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## **Rules of the Costain 2023 Share Deferral Plan**

Adopted by the board of directors on 8 March 2023

Approved by shareholders on [11 May 2023]

Expiry date [11 May 2033]

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**Table of Contents**

1.	Definitions and Interpretation .....	1
2.	Grant of Awards .....	3
3.	Restrictions on Transfer and Bankruptcy .....	4
4.	Dividend Equivalents.....	4
5.	Plan Limit.....	4
6.	Reduction and Recovery .....	5
7.	Vesting, Exercise and Settlement.....	6
8.	Relevant Liabilities and Regulatory Issues .....	8
9.	Cash Equivalent.....	8
10.	Cessation of Employment .....	8
11.	Corporate Events.....	10
12.	Adjustments .....	12
13.	Amendments.....	12
14.	Legal Entitlement .....	13
15.	General.....	13
	Schedule 1 – Cash Awards.....	15

## The Costain 2023 Share Deferral Plan

### 1. Definitions and Interpretation

1.1 In this Plan, unless otherwise stated, the words and expressions below have the following meanings:

"**Award**" means a Conditional Award or a Nil-Cost Option;

"**Board**" means, subject to rule 11.7, the board of the Company or any committee or person duly authorised by the board, or any duly appointed successor body;

"**Bonus**" means the bonus (if any) earned by an Eligible Employee pursuant to an annual bonus plan operated by any Group Member;

"**Company**" means Costain Group PLC registered in England and Wales under number 01393773;

"**Conditional Award**" means a right to receive Shares automatically subject to the rules of the Plan;

"**Control**" has the meaning given by section 995 of the Income Tax Act 2007;

"**Dealing Day**" means any day on which the London Stock Exchange is open for business;

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

"**Deferred Bonus**" means the amount of Bonus which is to be delivered in the form of an Award, which, in respect of an Award made to an executive director of the Company, will be determined in accordance with the relevant Directors' Remuneration Policy;

"**Eligible Employee**" means an employee (including an executive director) or former employee (including a former executive director) of the Company or any of its Subsidiaries;

"**FCA**" the United Kingdom Financial Conduct Authority, or any successor body;

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

"**Grant Period**" the period of 42 days beginning on:

- (a) the day on which the Plan is approved by shareholders in general meeting;
- (b) the first Dealing Day after the day on which the Company makes an announcement of its results for any period;
- (c) the first Dealing Day following the date on which any Bonus is determined;
- (d) any day on which the Board resolves that exceptional circumstances exist which justify the grant of Awards,

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

"**Group Member**" means the Company, any Subsidiary of the Company, any company that is (within the meaning given by section 1159 of the Companies Act 2006) the Company's holding company or a Subsidiary of the Company's holding company or, if the Board so determines, any body corporate in relation to which the Company is able to exercise at least 20% of the equity voting rights and "**Group**" will be construed accordingly;

"**Internal Reorganisation**" means where immediately after a change of Control of the Company, all or substantially all of the issued share capital of the acquiring company is owned directly or indirectly by the persons who were shareholders in the Company immediately before the change of Control;

"**Listing Rules**" means the FCA's listing rules, as amended from time to time;

"**MAR**" means the EU Market Abuse Regulation 596/2014 and any associated EU Regulation, to the extent each is incorporated into the law of the United Kingdom by virtue of section 3 of the European Union (Withdrawal) Act 2018 and as amended by any instrument related to their incorporation into the law of the United Kingdom;

"**Nil-Cost Option**" means a right to acquire Shares subject to the rules of the Plan for nil;

"**Normal Vesting Date**" means the date on which an Award will normally Vest, which, unless the Board determines otherwise, will be the second anniversary of the Grant Date;

"**Participant**" means any person who holds an Award or following their death, their personal representatives;

"**Plan**" means the Costain 2023 Share Deferral Plan as amended from time to time;

"**Recovery Period**" means, subject to rule 6.6, the period ending on the Normal Vesting Date or, if later, the second anniversary of the Grant Date;

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

"**Share**" means a fully paid ordinary share in the Company;

"**Shareholding Requirement**" means any requirement, guideline or policy determined by the Board from time to time pursuant to which a person must hold Shares either during their office or employment with a Group Member or following their ceasing to hold office or employment with a Group Member;

"**Subsidiary**" has the meaning given by section 1159 of the Companies Act 2006;

"**Trustee**" the trustee or trustees for the time being of any employee benefit trust, the beneficiaries of which include Eligible Employees;

"**Vest**" means:

(a) in relation to a Conditional Award, the point at which the Participant becomes entitled to receive the Shares comprised in their Award; and

(b) in relation to a Nil-Cost Option, the point at which it becomes capable of exercise,

and "**Vesting**", "**Vested**" and "**Vesting Date**" will be construed accordingly.

