
Rules of the Costain 2023 Long Term Incentive Plan

Adopted by the board of directors on 8 March 2023

Approved by shareholders on [11 May 2023]

Expiry date [11 May 2033]

Table of Contents

1.	Definitions and Interpretation	2
2.	Grant of Awards	5
3.	Performance Condition	6
4.	Restrictions on Transfer and Bankruptcy	6
5.	Dividend Equivalents.....	6
6.	Individual Limit.....	6
7.	Plan Limit.....	7
8.	Reduction and Recovery	8
9.	Vesting, Release, Exercise and Settlement	9
10.	Relevant Liabilities and Regulatory Issues	11
11.	Cash Equivalent.....	11
12.	Cessation of Employment	12
13.	Corporate events	15
14.	Adjustments	17
15.	Amendments.....	17
16.	Legal Entitlement	18
17.	General.....	19

The Costain 2023 Long Term Incentive 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 13.8, the board of the Company or any committee or person duly authorised by the board, or any duly appointed successor body;

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

“**Conditional Award**” means a right to receive Shares automatically at no cost 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 that impose restrictions on share dealing;

“**Eligible Employee**” means an employee (including an executive director) of the Company or any of its Subsidiaries;

“**FCA**” means the United Kingdom Financial Conduct Authority, or any successor body;

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

“**Grant Period**” means 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 day on which the Policy is approved by shareholders; or
- (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;

“**Holding Period**” means a period of two years (or such other period as the Board may determine on or before the Grant Date), beginning on the Vesting Date;

“**Internal Reorganisation**” means where immediately after a change of Control of the Company, all or substantially all of the 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 cost or for a Nominal Exercise Price;

“**Nominal Exercise Price**” means an exercise price per Share equal to the nominal value of a Share from time to time;

“**Normal Release Date**” means the date on which an Award will normally be Released, which:

- (a) in relation to an Award to which no Holding Period applies, will be the Vesting Date; and
- (b) in relation to an Award to which a Holding Period applies, will be the first Dealing Day immediately after the end of the Holding Period;

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

“**Performance Condition**” means any one or more condition, measure, target (whether on an individual basis or otherwise) or conditions imposed under rule 3.1 that relates to performance;

“**Performance Period**” means the period over which a Performance Condition will be measured which, unless the Board determines otherwise, will be at least three years;

“**Plan**” means the Costain 2023 Long Term Incentive Plan as amended from time to time;

“**Policy**” means the Company’s directors’ remuneration policy that has most recently been approved by the Company’s shareholders;

“**Recovery Period**” means subject to rule 8.6, the period beginning on the first day of the Vesting Period/Financial Year to which the Award relates and ending on the second anniversary of the Vesting Date, or such other period determined by the Board on or before the Grant Date;

“Recruitment Award” means an Award granted in connection with the recruitment of an Eligible Employee and which is granted in respect of remuneration they forfeit in connection with their joining the Group;

“Release” means:

- (a) in relation to a Conditional Award, the point at which the Participant becomes entitled to receive the Shares under their Award; and
- (b) in relation to a Nil-Cost Option, the point at which it becomes capable of exercise, and **“Released”** and **“Unreleased”** will be construed accordingly;

“Release Date” means the date on which an Award is Released;

“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 the Board’s determination of the number of Shares in respect of which an Award may become capable of Release by reference to the satisfaction of any Performance Condition, any adjustment in accordance with rule 9.2 and any other term of the Award;

“Vesting Date” means the date on which an Award will normally Vest, which will be the later of:

- (a) the date on which the Board determines the extent to which any Performance Condition has been satisfied in accordance with rule 9.1; and
- (b) the date on which the Board determines whether an adjustment should be made in accordance with rule 9.2;

or any date set by the Board on or before the Grant Date;

“Vesting Period” means:

- (a) in relation to an Award that is subject to a Performance Condition, the Performance Period (or such other period as the Board may determine on or before the Grant Date); and
- (b) in relation to an Award that is not subject to a Performance Condition, the period commencing on the Grant Date and ending on the third anniversary of the Grant Date (or such other date as the Board may determine on or before the Grant Date).

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, which may include without limitation restrictions on the disposal of some or all of the Shares acquired pursuant to an 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 as a result of dismissal for misconduct. The Board may make the Release of an Award or exercise of a Nil-Cost Option conditional on the Participant taking any action (including entering into any agreement) reasonably required by the Board in relation to such additional terms.

2.3 An Award may be divided into distinct tranches with different Vesting Periods, Performance Conditions and/or Holding Periods, 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 required by the FCA (or other relevant authority), any Dealing Restrictions and any other laws or regulations (whether in the UK or overseas).

2.5 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 Vesting Period, the Vesting Date, any Performance Condition, any Holding Period, any additional terms imposed by the Board in accordance with rule 2.2 and, in the case of a Nil-Cost Option, whether it has a Nominal Exercise Price.

2.6 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:

2.6.1 the Award may not be Released; and/or

2.6.2 the Board may determine that the Award will lapse.

2.7 No Award may be granted under the Plan after the tenth anniversary of the date on which the Plan was approved by shareholders.

3. Performance Condition

3.1 Unless the Board determines otherwise, Awards will be subject to the satisfaction of a Performance Condition.

3.2 Subject to rules 12 and 13, the Performance Condition will be measured over the Performance Period.

3.3 The Board may amend or substitute a Performance Condition in accordance with its terms or if the Board considers that an amended or substituted Performance Condition is reasonable, appropriate and would not be materially less difficult to satisfy than when it was originally set.

