



PHOENIX GROUP HOLDINGS PLC

COMPUTERSHARE TRUSTEES LIMITED

**Trust Deed of The Phoenix Group Holdings plc
Share Incentive Plan**

Established by resolution of the Board of Phoenix Group Holdings plc on 31 October
2018

[Approved by shareholders at the General Meeting held on 28 November 2018]

CONTENTS

CLAUSE	PAGE
1. Definitions.....	1
2. Trusts of the Free Shares and Matching Shares.....	7
3. Trusts of the Partnership Shares	8
4. Trusts of the Dividend Shares.....	9
5. General Trusts of the Plan.....	9
6. Investment and borrowing powers.....	10
7. Receipts by the Trustees	11
8. Disposal and retention of Plan Shares	11
9. Application of Plan to Subsidiaries, etc.....	12
10. Voting rights and directions.....	12
11. Trustees' powers of delegation.....	13
12. Administration	14
13. Trustees' indemnities and charges.....	14
14. Appointment, and retirement of Trustees	16
15. Residence of the Trustees	16
16. Alterations.....	16
17. Termination of Plan	18
18. Governing law.....	18
19. Construction of this Deed	19
20. Counterparts.....	19
Schedule 1 The Rules of The Phoenix Group Holdings plc Share Incentive Plan	21
Appendix 1 Free Shares	31
Appendix 2 Partnership Shares.....	36
Appendix 3 Matching Shares.....	43
Appendix 4 Non-UK Resident Taxpayers	46
Schedule 2 Letter of Invitation	51
Schedule 3 Agreement for Free Shares.....	52
Schedule 4 Partnership Share Agreement The Phoenix Group Holdings plc Share Incentive Plan	55
Schedule 5 Deed of Adherence.....	60
Schedule 6 Statement of Plan Shares.....	62
FREE SHARES	62

PARTNERSHIP SHARES	62
MATCHING SHARES.....	63
DIVIDEND SHARES.....	63

THIS DEED is made on

2018

BETWEEN:

- (1) **PHOENIX GROUP HOLDINGS PLC**, a company incorporated in England (registered number 11606773) whose registered office is at Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU (*the Company*); and
- (2) **COMPUTERSHARE TRUSTEES LIMITED** a company incorporated in England (registered number 3661515) whose registered office is at The Pavilions, Bridgwater Road, Bristol BS13 8AE (*the Trustees*).

INTRODUCTION:

- (A) The Company wishes to establish a share incentive plan as a Schedule 2 SIP in accordance with the provisions of Chapter 6 of Part 7 of and Schedule 2 to the Income Tax (Earnings and Pensions) Act 2003 providing for:

- Para 2(1)(a) (i) shares to be appropriated to employees without payment (*Free Shares*);
- Para 2(1)(b) (ii) shares to be acquired on behalf of employees out of sums deducted from their salary (*Partnership Shares*);
- Para 3(1) (iii) shares to be appropriated to employees without payment in proportion to the Partnership Shares acquired by them (*Matching Shares*); and
- Para 7 (iv) shares to be acquired with some or all of any cash dividend paid in respect of Plan Shares (*Dividend Shares*).

- (B) The purpose of the share incentive plan, to be called the Phoenix Group Holdings plc Share Incentive Plan (the *Plan*), is to facilitate and encourage the holding of Shares by or for the benefit of employees of the Company and its Subsidiaries so that such plan shall constitute an "employees' share scheme" as that expression is defined in Section 1166 of the Companies Act 2006 and so that employees may, in accordance with Schedule 2 to the Act, enjoy a continuing stake in the Company.

- (C) The Plan must not provide benefits to employees otherwise than in accordance with Schedule 2 to the Act.

- (D) The Trustees have agreed to be the original trustees of the Plan.

1. Definitions

- 1.1 In the Plan, the following words and expressions shall bear, unless the context otherwise requires, the meanings set forth below:

Accounting Period means any period for which audited accounts or half-yearly accounts of the Company are made up;

- Para 51 *Accumulation Period* means in relation to any acquisition of Partnership Shares such period not exceeding twelve months as the Board may determine and specify in the relevant Partnership Share Agreement (and which must be

the same for each Participant) during which deductions from Salary may be accumulated prior to being applied in the acquisition of Partnership Shares;

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

Announcement Date means a date on which the Company makes an announcement of its results for the preceding Accounting Period;

Appropriation Day means a day on which Free Shares or Matching Shares are appropriated to a Participant;

Para 35(2) to (4)

Appropriation Value means in relation to an appropriation of Shares, their Market Value on the relevant Appropriation Day;

Appropriation Year means the Tax Year during which an appropriation of Free Shares and/or Matching Shares is or is intended to be made under the Plan;

Para 94

Associated Company has the meaning given by paragraph 94 of Schedule 2 to the Act;