1.2 References in the Plan to:

1.2.1 any statutory provisions or to regulations are to those provisions or regulations as amended or re-enacted from time to time;

1.2.2 the singular include the plural and vice versa; and

1.2.3 the masculine include the feminine and vice versa.

1.3 Headings do not form part of the Plan.

## **2. Grant of Awards**

2.1 The Board may, during a Grant Period, grant an Award to an Eligible Employee.

2.2 An Award may be subject to such additional terms as the Board may determine.

2.3 An Award may be divided into distinct tranches with different Normal Vesting Dates, and, if so, the rules of the Plan will be construed as if each tranche were itself a separate Award.

2.4 The grant of an Award will be subject to obtaining any approval or consent required by the FCA (or other relevant authority), any Dealing Restrictions and any other applicable laws or regulations (whether in the UK or overseas).

2.5 An Award may only be granted to an Eligible Employee who has earned a Bonus for the Financial Year immediately preceding the Financial Year in which the Grant Date occurs.

2.6 An Award will be granted over such number of Shares as have at the Grant Date a market value (as determined by the Board) equal to the Deferred Bonus and to the extent that the value of any Award as at the Grant Date exceeds that of the Deferred Bonus it will be scaled back accordingly.

2.7 Awards must be granted by deed (or in such other written form as the Board determines) and as soon as reasonably practicable after the Grant Date, Participants must be notified of the terms of their Award including the Normal Vesting Date and any additional terms imposed by the Board in accordance with rule 2.2.

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

- 2.8.1 the Award may not Vest; and
  - 2.8.2 the Board may determine that the Award will lapse.
- 2.9 No Award may be granted under the Plan after the tenth anniversary of the date on which the Plan was approved by shareholders.

### **3. Restrictions on Transfer and Bankruptcy**

- 3.1 An Award must not be transferred, assigned, charged or otherwise disposed of in any way (except in the event of the Participant's death, to their personal representatives) and will lapse immediately on any attempt to do so.
- 3.2 An Award will lapse immediately if the Participant is declared bankrupt or, if the Participant is outside the UK, any analogous event occurs.

### **4. Dividend Equivalents**

- 4.1 The Board may decide before the delivery of Shares in satisfaction of an Award that the Participant will receive an amount (in cash and/or additional Shares) equal in value to any dividends that would have been paid on those Shares on such terms and by reference to dividend record dates over such period (ending no later than the Vesting Date) as the Board may determine. This amount may assume the reinvestment of dividends (on such basis as the Board may determine) and may exclude or include special dividends.

### **5. Plan Limit**

- 5.1 An Award will 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 5.2) in the period of 10 calendar years ending with that 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.
- 5.2 For the purposes of rule 5.1:
  - 5.2.1 Shares are allocated:
    - (a) when an option, award or other contractual right to acquire unissued Shares or treasury Shares is granted;
    - (b) where Shares are issued or treasury Shares are transferred otherwise than pursuant to an option, award or other contractual right to acquire Shares, when those Shares are issued or treasury Shares transferred;
  - 5.2.2 any Shares which have been issued or which may be issued (or any Shares transferred out of treasury or which may be transferred out of treasury) to any trustees to satisfy the exercise of any option, award or other contractual right granted under any employee share plan will count as allocated unless they are already treated as allocated under this rule.

5.3 For the purposes of rule 5.2:

5.3.1 Where:

- (a) any option, award or other contractual right to acquire unissued Shares or treasury Shares is released or lapses (whether in whole or in part); or
- (b) after the grant of an option, award or other contractual right the Board determines that:
  - (i) it will be satisfied wholly or partly by the payment of cash on its vesting or exercise; or
  - (ii) it will be satisfied wholly or partly 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 will not count as allocated; and

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

5.4 Treasury Shares will cease to count as allocated Shares for the purposes of rule 5.1 if institutional investor guidelines cease to require such Shares to be so counted.