4. Restrictions on Transfer and Bankruptcy

4.1 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.

4.2 An Award will lapse immediately if the Participant is declared bankrupt or, if the Participant is outside the UK, any analogous event occurs.

5. Dividend Equivalents

5.1 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 Release 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.

6. Individual Limit

6.1 No Eligible Employee may be granted an Award (other than a Recruitment Award) that would, at the time it is granted, cause the market value (as determined by the Board) of the Shares subject to all Awards (other than Recruitment Awards) granted to that Eligible Employee in respect of a particular financial year of the Company to exceed:

6.1.1 150 per cent. of their base salary; or

6.1.2 200 per cent. of their base salary if the Board determines that exceptional circumstances exist.

6.2 If an Eligible Employee is granted an Award in connection with a CSOP Option granted under Schedule 2 on terms that the Award is reduced at exercise to reflect any gain made on exercise of the CSOP Option, the Shares subject to the CSOP Option shall not be taken into account for the purposes of the limits in rule 6.1.

6.3 To the extent any Award exceeds the applicable limit in rule 6.1 it will be scaled back accordingly.

7. Plan Limit

7.1 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 7.2) 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.

7.2 For the purposes of rule 7.1:

7.2.1 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;

7.2.2 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.

7.3 For the purposes of rule 7.2:

7.3.1 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

- 7.3.2 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.
- 7.4 Treasury Shares will cease to count as allocated Shares for the purposes of rule 7.1 if institutional investor guidelines cease to require such Shares to be so counted.

8. Reduction and Recovery

- 8.1 Notwithstanding any other rule of the Plan, this rule 8 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

- 8.2 The Board may, where rule 8.4 or 8.5 applies:
 - 8.2.1 impose further conditions on an Award; and/or
 - 8.2.2 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.
- 8.3 If Shares and/or cash have been delivered in satisfaction of an Award, the Board may, where rule 8.4 applies:
 - 8.3.1 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 the Award; and/or
 - 8.3.2 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

- 8.4 The Board may take any of the actions set out in rule 8.2 or 8.3 if the Board determines that any of the following circumstances have occurred or exist before the end of the Recovery Period:
 - 8.4.1 a material misstatement of any Group Member's financial results;
 - 8.4.2 the Board forms the view that in assessing any Performance Condition and/or any other condition imposed on an 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 otherwise been the case;
 - 8.4.3 the Board forms the view that any Group Member (or a relevant business unit) has suffered serious reputational damage;

- 8.4.4 a Participant's actions amount to gross misconduct; or
- 8.4.5 the Board forms the view that there has been a serious corporate failure in any Group Member or a relevant business unit.

Cross-clawback

- 8.5 The Board may take any of the actions set out in rule 8.2 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

- 8.6 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.
- 8.7 For the purposes of this rule 8, references to:
 - 8.7.1 a Participant include former Participants; and
 - 8.7.2 a Group Member or a relevant business unit include any former Group Member or former business unit.

9. Vesting, Release, Exercise and Settlement

- 9.1 As soon as reasonably practicable after the end the Performance Period (or if this rule applies to an Award under rule 12 or 13 before the end of the Performance Period, then at the relevant time), the Board will determine if and to what extent any Performance Condition has been satisfied, and, accordingly, the extent to which the Award will, subject to rule 9.2, Vest. If the extent to which the Performance Condition is satisfied is determined before the end of the Performance Period, the Board will take into account such factors as it considers are relevant.
- 9.2 As soon as reasonably practicable after the determination under rule 9.1 (or in the case of an Award that is not subject to a Performance Condition, after the end of the Vesting Period), the Board may, adjust (including by reducing to nil) the extent to which an Award would (but for this rule 9.2) Vest, if it considers that the level of Vesting that would otherwise apply is not appropriate. The circumstances in which the Board may exercise discretion under this rule 9.2 include but are not limited to where the Vesting level that would otherwise apply:
 - 9.2.1 materially deviates from the intention of the Policy;
 - 9.2.2 is unreflective of the underlying financial or non-financial performance of the Participant or the Group over the Vesting Period; and
 - 9.2.3 is not appropriate in the context of circumstances that were unexpected or unforeseen at the Grant Date.

In deciding whether and, if so, how to exercise its discretion under this rule 9.2, the Board may take into account such factors as it considers relevant.

