit**

An Award granted in breach of the limit contained in Rule 4.1 shall immediately lapse in respect of the number of Shares which cause this limit to be breached.

#### **4.3 Clarification of Limit**

Where an Eligible Employee's gross annual basic salary is denominated in a currency other than pounds sterling, for the purposes of Rule 4.1 above such gross annual basic salary shall be converted into pounds sterling on such basis as the Committee may reasonably determine.

Awards which have been released or have lapsed, and any right to receive Shares as a dividend equivalent, shall be ignored for these purposes.

### **5 VESTING CONDITIONS**

#### **5.1 NICs Agreement or NICs Election**

The Committee may make it a condition of the vesting of a Conditional Share Award or a Phantom Award or of the exercise of an Option that the Participant shall enter into a NICs Agreement or a NICs Election in respect of part or all of the employer's NICs payable as a result of such vesting or exercise.

#### **5.2 Imposition of Performance ~~Conditions~~Condition**

On the grant of an Award, the Committee shall impose a Performance ~~Conditions~~Condition which it determines to be challenging and aligned with the Company's strategic goals and the long-term interests of the Company's shareholders. The vesting of the Award shall be conditional on the satisfaction (or extent of satisfaction) of the applicable Performance ~~Conditions~~Condition.

#### **5.3 Variation of Performance ~~Conditions~~Condition**

If an event occurs which causes the Committee to consider that the Performance ~~Conditions are~~Condition, or any element thereof, is no longer appropriate, the Committee may vary the Performance ~~Conditions~~Condition in such manner as:

- (a) is reasonable in the circumstances; and
- (b) produces a fairer measure of performance and is not materially more or less difficult to satisfy than those which applied immediately before such event occurred.

The Award shall then take effect subject to the Performance ~~Conditions~~Condition as so varied.

#### **5.4 Notification of Participants**

The Committee shall, as soon as reasonably practicable, notify each Participant concerned of any variation of the Performance ~~Conditions~~Condition made under Rule 5.3 and explain how it affects his Award.

### **5.5 Early Measurement of Performance Condition**

In the event that the Performance Condition is required to be assessed prior to the end of the period over which it was originally intended to be assessed the Committee may make such assessment on the basis of such information (not limited to published audited accounts) as it determines to be appropriate.

### **5.6 Retesting**

The Performance Condition may not be retested.

## **6 VESTING AND EXERCISE**

### **6.1 Vesting of Award**

~~An~~The vesting of an Award shall be subject to any restrictions on dealing set out in the Market Abuse ~~Regulations~~Regulation or otherwise imposed by statute, order, regulation or government directive on the Normal Vesting Date or on such earlier date as is determined pursuant to Rule 7 or 8. If the Award Holder would be restricted from immediately selling all or any of the Shares obtained on the vesting or exercise of an Award, the vesting or exercise shall be delayed until the Award Holder is able to sell his Shares without such restrictions. ~~The number of Shares in respect of which the Award vests shall be determined by the Committee, in accordance with the Performance Conditions, and communicated to the Participant as soon as practicable. To the extent that the Award has not vested, it shall lapse immediately.~~

### **6.2 Disciplinary proceedings**

Unless the Committee determines otherwise, an Award shall not vest while a Participant is subject to a regulatory investigation process and/or formal disciplinary process (or similar), or where a Participant has been served with notice that such a process may be instigated without such notice having been rescinded, and vesting shall (subject to the Award lapsing to any extent prior to or as a result of the conclusion of such process pursuant to Rule 6.10 or 7) be delayed until the conclusion of such process, provided that this Rule 6.2 shall not apply at any time following the occurrence of any of the events referred to in Rule 8 (other than a re-organisation pursuant to Rule 8.4), save where the determination that the investigation and/or disciplinary process shall apply was made prior to such event.

### **6.3 Extent of Vesting**

The number of Shares in respect of which the Award vests shall be determined by the Committee, in accordance with the Performance Condition, provided that the Committee may adjust the extent to which an Award shall vest if it determines that it is appropriate to do so to reflect the broader circumstances of the Group (including but not limited to overall financial performance and safety concerns). An adjustment pursuant to this Rule 6.3 may be either positive or negative. The extent of vesting shall be communicated to the Participant as soon as practicable. To the extent that the Award has not vested, it shall lapse immediately.