## **6. Reduction and Recovery**

6.1 Notwithstanding any other rule of the Plan, this rule 6 applies to each Award and will continue to apply after the cessation of a Participant's office or employment with a Group Member for any reason, whether or not any termination is lawful.

### ***Action that may be taken to give effect to reduction and recovery provisions***

6.2 The Board may, where rule 6.4 or 6.5 applies:

6.2.1 impose further conditions on an Award; and/or

6.2.2 reduce (including to nil) the number of Shares to which an Award relates,

at any time before the end of the Recovery Period in respect of such Award.

6.3 If Shares and/or cash have been delivered in satisfaction of an Award, the Board may, where rule 6.4 applies:

6.3.1 require a Participant to make a cash payment to the Company in respect of some or all of the Shares or cash delivered to them under an Award; and/or

6.3.2 require a Participant to transfer for nil consideration some or all of the Shares delivered to them under the Award,

at any time before the end of the Recovery Period in respect of an Award, and the Board will determine the basis on which the amount of cash or Shares is calculated including whether and if so to what extent to take account of any tax or social security liability applicable to the Award.

### ***Triggers events***

- 6.4 The Board may take any of the actions set out in rule 6.2 or 6.3 if the Board determines that any of the following circumstances have occurred or exist before the end of the Recovery Period:
- 6.4.1 a material misstatement of any Group Member's financial results;
  - 6.4.2 the Board forms the view that the size of the relevant Bonus was based on an error, or on inaccurate or misleading information or assumptions and that such error, information or assumptions resulted in either directly or indirectly in that Award being granted over a greater number of Shares than would have otherwise been the case;
  - 6.4.3 the Board forms the view that any Group Member (or a relevant business unit) has suffered serious reputational damage;
  - 6.4.4 a Participant's actions amount to gross misconduct;
  - 6.4.5 the Board forms the view that there has been a serious corporate failure in any Group Member or a relevant business unit; or
  - 6.4.6 in the event of criminal behaviour by a Participant which results in a custodial sentence.

### ***Cross-clawback***

- 6.5 The Board may take any of the actions set out in rule 6.2 in order to effect the recovery of sums paid or Shares delivered under any malus or clawback provisions that are included in any incentive plan (including the Plan) operated by any Group Member.

### ***Other provisions relating to reduction and recovery provisions***

- 6.6 If the action or conduct of any Participant, Group Member or relevant business unit is under investigation by the Company, or the Company has been notified by a third party that an investigation into such action or conduct has begun, before the end of the Recovery Period and such investigation has not been or is not expected to be concluded by that date, the Board may extend the Recovery Period to end on such later date as the Board considers appropriate to allow such investigation to be concluded.
- 6.7 For the purposes of this rule 6, references to:
- 6.7.1 a Participant include former Participants; and
  - 6.7.2 a Group Member or a relevant business unit include any former Group Member or former business unit.

## **7. Vesting, Exercise and Settlement**

- 7.1 Subject to rules 8, 10 and 11, an Award will Vest on the Normal Vesting Date unless:



- 7.1.1 a Dealing Restriction applies to the Participant, in which case the Award will Vest on the date on which such Dealing Restriction lifts; or
  - 7.1.2 the action or conduct of any Participant, Group Member or relevant business unit is under investigation pursuant to rule 6 and such investigation has not yet been concluded by that date, in which case an Award will Vest on such later date as the Board considers appropriate to allow such investigation to be concluded.
- 7.2 Subject to rules 8, 10 and 11, a Vested Nil-Cost Option may be exercised until the tenth anniversary of the Grant Date (or such earlier date as the Board may determine on or before the Grant Date) in such manner as the Board determines, after which time it will lapse.
- 7.3 Subject to rules 8 and 9, where a Conditional Award has Vested or a Nil-Cost Option has been exercised, the number of Shares in respect of which the Award has Vested or exercised together with any additional Shares or cash to which a Participant becomes entitled under rule 4 will be issued, transferred or paid (as applicable) to the Participant as soon as reasonably practicable thereafter.
- 7.4 Subject to rule 13, the Board may accelerate or delay the Vesting of some or all of an Award (except where rule 10 applies) if, as a result of the Participant moving jurisdiction:
- 7.4.1 the Participant would suffer a different (including but not limited to greater and/or earlier) liability to tax and/or social security contributions than was considered to be the case on the Grant Date;
  - 7.4.2 the Participant's ability to exercise a Nil-Cost Option, or have Shares delivered to them would be restricted; and/or
  - 7.4.3 the Participant's ability to hold or deal in the Shares acquired or the proceeds of sale of or dividends payable on such Shares would be restricted or prohibited, and
- the Board may determine that such Vesting will be subject to such conditions as the Board may determine, which may include restrictions on the disposal of some or all of the Shares acquired pursuant to the Award for such period as the Board may determine, and that any Shares so restricted may be forfeited if the Participant ceases to hold office or employment with a Group Member during such period in circumstances in which their Award would have lapsed if it had not Vested in accordance with this rule 7.4 and that any such Shares remain subject to reduction and recovery under rule 6. The Board may make the Vesting of the Award conditional on the Participant taking any action (including entering into any agreement) reasonably required by the Board in relation to such conditions.
- 7.5 Any costs associated with the delivery of Shares to satisfy an Award (including any stamp duty or stamp duty reserve tax) will be borne by the Company (or another Group Member). Any costs associated with the sale of Shares acquired pursuant to an Award (including on any sale pursuant to rule 8) will be borne by the Participant.

## **8. Relevant Liabilities and Regulatory Issues**

- 8.1 A Participant will be responsible for and indemnifies each relevant Group Member and the Trustee against any Relevant Liability relating to their Award. Any Group Member and/or the Trustee may:
- 8.1.1 withhold from amounts due to the Participant (to the extent that such withholding is lawful) an amount not exceeding such Relevant Liability; or
  - 8.1.2 make other arrangements as it considers appropriate to ensure the recovery of the Relevant Liability, which may include the sale of Shares acquired and using the proceeds to meet the Relevant Liability, or the cash settlement under rule 9 of part of the Award.
- 8.2 The Vesting of an Award, the exercise of a Nil-Cost Option and the issue or transfer of Shares under the Plan will be subject to obtaining any approval required by the FCA (or any other relevant authority), any Dealing Restrictions or any other laws or regulations (whether in the UK or overseas).
- 8.3 The Board may make the delivery of any Shares on the Vesting of a Conditional Award or the exercise of a Nil-Cost Option conditional on the Participant taking any action (including entering into any agreement) in relation to those Shares reasonably required by the Board in connection with any Shareholding Requirement.

## **9. Cash Equivalent**

- 9.1 Subject to rule 9.2, at any time before Shares have been delivered to a Participant to satisfy an Award, the Board may determine that in substitution for their right to acquire some or all of those Shares, the Participant will instead receive a cash sum equal to:
- 9.1.1 in the case of a Conditional Award, the market value (as determined by the Board) on the date of Vesting of the Shares that would otherwise have been delivered; or
  - 9.1.2 in the case of a Nil-Cost Option, the market value (as determined by the Board) on the date of exercise of the Shares that would otherwise have been delivered;
- and any such cash sum will be paid to the Participant as soon as reasonably practicable after the Vesting of the Conditional Award or the exercise of the Nil-Cost Option, net of any Relevant Liability.
- 9.2 The Board may determine that this rule 9 will not apply to an Award, or any part of it.

## **10. Cessation of Employment**

### ***Cessation of employment before the Normal Vesting Date – default position***

- 10.1 If a Participant ceases to hold office or employment with a Group Member before the Normal Vesting Date other than in accordance with rule 10.2 or by reason of their death, that Award will lapse on the date of such cessation.

***Cessation of employment before the Normal Vesting Date – good leaver***

10.2 If a Participant ceases to hold office or employment with a Group Member before the Normal Vesting Date of an Award as a result of:

- 10.2.1 ill-health, injury or disability as established to the satisfaction of the Board;
- 10.2.2 the Participant's employing company ceasing to be a Group Member, or the transfer of an undertaking or part of an undertaking to a person who is not a Group Member; or
- 10.2.3 any other reason (other than dismissal for misconduct, in which case that Award will lapse on the date of such cessation) as the Board may determine,

unless the Board determines that rule 10.4.2 will apply, that Unvested Award will continue and, subject to rules 10.7, 10.8 and 11, will Vest in accordance with rule 7.1 on its Normal Vesting Date.