- 9.3 An Award will Vest to the extent determined in accordance with rules 9.1 and 9.2 and any part of the Award that does not Vest on such date will lapse immediately.
- 9.4 Subject to rules 10, 12 and 13, an Award will be Released on the Normal Release Date unless on the Normal Release Date (or on any other date on which an Award is due to be Released under rule 12 or 13):
- 9.4.1 a Dealing Restriction applies to the Participant, in which case an Award will be Released on the date on which such Dealing Restriction lifts; or
- 9.4.2 the action or conduct of any Participant, Group Member or relevant business unit is under investigation pursuant to rule 8 and such investigation has not yet been concluded by that date, in which case an Award will be Released on such later date as the Board considers appropriate to allow such investigation to be concluded.
- 9.5 Subject to rules 10, 12 and 13, a Released 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. To exercise a Nil-Cost Option with a Nominal Exercise Price, the Participant must, unless the Board decides to waive the requirement to pay the Nominal Exercise Price, pay the Nominal Exercise Price to the Company or enter into arrangements acceptable to the Board to pay the Nominal Exercise Price.
- 9.6 Subject to rules 10 and 11, where a Conditional Award has been Released or a Nil-Cost Option has been exercised, the number of Shares in respect of which the Award has been Released or exercised together with any additional Shares or cash to which a Participant becomes entitled under rule 5 will be issued, transferred or paid (as applicable) to the Participant as soon as reasonably practicable thereafter.
- 9.7 Subject to rule 15, the Board may, accelerate or delay the Vesting and/or Release of some or all of an Award (except where rule 12 applies) if, as a result of the Participant moving jurisdiction:
- 9.7.1 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;
- 9.7.2 the Participant's ability to exercise a Nil-Cost Option, or have Shares delivered to them would be restricted; and/or
- 9.7.3 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 and/or Release 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 or been Released in accordance with this rule 9.7 and that any such Shares remain subject to reduction and recovery under rule 8. The Board may make the Release of the Award or exercise of a Nil-Cost Option conditional on the Participant taking any action (including entering into any agreement) reasonably required by the Board in relation to such conditions.

- 9.8 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 10) will be borne by the Participant.

10. Relevant Liabilities and Regulatory Issues

- 10.1 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:

10.1.1 withhold from any amounts due to the Participant (to the extent that such withholding is lawful) an amount not exceeding such Relevant Liability; or

10.1.2 make any other arrangements as it considers appropriate to ensure 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 11 of part of the Award.

- 10.2 The Release 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).

- 10.3 The Board may make the delivery of any Shares on the Release 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.

11. Cash Equivalent

- 11.1 Subject to rule 11.2, 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:

11.1.1 in the case of a Conditional Award, the market value (as determined by the Board) on the Release Date of the Shares that would otherwise have been delivered; and

11.1.2 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 less any Nominal Exercise Price, and

any such cash sum will be paid to the Participant as soon as reasonably practicable after the Release of the Conditional Award or the exercise of the Nil-Cost Option, net of any Relevant Liability.

11.2 The Board may determine that this rule 11 will not apply to an Award or any part of it.

12. Cessation of Employment

Cessation of employment before the Vesting Date – default position

12.1 If a Participant ceases to hold office or employment with a Group Member before the Vesting Date other than in accordance with rule 12.2 or on account of their death, that Award will lapse on the date of such cessation.

Cessation of employment before the Vesting Date – good leaver

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

12.2.1 ill-health, injury or disability as established to the satisfaction of the Board;

12.2.2 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

12.2.3 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,

rule 12.3 applies to the Award.

Pro rating and Process

12.3 If this rule 12.3 applies to an Award, the Award will Vest and be Released as follows.

Determination of Vesting

12.3.1 The Award will normally continue pursuant to the rules of the Plan, save that rule 12.3.3 (time based reduction) will also apply to the Award.

12.3.2 Alternatively, the Board may determine that the Award should Vest earlier, in which case the extent to which the Award Vests shall be determined by:

(a) the early application of rule 9.1 (determining the extent to which the Performance Condition has been satisfied);

(b) the early application of rule 9.2 (adjusting outcomes); and

(c) the application of rule 12.3.3 (time based reduction).

Time based reduction

12.3.3 The number of Shares in respect of which the Award Vests will be reduced to take account of the proportion of the Vesting Period that had elapsed on the date of the

Participant's cessation of office or employment with a Group Member (unless the Board determines otherwise or that a different pro ration formula will be applied).

Timing of Release

- 12.3.4 The Board may also determine when the Award will be Released, save that if no such determination is made:
- (a) where the Award Vests early, the Award will be Released on Vesting subject to the rules of the Plan; and
 - (b) where the Award continues, it will be Released on the Normal Release Date (subject to rule 13).

Cessation of employment on or after the Vesting Date

- 12.4 If a Participant ceases to hold office or employment with a Group Member on or after the Vesting Date for any reason (other than dismissal for misconduct, in which case that Award will lapse on the date of such cessation, or as a result of death, in which case rule 12.5.2 applies), the Vested Award will:
- 12.4.1 continue and, subject to rule 13 (corporate events), be Released on its Normal Release Date, unless the Board determines that the Award should be Released earlier and subject to rule 12.5 (death); or
 - 12.4.2 if it is a Nil-Cost Option that has already been Released, be exercisable in the period determined in accordance with rule 12.6.

Death

- 12.5 If a Participant ceases to hold office or employment with a Group Member as a result of their death:
- 12.5.1 before the Vesting Date, the extent to which the Award Vests shall be determined by:
 - (a) the early application of rule 9.1 (determining the extent to which the Performance Condition has been satisfied);
 - (b) the early application of rule 9.2 (adjusting outcomes); and
 - (c) the application of rule 12.3.3 (time based reduction),as soon as reasonably practicable following the date of death and the Award shall be Released at that point, unless the Board determines that the Award should continue, in which case rule 12.3 will apply;
 - 12.5.2 on or after the Vesting Date, the Award will be Released as soon as reasonably practicable after the date of death or such later date as the Board may determine (being no later than the Normal Release Date).