#### **6.4 ~~6.2~~ Exercise of Option**

- (a) A Participant may exercise an Option, to the extent that it has vested, from the Vesting Date (or from the date when the Committee determines the extent of vesting, if later) until the Option lapses pursuant to Rule 9.10.
- (b) Notwithstanding paragraph (a) above, an Option may not be exercised during a Closed Period.
- (c) An Option may be exercised in whole or in part, to the extent that it has vested. If exercised in part, the unexercised part of the Option shall remain exercisable until it lapses pursuant to Rule 9.10.
- (d) An Option shall be exercised by the Participant delivering to the Company a duly completed notice of exercise in the form from time to time prescribed by the Committee, specifying the number of Shares in respect of which the Option is being exercised and accompanied, if available, by the Award Certificate and, in the case of a Nominal-cost Option, by the payment of the Option Price in respect of such number of Shares. Alternatively, the Participant may enter into any arrangement that the Company may approve for the payment of the Option Price.

#### **6.5 ~~6.3~~ Delivery of Shares**

Subject to any necessary consents and to compliance by the Participant with these Rules, as soon as reasonably practicable and in any event not later than 30 days after a Conditional Share Award has vested or an Option has been validly exercised, the Company shall issue to the Participant (if applicable, through the Trustee or another intermediary), or procure the transfer to the Participant of, the number of Shares in respect of which the Conditional Share Award has vested or the Option has been exercised, which may include transferring the Shares on more than one consecutive Dealing Days on such basis as the Committee may determine. In the case of the partial exercise of an Option, the Company shall issue to the Participant an Award Certificate in respect of, or the original Award Certificate endorsed to show, the unexercised part of the Option.

#### **6.6 ~~6.4~~ Cash settlement**

Following the vesting of a Conditional Share Award or the exercise of an Option, on the recommendation of the Committee, the Company may decide not to issue or procure the transfer of Shares to the Participant but instead to arrange for a cash payment to be made to the Participant of an amount equivalent to the Market Value of the Shares which would otherwise have been issued or transferred (less the Option Price for such Shares unless this has already been paid).

#### **6.7 ~~6.5~~ Cash payment under Phantom Award**

Subject to any necessary consents and to compliance by the Participant with these Rules, the Company shall, as soon as reasonably practicable and in any event not later than 30 days after the vesting of a Phantom Award, arrange for the payment to the Participant of a cash amount equivalent to the Market Value on the Vesting Date of the number of Shares in respect of which the Phantom Award has vested.

#### **6.8 ~~6.6~~ Tax liability**

Any liability of a Participant to income tax or NICs in respect of an Award (including, for the avoidance of doubt, any cash amount paid under ~~Rule 6.4 or 6.5~~ Rules 6.6, 6.7 or 9) shall be for the account of the Participant. The vesting of a Conditional Share Award or a Phantom Award and the exercise of an Option shall be conditional on the Participant complying with any arrangements specified by the Company or the Trustee for the payment of such income tax and NICs (including, without limitation, the sale of sufficient Shares to enable a member of the Group or the Trustee to fulfil its obligations to deduct the required amounts).

#### **6.9** ~~6.7~~ **Clawback powers** Triggers

The Committee may, at its discretion, decide that the provisions of Rule 6.10 shall apply if any of the following occur:

- (a) ~~if~~ it is discovered that an Award has been granted or has vested on the basis of any incorrect information or erroneous calculation relevant to determining the size of the Award, the setting of the Performance ~~Conditions~~ Condition or to determining ~~their~~ its satisfaction, including, without limitation, a material misstatement in any published results of any member of the Group; ~~or~~
- (b) in the event of misconduct on the part of a Participant (as determined by the Committee), including, without limitation, where the Participant has been dismissed for Cause;
- (c) the Participant is found to have committed at any time prior to the later of (as applicable) the vesting of the Award and an Option having been exercised to the full extent to which it vested, including prior to grant, an act or omission which caused or contributed to a material extent to either the censure of any member of the Group by any regulatory authority or a significant detrimental impact to the reputation of any member of the Group in the opinion of the Committee;
- (d) an act, omission or event occurs at any time prior to the later of (as applicable) the vesting of the Award and an Option having been exercised to the full extent to which it vested which in the opinion of the Committee constitutes a material failure of risk management or of other operational systems and controls for which the Participant was directly or indirectly responsible or which occurred in any part of the Group's business in which the Participant performs a role or for which the Participant has direct or indirect responsibility; or
- (e) the Group enters an involuntary administration or insolvency process or the Board determines that there has been a 'corporate failure' in respect of the Group (which for these purposes shall include a significant reduction in or cessation of the Group's ability to continue normal operations).