***Cessation of employment on or after the Normal Vesting Date – good leaver***

10.3 If a Participant ceases to hold office or employment with a Group Member on or after the Normal Vesting Date for any reason (other than dismissal for misconduct, in which case that Award will lapse on the date of cessation) any Nil-Cost Option that has already Vested may be exercised in accordance with rule 10.5.

***Death and early Vesting***

10.4 If:

- 10.4.1 a Participant dies; or
- 10.4.2 the Board otherwise determines under rule 10.2 that this rule 10.4 will apply

then any relevant Award will Vest as soon as reasonably practicable thereafter.

***Period of exercise of a Nil-Cost Option***

10.5 If a Participant ceases to hold office or employment with a Group Member, a Nil-Cost Option (whether it Vests under this rule 10 or which has already Vested) may, subject to rule 11 and provided the Nil-Cost Option does not lapse on the date of cessation as referred to in rule 10.3, be exercised until the latest of:

- 10.5.1 the date that is six months after the Vesting Date;
- 10.5.2 the date that is six months after the Participant's cessation of office or employment; and
- 10.5.3 where the Participant ceased to hold office or employment with a Group Member as a result of their death, the date that is twelve months after the date of the Participant's death,

or such later date as the Board may determine, after which time it will lapse.

### ***Meaning of cessation of employment***

10.6 For the purposes of the Plan, no person will be treated as ceasing to hold office or employment with a Group Member until that person no longer holds:

10.6.1 an office or employment; or

10.6.2 a right to return to an office or employment

with any Group Member, unless the Board determines that a person will be treated as ceasing to hold office or employment with a Group Member on an earlier date, not being earlier than the date such person gives or receives notice of termination of office or employment.

### ***Leavers – shareholding requirement***

10.7 The Board may determine that any Award held by a Participant after they have ceased to hold office or employment with a Group Member will lapse if the Participant fails to abide by any Shareholding Requirement.

### ***Leavers – post-cessation change in circumstances***

10.8 If an Unvested Award continues in accordance with rule 10.2 following a Participant ceasing to hold office or employment with a Group Member, the Board may:

10.8.1 require the Participant to confirm, in such form and at such time or times as the Board requires, that in the period between the date of cessation and the Vesting Date they have not started or agreed to start employment with, or otherwise started to provide services to, any other person;

10.8.2 make the delivery of any Shares to satisfy the Vesting of the Award (if it is a Conditional Award) or the exercise of the Award (if it is a Nil-Cost Option) conditional on the Participant giving the confirmation referred to in rule 10.8.1; and

10.8.3 determine that the Award will lapse if:

(a) the Participant does not give the confirmation referred to in rule 10.8.1; or

(b) if the Committee determines that in the period between the date of cessation and the Vesting Date the Participant has started or agreed to start employment with, or otherwise to provide services to, any other person.

## **11. Corporate Events**

### ***Change of Control***

11.1 Where any of the events described in rule 11.2 occur, then subject to rules 11.5 and 11.6:

11.1.1 all Awards that have not yet Vested will Vest at the time of such event; and

11.1.2 Vested Nil-Cost Options will be exercisable for one month (or such other period as the Board may determine) from the date of the relevant event, after which time all Nil-Cost Options will lapse.

11.2 The events referred to in rule 11.1 are:

11.2.1 if any person (either alone or together with any person acting in concert with them:

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

ii) already having Control of the Company, makes an offer to acquire all of the Shares other than those which are already owned by them,

and such offer becomes wholly unconditional; or

11.2.2 a compromise or arrangement in accordance with section 899 of the Companies Act 2006 for the purposes of a change of Control of the Company being sanctioned by the Court.

### ***Winding up***

11.3 On the passing of a resolution for the voluntary winding-up or the making of an order for the compulsory winding up of the Company, the Board will determine:

11.3.1 whether and to what extent Awards which have not yet Vested will Vest; and

11.3.2 unless the Board determines otherwise, the period of time during which any Vested Nil-Cost Option may be exercised, after which time it will lapse,

and to the extent that an Award does not Vest it will lapse immediately.