Associated Plan means any Schedule 2 SIP established by the Company or an Associated Company;

Benefits Code has the meaning given by Section 63(1) of the Act;

the Board means the board of directors of the Company, or a duly authorised committee of the Board;

the Company means Phoenix Group Holdings plc;

Connected Company has the meaning given by paragraph 18(3) of Schedule 2 to the Act;

Control has the meaning given by Section 995 of the ITA;

CTA 2010 means the Corporation Tax Act 2010;

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

the Deed means this Trust Deed constituting the Plan as amended from time to time;

Deed of Adherence means a deed substantially in the form set out in Schedule 5 to this Deed;

Para 65

Dividend Shares means Shares which satisfy the requirements of paragraph 65 of Schedule 2 to the Act and which are, or are to be, acquired with some or all of any cash dividend paid in respect of Plan Shares in accordance with Rule 11 of Schedule 1 to this Plan or, if the context so requires, any New Shares issued or otherwise representing such Shares;

Eligible Employee means an individual who:

- Para 15(2) (a) is an employee (and is not under notice) of a Participating Company; and
- Para 8(1)(b) (b) is a UK resident tax-payer within the meaning of paragraph 8(2) of Schedule 2 to the Act; and
- Para 15(2)(b) (c) has such Qualifying Period (if any) of employment with a Qualifying Company as the Board may determine; or

Paras 8(5) and 14 (8)

in the case of an individual who does not satisfy the requirement of paragraph (b) above but satisfies the eligibility requirements of paragraphs (a) and (c) above, is nominated by the Board as an employee of a Participating Company (or is nominated as a member of a category of such employees);

PROVIDED always that in each case the individual is not ineligible to participate in the Plan by virtue of Rules 2.1 and 2.2 of the Plan or because he has served a subsisting notice under paragraph 1.1.6 of Appendix 1 of Schedule 1 to the Plan directing the Trustees not to appropriate Shares to him;

Employees' Share Scheme has the meaning given by Section 1166 of the Companies Act 2006;

Employer Company has the meaning given by Section 510(7) of the Act;

Forfeiture Period means in relation to any appropriation of Free Shares or Matching Shares such period as the Board may determine in respect of that appropriation being a period of not more than three years beginning with the relevant Appropriation Day;

Free Shares means Shares which are, or are to be, appropriated to a Participant without payment under Appendix 1 of Schedule 1 to this Plan or if the context so requires any New Shares issued or otherwise representing such Shares;

Group means the Company and the Subsidiaries and *member of the Group* shall be construed accordingly;

HMRC means HM Revenue & Customs;

Holding Period means:

Paras 36, 61 and 67

- Para 36(2) (a) such period as the Board may determine in respect of each appropriation of Free Shares or Matching Shares which may not be less than three years or more than five years beginning with the date on which the Shares are appropriated to the Participant (or such other period as may be permitted under paragraph 36(2) of Schedule 2 to the Act from time to time) and which must be the same for all Participants receiving that appropriation of Free Shares or Matching Shares; and
- (b) in respect of Dividend Shares, three years beginning with the date referred to in Rule 11.6 (or such other period as may be permitted under paragraph 67 of Schedule 2 to the Act from time to time);

ITA means the Income Tax Act 2007;

ITTOIA means the Income Tax (Trading and Other Income) Act 2005;

Key Feature has the meaning given to that term by paragraph 84(6) of Schedule 2 to the Act;

London Stock Exchange means the London Stock Exchange plc or any successor body thereto;

Para 92 **Market Value** means in relation to a Share on any day:

- (a) so long as the Shares are admitted to listing on the Official List of the Financial Conduct Authority and admitted to trading on the London Stock Exchange, (i) if the Trustees acquire Shares from a purchase made on that market on that date and appropriate Shares on the date purchased, the average price per Share at which the Trustees acquire Shares on that date, and (ii) if the Trustees acquire and/or appropriate the Shares other than as specified in (i), the lower of the two prices shown in the Daily Official List of the London Stock Exchange as the closing price of the Shares on that day plus one half of the difference between those two figures; or
- (b) if at any time the Shares are not admitted to listing on the Official List of the Financial Conduct Authority and admitted to trading on the London Stock Exchange, the market value of a Share as determined in accordance with Part VIII of the Taxation of Chargeable Gains Act 1992 and agreed in advance with the HMRC Shares and Assets Valuation, and,

Para 92(2) in either case, if the Shares are subject to any Restriction, as if they were not subject to any Restriction;

Para 59 **Matching Shares** means Shares which are or are to be appropriated to a Participant under Appendix 3 of Schedule 1 to this Plan in proportion to any Partnership Shares acquired on the Participant's behalf and complying with the provisions of paragraph 59 of Schedule 2 to the Act or if the context so requires any New Shares issued or otherwise representing such Shares;