#### **6.10** **Clawback Powers**

If any of the events referred to in Rule 6.9 occurs, the Committee may:

- (a) in the case of Rules 6.9 (a), (b) or (e), at any time; or
- (b) in the case of Rules 6.9 (c) or (d), at any time within three years following the later of (as applicable) the vesting of the Award and an Option having been exercised to the full extent to which it vested.

determine that:

- (c) the number of Shares subject to an unvested Award (or in the case of an Option, unexercised) shall be reduced or eliminated; or
- (d) ~~the number of Shares subject to the Award shall be reduced or eliminated.~~ In in the case of a Conditional Share Award or a Phantom Award which has already vested or an Option which has already been exercised, the Committee may decide that the Participant should repay to a member of the Group or the Trustee an amount equal to some or all of the benefit received, whether by transfer of Shares or payment of a cash amount.

### **6.11 Lapse of Awards to give effect to claw-back of other awards**

By participating in the Plan, the Participant acknowledges that the Committee may lapse any Award to such extent as it determines to be necessary (including in full) in order to give effect to a claw-back under the terms of the Plan or any Other Group Plan or bonus scheme operated from time to time by any member of the Group.

## **7 CESSATION OF EMPLOYMENT**

### **7.1 General rule**

Subject to the remainder of this Rule 7, an Award may vest only while the Participant holds an office or employment with a member of the Group and if a Participant ceases to hold any such office or employment any Award granted to him which has not vested shall, save as set out in Rule 7.2, 7.3 or 7.4 below, lapse immediately.

Unless the Participant has been dismissed for Cause, he may exercise an Option in accordance with Rule ~~6.2-6.4~~ to the extent that it had already vested on the date of such cessation until the Expiry Date (or, in the case of a Participant who has died, his legal personal representatives may exercise the Option during the 12-month period following his death) and if not so exercised the Option shall lapse at the end of such period. If the Participant is dismissed for Cause, the Option shall lapse immediately.

### **7.2 Death**

Notwithstanding Rules 6.1 and 7.1, if a Participant dies before his Award has vested the Award shall vest in full immediately, irrespective of the Company's performance to date.

The Participant's legal personal representatives shall be entitled to exercise an Option in accordance with Rule ~~6.2-6.4~~ at any time during the 12-month period following his death. If not so exercised, the Option shall lapse at the end of such period.

### **7.3 Injury or disability or ill-health**

Notwithstanding Rules 6.1 and 7.1, if a Participant ceases to hold any office or employment within the Group before his Award has vested by reason of injury, disability or ill-health (evidenced to the satisfaction of the Committee) the Award shall ~~-,~~ subject to Rules 6.9 and 6.10, vest in full, irrespective of the Company's performance to date, on the Normal Vesting Date (or on such earlier date as the Committee may determine in exceptional circumstances).

The Participant shall be entitled to exercise an Option in accordance with Rule ~~6.2~~6.4 at any time during the six-month period following the Vesting Date. If not so exercised, the Option shall lapse at the end of such period.

#### **7.4 Other good leavers**

Notwithstanding Rules 6.1 and 7.1, if a Participant ceases to hold any office or employment within the Group before his Award has vested by reason of:

- (a) retirement, with the agreement of the Participant's employing company;
- (b) redundancy; or
- (c) any other reason, at the discretion of the Committee (such discretion being applied fairly and reasonably)

the Award shall ~~-, subject to Rules 6.9 and 6.10,~~ vest on the Normal Vesting Date (or on such earlier date as the Committee may determine in exceptional circumstances). The number of Shares in respect of which the Award vests in accordance with the Performance ~~Conditions~~Condition shall be determined by the Committee as soon as practicable, and the resulting number of Shares shall be reduced to the proportion of the Vesting Period which has elapsed at the date of such cessation.