### ***Other events***

11.4 If the Company is or may be affected by any variation of the share capital of the Company, a demerger, delisting, special dividend or other event that in the opinion of the Board, may materially affect the current or future value of Shares, the Board may determine:

11.4.1 that an Unvested Award will Vest on such terms as the Board may determine;

11.4.2 that to the extent an Award does not Vest it will lapse immediately, unless the Board determines otherwise; and

11.4.3 the period during which any Vested Nil-Cost Option (whether it Vests under this rule 11.4 or earlier) may be exercised, after which time it will lapse.

### ***Exchange***

11.5 An Award will not Vest under rule 11.1 but will be exchanged for a new award that, in the opinion of the Board, is equivalent to the Award to the extent that:

11.5.1 an offer to exchange the Award is made and accepted by a Participant;

11.5.2 there is an Internal Reorganisation, unless the Board determines that an Award should Vest under rule 11.1; or

11.5.3 the Board decides (before the relevant event) that an Award will be automatically exchanged.

The new award may be over shares and/or other securities issued by a different company (whether an acquiring company or a different company) and/or a right to receive a cash amount.

11.6 If an Award is exchanged under rule 11.5, the rules of this Plan will be construed in relation to the new award (the "**New Award**") as if:

11.6.1 the New Award was an Award granted under the Plan at the same time as the Award;

11.6.2 references to the Company were references to the company whose shares and/or other securities are subject to the New Award; and

11.6.3 references to Shares were references to shares and/or other securities that are the subject of the New Award.

### ***Meaning of Board***

11.7 Any reference to the Board in this rule 11 means the members of the Board immediately before the relevant event.

## **12. Adjustments**

12.1 The number of Shares subject to an Award may be adjusted in such manner as the Board determines, in the event of:

12.1.1 any variation of the share capital of the Company; or

12.1.2 a demerger, delisting, special dividend, or other event that may, in the opinion of the Board, affect the current or future value of Shares.

## **13. Amendments**

13.1 Except as described in this rule 13, the Board may amend the rules of the Plan or the terms of any Award.

13.2 Subject to rule 13.3, no amendment to the advantage of Eligible Employees and/or Participants may be made under this rule 13 to the provisions relating to:

13.2.1 the persons to whom, or for whom, Shares or cash are provided under the Plan;

13.2.2 limitations on the number or amount of Shares or cash subject to the Plan;

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

13.2.4 the adjustments that may be made in the event of a variation of capital; and

13.2.5 the terms of this rule 13.2;

without the prior approval of the shareholders of the Company in general meeting.

- 13.3 Rule 13.2 will not apply to any minor amendment that is to benefit the administration of the Plan or is necessary or desirable to take account of any change in legislation or to obtain or maintain favourable taxation, exchange control or regulatory treatment for any Group Member, Eligible Employee or Participant.
- 13.4 No amendment to the material disadvantage of existing rights of Participants will be made under rule 13.1 unless:
- 13.4.1 every Participant who may be affected by such amendment has been invited to indicate whether or not they approve the amendment; and
  - 13.4.2 the amendment is approved by a majority of those Participants who have so indicated.
- 13.5 No amendment will be made under this rule 13 if it would prevent the Plan from being an employees' share scheme within the meaning of section 1166 of the Companies Act 2006.

#### **14. Legal Entitlement**

- 14.1 This rule 14 applies during a Participant's employment with any Group Member and after the termination of such employment, whether or not the termination is lawful.
- 14.2 Nothing in the Plan or its operation forms part of the terms of employment of a Participant and the rights and obligations arising from a Participant's employment with any Group Member are separate from, and are not affected by, their participation in the Plan. Participation in the Plan does not create any right to continued employment with a Group Member for any Participant.
- 14.3 The grant of any Award to a Participant does not create any right for that Participant to be granted any further Awards or to be granted Awards on any particular terms, including the number of Shares to which Awards relate.
- 14.4 By participating in the Plan, a Participant waives all rights to compensation for any loss in relation to the Plan, including:
- 14.4.1 any loss or reduction of any rights or expectations under the Plan in any circumstances or for any reason (including lawful or unlawful termination of the Participant's employment);
  - 14.4.2 any exercise of a discretion or a decision taken in relation to an Award or to the Plan, or any failure to exercise a discretion or take a decision; and
  - 14.4.3 the operation, suspension, termination or amendment of the Plan.