Period of exercise of a Nil-Cost Option

12.6 If a Participant ceases to hold office or employment with a Group Member, a Nil-Cost Option (whether Released under this rule 12 or which has already been Released) may, subject to rule 13 and provided the Nil-Cost Option does not lapse on the date of cessation as referred to in rule 12.4, be exercised until the latest of:

12.6.1 the date that is six months after the Release Date;

12.6.2 the date that is six months after the Participant's cessation of office or employment; and

12.6.3 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

12.7 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:

12.7.1 an office or employment; or

12.7.2 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

12.8 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 applicable Shareholding Requirement.

Leavers – post-cessation change in circumstances

12.9 If an Award continues in accordance with rule 12.2 following a Participant ceasing to hold office or employment with a Group Member, the Board may:

12.9.1 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 date on which the Award Vests they have not started or agreed to start employment with, or otherwise to provide services to, any other person;

12.9.2 make the delivery of any Shares to satisfy the Release 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 12.9.1;

- 12.9.3 determine that the Award will lapse if:
- (a) the Participant does not give the confirmation referred to in rule 12.9.1; or
 - (b) if the Board determines that in the period between the date of cessation and the date on which the Award Vests the Participant has started or agreed to start employment with, or otherwise to provide services to, any other person.

13. Corporate events

General offer and scheme of arrangement

13.1 Where any of the events described in rule 13.2 occurs, subject to rule 13.6:

- 13.1.1 all Awards will Vest in accordance with rule 13.5 at the time of such event;
- 13.1.2 all Unreleased Awards (including any Award that Vests under rule 13.5) will be Released at the time of such event; and
- 13.1.3 all Nil-Cost Options will (whether they were Released under this rule 13.1 or earlier) lapse after a period of one month (or such other period as the Board may determine) from the date of the relevant event.

13.2 The events referred to in rule 13.1 are:

- 13.2.1 any person (either alone or together with any person acting in concert with them):
 - (a) obtaining Control of the Company as a result of making a general offer to acquire Shares; or
 - (b) already having Control of the Company, making an offer to acquire all of the Shares other than those which are already owned by them,and such offer becoming wholly unconditional; and
- 13.2.2 a compromise or arrangement in accordance with either section 899 or 901F of the Companies Act 2006 for the purposes of a change of Control of the Company, being sanctioned by the Court.

Winding up

13.3 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:

- 13.3.1 the Board will determine whether Unvested Awards will:
 - (a) Vest in accordance with rule 13.5; or
 - (b) lapse;
- 13.3.2 any Unreleased Awards (including any Awards that Vest under rule 13.5) will be Released; and

- 13.3.3 the Board will determine the period of time during which any Nil-Cost Option (whether it was Released under rule 13.3.2 or earlier) may be exercised after which time it will lapse.

Other events

- 13.4 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:

- 13.4.1 that any Unvested Award will Vest in accordance with rule 13.5; and
- 13.4.2 that any Unreleased Award (including any Award that Vests under rule 13.5) will be Released at the time of such event;
- 13.4.3 the period of time during which any Nil-Cost Option (whether it was Released under rule 13.4.2 or earlier) may be exercised, after which time it will lapse.

Vesting level

- 13.5 Any Award will Vest under this rule 13.5 to the extent determined by the Board, taking into account:

- 13.5.1 in the case of an Award subject to a Performance Condition, the extent to which any Performance Condition has, in the Board's opinion, been satisfied at the time of the relevant event;
- 13.5.2 in the case of any Award, whether it is appropriate to adjust (including by reducing to nil) the extent to which the Award would (but for this rule 13.5.2) Vest, if it considers that rule 9.2.1, 9.2.2, or 9.2.3 applies, taking into account such factors as the Board considers relevant;
- 13.5.3 if a Participant no longer holds office or employment with a Group Member at the time of the relevant event, the proportion of the Vesting Period that had elapsed at the date of their cessation of office or employment (unless the Board determines otherwise); and
- 13.5.4 if a Participant continues to hold office or employment with a Group Member at the time of the relevant event, the proportion of the Vesting Period that has elapsed on the date of the relevant event (unless the Board determines otherwise),

and any part of the Award that does not Vest will lapse immediately.

Exchange

- 13.6 An Award will not Vest, be Released or lapse under this rule 13 but will be exchanged for a new award that, in the opinion of the Board, is equivalent to the Award, to the extent that:

- 13.6.1 an offer to exchange the Award is made and accepted by the Participant;
- 13.6.2 there is an Internal Reorganisation, unless the Board determines that an Award should be Released under rule 13.1; or

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

The new award may be over shares in 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.

13.7 If an Award is exchanged under rule 13.6, the rules of this Plan will be construed in relation to the new award (the “**New Award**”) as if:

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

13.7.2 references to any Performance Condition were references to a new performance condition to which the New Award is subject;

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

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

Meaning of Board

13.8 Any reference to the Board in this rule 13 means the members of the Board immediately before the relevant event.

14. Adjustments

14.1 The number of Shares subject to an Award and/or any Performance Condition may be adjusted in such manner as the Board determines, in the event of:

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

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

15. Amendments

15.1 Except as described in this rule 15, the Board may amend the rules of the Plan or the terms of any Award.

15.2 Subject to rule 15.3, no amendment to the advantage of Eligible Employees and/or Participants may be made under this rule 15 to the provisions relating to:

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

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

15.2.3 the maximum entitlement for any one Participant;