The Participant shall be entitled to exercise an Option in accordance with Rule ~~6.2~~6.4, to the extent that it has so vested, at any time during the six-month period following the Vesting Date. If not so exercised, the Option shall lapse at the end of such period.

## **8 CORPORATE EVENTS**

### **8.1 Change in Control of Company**

Notwithstanding Rule 6.1 but subject to the remainder of this Rule 8, if a person obtains Control of the Company each unvested Award shall vest immediately. The number of Shares in respect of which the Award vests shall be determined by the Committee as soon as practicable taking account of the Company's performance since the Grant Date and ~~-, if~~ so determined by the Committee, the proportion of the Normal Vesting Period which has elapsed.

The Participant shall be entitled to exercise an Option in accordance with Rule ~~6.2~~6.4, to the extent it has so vested, from the date when Control is obtained.

Unless it is exchanged in accordance with these Rules, an Option (including any Option which had already vested before Control was obtained) shall lapse at the earliest of:

- (a) six months after the date when such Control is obtained;
- (b) the end of the period during which an offeror is bound or entitled to acquire Shares under section 102 or 103 of the Bermuda Companies Act 1981 (or equivalent legislation in another jurisdiction);
- (c) if the court approves a compromise or arrangement between the Company and its members under section 99 of the Bermuda Companies Act 1981 (or equivalent legislation in another jurisdiction), 30 days after the court's order becomes effective; ~~or~~

- (d) [if the members of the Company approve an amalgamation by resolution in general meeting under section 104 of the Bermuda Companies Act 1981, 30 days after the date of this approval; or](#)
- (e) the Expiry Date.

### **8.2 Change in Control of Company: conditional vesting and exercise**

Notwithstanding Rule 6.1, if a person is expected to obtain Control of the Company, the Committee may give notice to Participants that each unvested Award shall vest on the condition that such Control is obtained. The number of Shares in respect of which the Award conditionally vests shall be determined by the Committee taking account of the Company's performance since the Grant Date and ~~-, if so determined by the Committee,~~ the proportion of the Normal Vesting Period which has elapsed.

In the case of an Option (including an Option which had vested before such notice is given), the Participant shall be entitled to exercise the Option in accordance with Rule ~~6.26.4,~~ ~~conditionally-~~ [conditional](#) on such Control being obtained, at any time during the period beginning with the date the notice is given and ending immediately before such Control is obtained.

If such Control is obtained, the time of vesting of an Award and of exercise of an Option shall be immediately before such Control is obtained. If an Option has not been exercised (including any Option which had vested before notice was given), it shall lapse immediately when the change in Control comes into effect.

If such Control is not obtained, any conditional vesting of an Award or conditional exercise of an Option shall be of no effect and the Award shall continue to exist on the terms which applied before the Committee gave such notice of conditional vesting.

### **8.3 Replacement award**

If another company (the "**Acquiring Company**") obtains Control of the Company, the Committee may, with the consent of the Acquiring Company, determine that Rule 8.1 shall not apply but that instead an Award shall be exchanged for a replacement award relating to shares in the Acquiring Company (or its parent) which, in the opinion of the Committee, is substantially equivalent in value and in terms and conditions to the Award. The Award shall then lapse in exchange for, and on the grant of, the replacement award.

### **8.4 Reorganisation not involving a change in Control**

If:

- (a) the event referred to in Rule 8.1 is part of an arrangement as a result of which the Company will be under the Control of another company (the "**New Holding Company**"); and
- (b) the persons who owned Shares in the Company immediately before the change of Control will immediately afterwards own more than 75 per cent of the shares in the New Holding Company";

the Committee may, with the consent of the New Holding Company, determine that Rule 8.1 shall not apply but that instead the Award shall be exchanged for a replacement award relating to shares in the New Holding Company (or its parent) which, in the opinion of the

Committee is substantially equivalent, in value and in terms and conditions, to the Award. The Award shall then lapse in exchange for, and on the grant of, the replacement award.