#### **15. General**

- 15.1 The Plan will terminate upon the date stated in rule 2.9, or at any earlier time by the passing of a resolution by the Board or an ordinary resolution of the Company in general meeting. Termination of the Plan will be without prejudice to the existing rights of Participants.
- 15.2 Shares issued or transferred from treasury under the Plan will rank equally in all respects with the Shares then in issue, except that they will not rank for any voting, dividend or other rights

attaching to Shares by reference to a record date preceding the date of issue or transfer from treasury.

- 15.3 The personal data of any Eligible Employee, Participant or former Participant may be processed in connection with the operation of the Plan in accordance with the Group's prevailing data protection policy and as notified to Eligible Employees pursuant to a privacy notice or otherwise. If an Eligible Employee, Participant, or former Participant is employed outside the European Economic Area and outside the United Kingdom and consent is needed for the processing of their personal data in connection with the operation of the Plan, by participating in the Plan, they consent to such processing of their personal data.
- 15.4 The Plan will be administered by the Board. The Board will have full authority, consistent with the Plan, to administer the Plan, including authority to interpret and construe any provision of the Plan and to adopt regulations for administering the Plan. Decisions of the Board will be final and binding on all parties.
- 15.5 Any notice or other communication in connection with the Plan may be delivered personally or sent by electronic means or post, in the case of a company to its registered office (for the attention of the company secretary), and in the case of an individual to their last known address, or, where they are a director or employee of a Group Member, either to their last known address or to the address of the place of business at which they perform the whole or substantially the whole of the duties of their office or employment. Where a notice or other communication is given by post, it will be deemed to have been received 72 hours after it was put into the post properly addressed and stamped, and if by electronic means, when the sender receives electronic confirmation of delivery or if not available, 24 hours after sending the notice.
- 15.6 No benefits received under the Plan will be pensionable.
- 15.7 If any rule of the Plan or any term of an Award is held to be void but would be valid if part of its wording were deleted, such rule will apply with such deletion as may be necessary to make it valid.
- 15.8 No third party other than a Group Member will have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Plan (without prejudice to any right of a third party that exists other than under that Act).
- 15.9 The rules of the Plan will be governed by and construed in accordance with the laws of England and Wales. Any person referred to in the Plan submits to the exclusive jurisdiction of the Courts of England and Wales.



### Schedule 1 – Cash Awards

- 1.1. The rules of the Costain 2023 Share Deferral Plan will apply to a right to receive a cash sum granted under this Schedule as if it was either a Conditional Award (a "**Cash Conditional Award**") or a Nil-Cost Option (a "**Cash Option**"), except as set out in this Schedule. Where there is any conflict between the rules of the Plan and this Schedule, the terms of this Schedule will prevail.
- 1.2. Each Cash Conditional Award or Cash Option will relate to a certain number of notional Shares.
- 1.3. On the Vesting of a Cash Conditional Award or the exercise of a Cash Option the Participant will be entitled to receive a cash sum, calculated on the following basis:
  - 1.3.1. in the case of a Cash Conditional Award, the cash sum will be equal to the market value (as determined by the Board) on the Vesting Date of the notional shares in respect of which the Cash Conditional Award Vests; and
  - 1.3.2. in the case of a Cash Option, the cash sum will be equal to the market value (as determined by the Board) on the date of exercise of the notional shares in respect of which the Cash Option is exercised.
- 1.4. The cash sum payable under paragraph 3 above will be paid to the participant within 30 days after the Vesting of the Cash Conditional Award or the exercise of the Cash Option, net of any Relevant Liability as may be required by law.
- 1.5. Unless the board determines otherwise on or before the grant date of a Cash Conditional Award or a Cash Option, the board may, at any time prior to the date on which the Cash Sum becomes payable under paragraph 3 above, determine that a Cash Conditional Award or a Cash Option will be converted into a Conditional Award or a Nil-Cost Option under the rules of the Plan over the same number of Shares as the number of notional Shares to which the Cash Conditional Award or Cash Option relates.