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

- 15.2.5 the adjustments that may be made in the event of a variation of capital; and
 - 15.2.6 the terms of this rule 15.2,
- without prior approval of the shareholders of the Company in general meeting.
- 15.3 Rule 15.2 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.
 - 15.4 No amendment to the material disadvantage of existing rights of Participants (except in respect of a Performance Condition) will be made under rule 15.1 unless:
 - 15.4.1 every Participant who may be affected has been invited to indicate whether or not they approve the amendment; and
 - 15.4.2 the amendment is approved by a majority of those Participants who have so indicated.
 - 15.5 No amendment will be made under this rule 15 if it would prevent the Plan from being an employees' share scheme within the meaning of section 1166 of the Companies Act 2006.
- 16. Legal Entitlement**
- 16.1 This rule 16 applies during a Participant's employment with any Group Member and after the termination of such employment, whether or not the termination is lawful.
 - 16.2 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.
 - 16.3 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.
 - 16.4 By participating in the Plan, a Participant waives all rights to compensation for any loss in relation to the Plan, including:
 - 16.4.1 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);
 - 16.4.2 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
 - 16.4.3 the operation, suspension, termination or amendment of the Plan.

17. General

- 17.1 The Plan will terminate upon the date stated in rule 2.7, 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.
- 17.2 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.
- 17.3 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 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.
- 17.4 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.
- 17.5 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.
- 17.6 No benefits received under the Plan will be pensionable.
- 17.7 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.
- 17.8 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).
- 17.9 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 Long Term Incentive 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 Release 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 release date of the notional shares in respect of which the Cash Conditional Award is released; 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 1.3 above will be paid to the participant as soon as reasonably practicable after the release 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 1.3 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.

Schedule 2 CSOP Options

1. Introduction, purpose and application of the Main Plan rules

- 1.1. This Schedule 2 to the Main Plan constitutes the “**Costain 2023 Long Term Incentive (CSOP Options) Plan**” and sets out the terms on which the Company may grant CSOP Options.
- 1.2. The purpose of this CSOP Plan is to provide, in accordance with Schedule 4, benefits for employees in the form of CSOP Options. No benefits may be provided under this CSOP Plan other than in accordance with Schedule 4.
- 1.3. The rules of the Main Plan will apply to CSOP Options except as modified in this CSOP Plan.

2. Interpretation

- 2.1. For the purposes of this CSOP Plan, the following definitions will apply:

“**CSOP Option**” means a right to acquire Shares subject to the rules of the CSOP Plan for the Exercise Price which is granted in accordance with Schedule 4, and, unless the context otherwise requires, references in the Main Plan to an Award or a Nil-Cost Option shall be read as references to a CSOP Option;

“**CSOP Plan**” means the Costain 2023 Long Term Incentive (CSOP Options) Plan constituted by this Schedule 2 to the Main Plan;

“**Exercise Price**” means the price per share payable to exercise a CSOP Option as determined in accordance with section 7 and which may be adjusted in accordance with section 14;

“**Main Plan**” means the Costain 2023 Long Term Incentive Plan as amended from time to time;

“**Market Value**” means in relation to a Share on any day an amount equal to:

- (a) if the Shares are quoted on the Daily Official List:
 - (i) the middle market quotation (as derived from that List) of a Share on the Dealing Day immediately preceding the relevant date; or
 - (ii) if the Board so determine, the average of the middle market quotations (as so derived) of a Share for a number of Dealing Days (not exceeding five) immediately preceding the relevant date; and
- (b) subject to (a) above, the market value of a Share as determined in accordance with Part VIII of the Taxation of Chargeable Gains Act 1992;

“**Non-UK Company Reorganisation Arrangement**” has the meaning ascribed to that term in paragraph 35ZA of Schedule 4;

“**Restriction**” has the meaning given by paragraph 36(3) of Schedule 4;

“Schedule 4” means Schedule 4 to the Income Tax (Earnings and Pensions) Act 2003; and

“Variation” means, in relation to the equity share capital of the Company, a capitalisation issue, an offer or invitation made by way of rights, a subdivision, consolidation, reduction or any other variation in respect of which an adjustment of CSOP Options in accordance with section 14 is permitted under Schedule 4.

- 2.2. References in this CSOP Plan to rules are to rules of the Main Plan and references to sections are to the sections of this CSOP Plan. If the rules of the Main Plan and the sections of this CSOP Plan conflict, the rules of the Main Plan will prevail unless such rules would be contrary to the requirements of Schedule 4 in which event the sections of this CSOP Plan will prevail.

3. Form and grant of Awards

- 3.1. An Award may only be granted under this CSOP Plan as a CSOP Option with an Exercise Price determined as set out in section 7.
- 3.2. CSOP Options must be granted by deed. The terms of an Award notified to Participants under rule 2.5 in respect of a CSOP Option will state:
- 3.2.1. the Exercise Price;
 - 3.2.2. the number and description of Shares which may be acquired in the exercise of the CSOP Option;
 - 3.2.3. the Restrictions to which those Shares are subject (including the Restrictions imposed by rules 2.2, 8.3 and 10.3 as they apply for the purposes of this CSOP Plan);
 - 3.2.4. the times at which the CSOP Option may be exercised (in whole or in part); and
 - 3.2.5. the circumstances under which the CSOP Option will lapse or be cancelled (in whole or in part), including details of any Performance Condition or other terms imposed under rule 2.2 and details of rules 2.6 and 8.2 as they apply for the purposes of this CSOP Plan.
- 3.3. Any Performance Condition and any additional term imposed under rule 2.2 must be objective.