### **8.5 Meaning of "obtains Control of the Company"**

For the purpose of this Rule 8, a person shall be deemed to have obtained Control of the Company if he and others acting in concert with him have together obtained Control of it and "change in Control" shall be construed accordingly.

### **8.6 Winding up of Company**

Notwithstanding Rule 6.1, if notice is given of a resolution for the voluntary winding-up of the Company, all Awards shall vest conditionally on the passing of the resolution. The number of Shares in respect of which each Award vests shall be determined by the Committee as soon as practicable taking account of the Company's performance since the Grant Date and ~~, if so determined by the Committee,~~ the proportion of the Normal Vesting Period which has elapsed.

In the case of an Option (including an Option which had vested before such notice is given), the Participant shall be entitled to exercise the Option in accordance with Rule ~~6.26.4~~, to the extent it has so vested, ~~conditionally~~ conditional on the resolution being passed, at any time during the period beginning with the date the notice is given and ending when the resolution is passed or defeated or the general meeting is concluded or adjourned sine die.

If the resolution is passed, the time of vesting of an Award and of exercise of an Option shall be immediately before the resolution is passed. If an Option has not been exercised (including any Option which had vested before notice of the resolution was given), it shall lapse immediately upon the passing of the resolution.

If the resolution is not passed, any conditional vesting of an Award or conditional exercise of an Option shall be of no effect and the Award shall continue to exist on the terms which applied before the notice of the resolution was given.

### **8.7 Notification of Participants**

The Committee shall, as soon as reasonably practicable, notify each Participant of the occurrence of any of the events referred to in this Rule 8 and explain how this affects his Award.

## **9 DIVIDEND EQUIVALENTS**

### **9.1 Dividend Value**

If the Committee so determines, at the same time that legal title to Shares is transferred pursuant to an Award (or that cash is paid pursuant to Rule 6.6), the Company may:

- (a) in exceptional circumstances, make a cash payment to the Participant equal to the amount of any dividends that the Participant would have received on a net basis (without any associated tax credit), in respect of the number of Shares so transferred had the Participant been the full legal and beneficial owner of such Shares during the period from the Grant Date to the Vesting Date (the "Dividend Value"); or



- (b) in any other circumstances, transfer or procure to be transferred, such number of additional Shares calculated by dividing the Dividend Value by the Market Value of a Share on the date the Award vests.

## **9.2 Phantom Awards**

If the Committee so determines, at the same time that cash is paid to a Participant pursuant to a Phantom Award, the Company may increase the value of such cash payment by a sum equal to the amount of any dividends that the Participant would have received on a net basis (without any associated tax credit), had the Participant been the full legal and beneficial owner of the number of Shares in respect of which the value of the Phantom Award has been calculated during the period from the Grant Date to the Vesting Date.

## **10 9 LAPSE OF AWARD**

An Award shall lapse on the earliest of:

- (a) the date on which the Committee determines that all or part of the Award will not vest under the Performance ~~Conditions~~Condition, only in respect of the proportion which has not vested;
- (b) subject to Rule 7, the Participant ceasing to hold an office or employment with a member of the Group;
- (c) in the case of an Option, the date on which it is provided that that the Option will lapse under Rule 7 or 8;
- (d) the date on which a resolution is passed or an order is made by the court for the compulsory winding up of the Company;
- (e) the date on which the Participant becomes bankrupt, enters into a compromise with his creditors generally or purports to transfer, charge or otherwise alienate the Award; and
- (f) in the case of an Option, the Expiry Date or, if the Participant dies before the Expiry Date, 12 months after the date of the Participant's death

PROVIDED THAT if an Option would otherwise lapse under paragraph (c) or (f) above during a ~~Proscribed~~Closed Period the Award shall instead lapse 14 days after the end of that ~~Proscribed~~Closed Period.

## **11 10 CAPITAL VARIATIONS ETC**

### **11.1 ~~10.1~~ Power to adjust Award**

In the event of a Capital Variation, a demerger transaction involving the Company, the payment of a special dividend by the Company or in such other circumstances as the Committee considers appropriate, the number of Shares subject to an Award and, in the case of a Nominal-cost Option, the Option Price may be adjusted in such manner as the Committee shall determine to be fair and reasonable, having consulted the Company's professional advisers as appropriate.

### **11.2 ~~10.2~~ Notification of Participants**

The Committee shall, as soon as reasonably practicable, notify each Participant of any adjustment made under this Rule ~~10-11~~ and explain how this affects his Award. The

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Company may call in for endorsement or cancellation and re-issue of the Award Certificate in order to take account of such adjustment.

## **12 ~~11~~ SHARES ISSUED UNDER PLAN**

### **12.1**

### **~~11.1~~ Rights attaching to Shares**

All Shares issued to Participants under the Plan (whether directly to the Participant or indirectly via the Trustee or another intermediary) shall, as to voting, dividend, transfer and other rights, including those arising on a liquidation of the Company, rank equally in all respects and as one class with the Shares of the same class in issue at the date of issue save as regards any rights attaching to such shares by reference to a record date prior to the date of such issue.

### **12.2**

### **~~11.2~~ Availability of Shares**

The Company shall at all times keep available sufficient unissued Shares to satisfy all Conditional Share Awards and Options which the Committee has determined shall be satisfied by the issue of Shares (whether directly to the Participant or indirectly via the Trustee or another intermediary).

### **12.3**

### **Shares**

### **~~11.3~~ Application for listing and admission to trading of**

While Shares are listed and/or admitted to trading on any stock exchange or market, the Company shall, at its expense, make application for, and use its reasonable endeavours to obtain listing and/or admission to trading on such stock exchange or market for Shares allotted under the Plan.

## **13 ~~12~~ CONTRACTUAL RIGHTS**

Notwithstanding any other provision of the Plan:

- (a)** the Plan shall not form part of any contract of employment between any member of the Group and an Eligible Employee;
- (b)** unless expressly so provided in his contract of employment, an Eligible Employee has no right to be granted an Award;
- (c)** the benefit to a Participant of participation in the Plan (including, in particular but not by way of limitation, any Awards held by him) shall not form any part of his remuneration or count as his remuneration for the purpose of any employer's contribution to any pension or other benefit scheme operated by a member of the Group; and
- (d)** if a Participant ceases to hold an office or employment within the Group for any reason whatsoever (whether the office or employment is terminated lawfully or unlawfully), he shall not be entitled to compensation for the loss of any right or benefit or prospective right or benefit under the Plan (including, in particular but not by way of limitation, any Awards held by him which lapse by reason of his ceasing to hold an office or employment within the Group) whether by way of damages for unfair dismissal, wrongful dismissal, breach of contract or otherwise.

By accepting the grant of an Award and not renouncing it, a Participant is deemed to have agreed to the provisions of this Rule ~~12~~13.

## 14 ~~13~~ ADMINISTRATION

### 14.1 ~~13.1~~ Committee responsible for administration

The Committee shall be responsible for the administration of the Plan. The Committee may from time to time make or amend regulations for the administration of the Plan provided that such regulations shall not be inconsistent with these Rules.

### 14.2 ~~13.2~~ Committee's decision final and binding

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

### 14.3 ~~13.3~~ Shareholder communications

The Company may send to Participants copies of any notice or other document sent by the Company to its shareholders generally.

### 14.4 ~~13.4~~ Costs

The costs of introducing and administering the Plan shall be met by the Company. The Company shall be entitled, if it wishes, to charge an appropriate part of such costs to a Subsidiary. The Company shall also be entitled, if it wishes, to charge to a Subsidiary the opportunity cost of issuing Shares under the Plan in respect of a Participant employed by the Subsidiary.

### 14.5 ~~13.5~~ Variation of Plan for overseas territories

The Board may establish sub-plans for overseas jurisdictions and/or make such modifications to the Plan as are necessary or expedient to take account of local tax, exchange control, securities laws or other regulations in any one or more overseas territories (a "**Modified Plan**"). The limits on the number and value of Shares which may be subject to Awards as set out in Rules 3 and 4 shall apply so as to limit the number and value of Shares which may be made subject to awards granted under a Modified Plan and Shares subject to awards granted under a Modified Plan shall be included for the purpose of the limits set out in Rules 3 and 4.