4. Eligibility

- 4.1. A CSOP Option may only be granted to a person who is:
- 4.1.1. an employee (but not a Director) of the Company or any Subsidiary which is under the Control of the Company; or
 - 4.1.2. an employee and a Director of the Company or any Subsidiary which is under the Control of the Company who is obliged to devote not less than 25 hours a week (excluding meal breaks) to the performance of the duties of their office or employment with the Company or any Subsidiary.
- 4.2. A CSOP Option may not be granted to any person who is excluded from participation in the grant of CSOP Options by virtue of paragraph 9 of Schedule 4.

5. Limits

- 5.1. The Company must not grant a CSOP Option to any person which would on the grant date cause the aggregate Market Value of the Shares which they may acquire by exercising that CSOP Option, and any other option which is to be taken into account for the purposes of the limit specified in paragraph 6(1) of Schedule 4, to exceed that limit.
- 5.2. For the purpose of this section 5, the Market Value of a Share:
 - 5.2.1. will be determined at the time when the relevant option is granted; and
 - 5.2.2. in the case of a Share subject to a Restriction, will be determined as if the Restriction did not apply.
- 5.3. If the Company purports to grant a CSOP Option in breach of the limit in section 5.1, that CSOP Option will take effect from the date of grant over the maximum number of Shares over which it may be granted within that limit.

6. Shares subject to CSOP Options

- 6.1. Subject to section 12.5, the Shares subject to a CSOP Option must satisfy the conditions referred to in paragraph 15 of Schedule 4.

7. Exercise Price

- 7.1. The Exercise Price applying to a CSOP Option will be determined by the Board and will not be less than the greater of:
 - 7.1.1. the Market Value of a Share on the date the CSOP Option is granted; and
 - 7.1.2. if the Shares are to be subscribed, the nominal value of a Share.
- 7.2. For the purposes of this section 7, the Market Value of a Share subject to a Restriction will be determined as if the Restriction did not apply.
- 7.3. The Exercise Price applying to a CSOP Option may be adjusted in accordance with section 14.

8. Dividend Equivalents

- 8.1. Rule 5.1 will not apply to any CSOP Option.

9. Reduction and Recovery

- 9.1. Rule 8.2.1 will not apply to any CSOP Option.
- 9.2. In its application to any CSOP Option, the word “material” will be deleted from rule 8.4.1.
- 9.3. The following new rule 8.4.2 will apply in substitution for rule 8.4.2:
 - “8.4.2 there was an error in assessing any Performance Condition and/or any other condition imposed on a CSOP Option or such assessment was based on an error, or on inaccurate or misleading information or assumptions and that such error, information or

assumption resulted in either directly or indirectly in that CSOP Option Vesting to a greater degree than would otherwise have been the case.”

9.4. Rule 8.4.3 will not apply to any CSOP Option.

9.5. Rule 8.4.5 will not apply to any CSOP Option.

10. Vesting and Exercise of a CSOP Option

10.1. Rule 9.2 will not apply to any CSOP Option.

10.2. A Participant may not exercise a CSOP Option while they are excluded from being granted a CSOP Option by virtue of paragraph 9 of Schedule 4.

10.3. To exercise a CSOP Option, a Participant must give written notice of exercise to the Company and pay to the Company (or undertake, in a form acceptable to the Company, to pay to the Company) the aggregate Exercise Price payable in respect of the exercise. The CSOP Option will not be effectively exercised until the Company has received the notice and payment or undertaking.

10.4. Rule 9.7 will not apply to any CSOP Option.

10.5. The following rule 10.1 will apply to CSOP Options in substitution for rule 10.1:

“10.1 A Participant will be responsible for and indemnifies each relevant Group Member and the Trustee against any Relevant Liability arising as a result of the exercise of a CSOP Option and will reimburse the Group Member and/or the Trustee (as relevant) for the Relevant Liability within 30 days of it arising. A CSOP Option may only be exercised if there are arrangements in place acceptable to the Board to provide for the reimbursement of any Relevant Liability arising as a result of the exercise which may include:

10.1.1 the Participant making a payment to the Group Member and/or the Trustee;

10.1.2 the Group Member withholding an amount equal to the Relevant Liability from the Participant’s remuneration (to the extent permitted by law); or

10.1.3 with the Participant’s agreement, any other arrangements acceptable to the Group Member and/or the Trustee to reimburse the Relevant Liability, including authorising the sale of sufficient of the Shares on the Participant’s behalf and withholding from the sale proceeds an amount equal to the Relevant Liability.”

10.6. The following rule 10.3 will apply in substitution for rule 10.3:

“10.3 The Board will make the delivery of any Shares to satisfy the exercise of a CSOP Option conditional on the Participant taking the action (including entering into an agreement) in relation to those Shares reasonably required by the Board in connection with any Shareholding Requirement, unless the Board determines otherwise at or before the Grant Date.”

10.7. Rule 11 will not apply to any CSOP Option.

11. Cessation of Employment

11.1. The following rules 12.1 to 12.6 will apply to CSOP Options in substitution for rules 12.1 to 12.6:

“Cessation of employment before the Vesting Date – default position

12.1 If a Participant ceases to hold office or employment with a Group Member before the Vesting Date other than in accordance with rule 12.2 or on account of their death, that CSOP Option will lapse on the date of such cessation.