### 14.6 ~~13.6~~ Personal data

~~By accepting the grant of an Award and not renouncing it, a Participant consents to the collection, processing and transfer of his personal data for any purpose relating to the operation of the Plan. This includes:~~

~~providing personal data to the Committee and any member of the Group and any third party such as the Trustee, registrars, brokers and any of their respective agents;~~

~~processing of personal data by the Committee, any member of the Group and any such third party;~~

~~transferring personal data to a country outside the European Economic Area (including a country which does not have data protection laws equivalent to those prevailing in the European Economic Area); and~~

~~providing personal data to potential purchasers of the Company, the Participant's employer or the business in which the Participant works.~~

This rule only applies to Participants who are not covered by the General Data Protection Regulation (Regulation (EU) 2016/679) ("GDPR"). Participants who are covered by the GDPR should refer to the Privacy Policy.

To the extent that the collection, processing and/or transfer of personal data of a Participant in connection with this Plan is subject to the laws or regulations of any jurisdiction that is not subject to the GDPR, by participating in the Plan such Participant consents to such collection, processing and/or transfer for the purposes of such other laws or regulations (but shall not be deemed to consent to such processing for the purposes of the GDPR).

In this Rule 14.6, "personal data" has the meaning given in the GDPR and the "Privacy Policy" means the Company privacy policy in place from time to time.

## **15 ~~14~~ AMENDMENT OF RULES**

### **15.1 ~~14.1~~ Power to amend Rules**

Subject to Rules ~~14.2~~ 15.2 and ~~14.3~~ 15.3 the Board, acting on the recommendations of the Committee, may amend these Rules from time to time.

### **15.2 ~~14.2~~ Shareholders' approval**

No amendment may be made to these Rules to the material advantage of existing or future Participants relating to:

- (a) the persons to whom an Award may be granted;
- (b) the limits on the aggregate number of Shares over which Awards may be granted;
- (c) the limit on the Market Value of Shares over which Awards may be granted to any one Eligible Employee;
- (d) the basis for determining a Participant's entitlement to, and the terms of, Shares or cash to be acquired pursuant to an Award;
- (e) the adjustment of Awards on a Capital Variation.

without the prior approval of the Company's shareholders in general meeting except for an amendment which is of a minor nature to benefit the administration of the Plan or which is made to take account of a change of legislation or to obtain or maintain favourable tax, exchange control, securities law or regulatory treatment for Participants or any member of the Group.

### **15.3 ~~14.3~~ Rights of existing Participants**

An amendment may not adversely affect the existing rights of a Participant except with the prior consent of the Participant.

### **15.4 ~~14.4~~ Notification of Participants**

The Company shall, as soon as reasonably practicable, notify each Participant of any amendment to these Rules under this Rule ~~14~~ 15 which materially affects his Award.

## **16 ~~15~~ NOTICES**

### **16.1 ~~15.1~~ Notice by Company**

Save as provided for by law any notice, document or other communication given by, or on behalf of, the Company to any person in connection with the Plan shall be deemed to have been duly given if delivered by hand or sent to him by e-mail or fax at his place of work, if he is employed within the Group, or if sent by e-mail to such e-mail address as may be specified from time to time, or sent by post in a pre-paid envelope to the postal address last known to the Company to be his address and, if so sent, shall be deemed to have been duly given 48 hours after the date of posting.

### **16.2 ~~15.2~~ Deceased Participants**

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

### **16.3 ~~15.3~~ Notice to Company**

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

## **17 ~~16~~ GOVERNING LAW AND JURISDICTION**

### **17.1 ~~16.1~~ Plan governed by English laws**

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

### **17.2 ~~16.2~~ English courts to have jurisdiction**

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

### **17.3 ~~16.3~~ Participant deemed to submit to such jurisdiction**

By accepting the grant of an Award and not renouncing it, a Participant is deemed to have agreed to submit to such jurisdiction.

## **18 ~~17~~ TERMINATION OF PLAN**

The Plan shall terminate 10 years after the Adoption Date or on such earlier date as the Board shall determine. Following the termination of the Plan, no further Awards shall be granted pursuant to Rule 2 but the subsisting rights and obligations of Participants shall not thereby be affected.