Cessation of employment before the Vesting Date – good leaver

12.2 If a participant ceases to hold office or employment with a Group Member before the Vesting Date as a result of:

12.2.1 ill-health, injury or disability as established to the satisfaction of the Board;

12.2.2 redundancy within the meaning of the Employment Rights Act 1996;

12.2.3 retirement;

12.2.4 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

12.2.5 any other reason at the Board’s discretion, except where a Participant is dismissed for gross misconduct,

rule 12.3 applies to the CSOP Option.

Pro rating and process

12.3 If this rule 12.3 applies to a CSOP Option, the CSOP Option will Vest and be Released as follows.

Determination of Vesting

12.3.1 The CSOP Option will normally continue pursuant to the rules of the Plan, save that rule 12.3.3 (time based reduction) will also apply to the CSOP Option.

12.3.2 If the Board so determined at or before the Grant Date, the CSOP Option will Vest and be Released as soon as reasonably practicable after the cessation of office or employment, and the extent to which the CSOP Option Vests will be determined by the early application of rule 9.1 (determining the extent to which the Performance Condition has been satisfied) and by the application of rule 12.3.3 (time based reduction).

Time based reduction

12.3.3 The number of Shares in respect of which the CSOP Option Vests will be reduced to take account of the proportion of the Vesting Period that had

elapsed on the date of the Participant's cessation of office or employment with a Group Member (unless the Board determines not to apply such a pro-rata reduction or that a more generous pro ration formula will be applied).

Timing of Release

12.3.4 Subject to rule 13, the CSOP Option will continue and be Released on the Normal Release Date, or, if rule 12.3.2 applies, as soon as reasonably practicable after the cessation of the office or employment.

Cessation of employment on or after the Vesting Date

12.4 If a Participant ceases to hold office or employment with a Group Member on or after the Vesting Date for any reason (other than dismissal for misconduct, in which case that CSOP Option will lapse on the date of such cessation, or as a result of death, in which case rule 12.5.2 applies), the Vested CSOP Option will:

12.4.1 continue and, subject to rule 13 (corporate events), be Released on its Normal Release Date, unless the Board determined on the Grant Date that the CSOP Option will be Released as soon as reasonably practicable after the cessation of employment and subject to rule 12.5 (death); or

12.4.2 if the CSOP Option has already been Released, be exercisable in the period determined in accordance with rule 12.6.

Death

12.5 If a Participant ceases to hold office or employment with a Group Member as a result of their death:

12.5.1 before the Vesting Date, the extent to which the CSOP Option Vests will be determined by:

(a) the early application of rule 9.1 (determining the extent to which the Performance Condition has been satisfied); and

(b) the application of rule 12.3.3 (time based reduction),

as soon as reasonably practicable following the date of death;

12.5.2 on or after the Vesting Date, the Award will be Released as soon as reasonably practicable after the date of death and the CSOP Option will be Released at that point.

Period of exercise of a CSOP Option

12.6 If a Participant ceases to hold office or employment with a Group Member, a CSOP Option (whether Released under this rule 12 or which has already been Released) may, subject to rule 13 and provided the CSOP Option does not lapse on the date of cessation as referred to in rule 12.4, be exercised until the latest of:

12.6.1 the date that is six months after the Release Date or such later date as the Board may determine;

12.6.2 the date that is six months after the Participant's cessation of office or employment or such later date as the Board may determine; and

12.6.3 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,

after which time it will lapse. Following a Participant's death, any CSOP Option they held at the date of death shall to the extent it Vests not lapse in accordance with any other provision of the Plan, other than rule 13.3, until the end of the period of 12 months beginning with the date of death."

11.2. Rules 12.8 and 12.9 will not apply to any CSOP Option.

12. Corporate Events

12.1. Where, but for this section 12.1, a CSOP Option would be Released in accordance with any of sections 12.2, 12.3 or 12.4 and rule 13.1, the CSOP Option will be exercisable in accordance with section 12.2 or section 12.3 or section 12.4 as the case may be and not in accordance with rule 13.1. The reference to section 901F of the Companies Act 2006 in rule 13.2.2 will not apply to any CSOP Option.

12.2. Subject to section 13.2, if a person (including any person acting in concert with them as referred to in paragraph 25A(8) of Schedule 4) has obtained Control of the Company as a result of an offer falling within paragraph 25A(3) of Schedule 4 and any condition subject to which the offer is made has been satisfied, any CSOP Option which has not been Released will be Released on the date the person obtains Control taking into account the extent to which any Performance Condition has been satisfied and:

12.2.1. if a Participant has already ceased to hold office or employment with a Group Member, in accordance with rule 12.3.3 unless the Board determines otherwise; and

12.2.2. in all other circumstances, the proportion of the Pro-Rating Period that has elapsed on the date of the relevant event (unless the Board determines not to apply such a pro-rata reduction or that a more generous pro ration formula will be applied).

12.3. Subject to section 13.2, if the court sanctions under section 899 of the Companies Act 2006 a compromise or arrangement of a sort referred to in paragraph 25A(6) of Schedule 4, any CSOP Option which has not been Released will be Released on the date of that court sanction taking into account the extent to which any Performance Condition has been satisfied and:

12.3.1. if a Participant has already ceased to hold office or employment with a Group Member, in accordance with rule 12.3.3 unless the Board determines otherwise; and

12.3.2. in all other circumstances, the proportion of the Pro-Rating Period that has elapsed on the date of court sanction (unless the Board determines not to apply such a pro-rata reduction or that a more generous pro ration formula will be applied).

12.4. Subject to section 13.2, if a Non-UK Company Reorganisation Arrangement of the sort referred to in paragraph 25A(6A) of Schedule 4 becomes binding on the shareholders covered by it, any CSOP Option which has not been Released will be Released on the date it becomes binding taking into account the extent to which any Performance Condition has been satisfied and:

12.4.1. if a Participant has already ceased to hold office or employment with a Group Member, in accordance with rule 12.3.3 unless the Board determines otherwise; and

12.4.2. in all other circumstances, the proportion of the Pro-Rating Period that has elapsed on the date of the Non-UK Company Reorganisation Event (unless the Board determines not to apply such a pro-rata reduction or that a more generous pro ration formula will be applied).

12.5. If in consequence of:

12.5.1. a person obtaining Control of the Company as mentioned in section 12.2;

12.5.2. a person obtaining Control of the Company as a result of a compromise or arrangement sanctioned by the court as mentioned in section 12.3; or

12.5.3. a person obtaining Control of the Company as a result of a Non-UK Company Reorganisation Arrangement which has become binding on the shareholders covered by it as mentioned in section 12.4,

Shares no longer meet the requirements referred to in paragraph 15 of Schedule 4, any CSOP Option may be exercised under and in accordance with section 12.2, section 12.3 or section 12.4 no later than 20 days after the date on which Control is obtained, notwithstanding that the Shares no longer meet those requirements.

12.6. Any reference to the Board in this section 12 means the members of the Board immediately before the relevant event.

13. Exchange

13.1. Rules 13.6 and 13.7 will not apply to any CSOP Option and the references in rule 13 to rules 13.6 and 13.7 will be read as references to the appropriate part of section 13 as regards any CSOP Option.

13.2. If there is an Internal Reorganisation:

13.2.1. an Unreleased CSOP Option will not be Released under rule 13 or section 12 and will lapse to the extent it is not exchanged under section 13.3 by the end of the relevant period determined in accordance with paragraph 26(3) of Schedule 4; and

13.2.2. a Released CSOP Option will lapse to the extent it is not exchanged under section 13.3 by the end of the relevant period determined in accordance with paragraph 26(3) of Schedule 4.

13.3. If an Acquiring Company:

- 13.3.1. obtains Control of the Company as a result of making an offer falling within paragraph 26(2)(a) of Schedule 4;
- 13.3.2. obtains Control of the Company as a result of a compromise or arrangement sanctioned by the Court under section 899 or 901F of the Companies Act 2006;
- 13.3.3. obtains Control of the Company as a result of a Non-UK Company Reorganisation Arrangement which has become binding on the shareholders covered by it; or
- 13.3.4. becomes bound or entitled to acquire shares in the Company under sections 979 to 982 or 983 to 985 of the Companies Act 2006,

a Participant may agree to release their CSOP Option in consideration of the grant of a new share option in accordance with section 13.4.

13.4. If a CSOP Option is to be released in consideration of the grant of a new share option in accordance with this section 13.4:

- 13.4.1. that must be done with the agreement of the Acquiring Company;
- 13.4.2. the agreement must be made in the relevant period determined in accordance with paragraph 26(3) of Schedule 4 and before the CSOP Option lapses;
- 13.4.3. any new share option granted in consideration of the release of a CSOP Option in accordance with this section 13.4 must satisfy the requirements of paragraphs 27(2) to 27(4) (inclusive) of Schedule 4; and
- 13.4.4. the new share option will be treated as if it was a CSOP Option granted under this CSOP Plan at the same time as the CSOP Option in consideration of the release of which it was granted.

13.5. Following the grant of any new share option in accordance with section 13.4, no CSOP Options may be granted under this CSOP Plan other than the new share options granted in accordance with section 13.4.

13.6. Any reference to the Board in this section 13 means the members of the Board immediately before the relevant event.

14. Variations in Share Capital

14.1. Rule 14 will not apply to any CSOP Option.

14.2. Subject to section 14.3, the number of Shares subject to a CSOP Option and/or the Exercise Price applying to a CSOP Option may be adjusted in such manner as the Board determines in the event of a Variation.

14.3. No adjustment may be made to a CSOP Option under section 14.2 unless:

- 14.3.1. the market value of the Shares which may be acquired under the CSOP Option, determined, in the case of a Shares subject to a Restriction as if that Restriction did

not apply, is substantially the same immediately before and after the adjustment;
and

- 14.3.2. the aggregate Exercise Price applying to the CSOP Option is substantially the same immediately before and after the adjustment.

15. Changing this CSOP Plan

- 15.1. No amendment to the Main Plan or this CSOP Plan which would cause this CSOP Plan to cease to meet the requirements of Schedule 4 will have effect in relation to any CSOP Option unless and until the Board has determined that the amendment will take effect even if this causes this CSOP Plan to cease to meet those requirements.

16. General

- 16.1. Any discretion exercisable or action or determination to be undertaken by the Board or any other person or body in connection with any CSOP Option will be exercised or undertaken fairly and reasonably.