New Shares has the meaning given by paragraph 87(7) of Schedule 2 to the Act;

Participant means any person to whom Free Shares or Matching Shares have been appropriated or on whose behalf Partnership Shares or Dividend Shares have been acquired or who has entered into a Partnership Share Agreement or, where the context so permits, his personal representatives;

Para 4 **Participating Company** means:

- (a) the Company;

- (b) any other body corporate which is under the Control of the Company, is a Subsidiary of the Company, and with the approval of the Company participates in the Plan and has executed a Deed of Adherence;

and for the avoidance of doubt shall not mean a jointly-owned company of the Company which is a constituent company in a different group plan as these terms are defined in paragraph 91 of Schedule 2 to the Act;

Para 44

Partnership Share Agreement means the contract required to be entered into pursuant to paragraph 44 of Schedule 2 to the Act in the form of Schedule 4 or in such other form as may comply with the requirements of Schedule 2 to the Act from time to time;

Partnership Share Money has the meaning given by paragraph 45(2) of Schedule 2 to the Act;

Partnership Shares means the Shares which are, or are to be, acquired by the Trustees on behalf of Eligible Employees under Appendix 2 to Schedule 1 of this Plan or if the context so requires any New Shares issued or otherwise representing such Shares;

PAYE Regulations has the meaning given by section 684(8) of the Act;

Performance Period means the period as determined by the Board during which any performance target or performance measure applied to a Unit shall be assessed;

Plan means the Phoenix Group Holdings plc Share Incentive Plan, the rules of which are set out in Schedule 1 hereto;

Plan Period means such period as the Board may determine from time to time which may be an indefinite period subject to termination by the issue of a plan termination notice in respect of the Plan as mentioned in clause 17 of this Deed;

Para 99(1)

Plan Shares means any or all of any Free Shares, Matching Shares, Partnership Shares or Dividend Shares which are held by the Trustees upon the terms of the Plan on behalf of the Participants to whom they have been appropriated or on whose behalf they have been acquired or if the context so requires any New Shares issued or otherwise representing such Plan Shares;

Para 17

Qualifying Company means:

- (a) a company that is a Participating Company at the end of any relevant Qualifying Period; or
- (b) a company that when the individual was employed by it was a Participating Company; or
- (c) a company that when the individual was employed by it was an Associated Company of:
- (i) a company qualifying under (a) or (b) above, or

- (ii) another company qualifying under this definition;

Para 16

Qualifying Period means such period the Board may from time to time determine but which:

- (a) in relation to eligibility for the appropriation of Free Shares, shall not be more than 18 months ending on the relevant Appropriation Day;
- (b) in relation to eligibility for the acquisition of Partnership Shares, shall not be more than 18 months ending with the deduction of monies from Salary to acquire Partnership Shares (where there is no Accumulation Period) or 6 months ending with the start of the Accumulation Period relating to the Partnership Shares (where there is an Accumulation Period); and
- (c) in relation to eligibility for the appropriation of Matching Shares, shall not be more than 18 months ending with the deduction of monies from Salary to acquire the Partnership Shares to which the Matching Shares relate (where there is no Accumulation Period) or 6 months ending with the start of the Accumulation Period relating to the Partnership Shares to which the Matching Shares relate (where there is an Accumulation Period).

PROVIDED THAT the Qualifying Period in relation to any appropriation of Free Shares or Matching Shares or any acquisition of Partnership Shares shall be the same for all employees of the Company and any Participating Companies but may be different in respect of different appropriations and acquisitions of such shares.

Para 86

Reconstruction means a transaction affecting any Plan Shares as mentioned in paragraph 86 of Schedule 2 to the Act;

Para 95(2)

Relevant Employment means employment with the Company or any Associated Company;

Restriction means a restriction within the meaning given to that term by paragraph 99 of Schedule 2 to the Act;

Para 43(4)

Salary means:

- (a) in relation to an Eligible Employee who is within the scope of the charge to tax under Part 2 of the Act such of the earnings of his employment by reference to which he is eligible to participate in the Plan:
 - (i) as are liable to be paid under deduction of tax under PAYE Regulations, after deducting any amounts included by virtue of the Benefits Code; or
 - (ii) as would be liable to be so paid apart from the SIP Code, and
- (b) in the case of an Eligible Employee who is not within the scope of the charge to tax under Part 2 of the Act, such of the earnings of the

eligible employment as would have fallen within paragraph (a) or (b) above if the individual had been within the scope of that charge to tax;

Schedule 2 SIP has the meaning given to that term by paragraph 1 of Schedule 2 to the Act;

Paras 25 to 33

Share means a share in the capital of the Company which satisfies the conditions specified in Part 4 of Schedule 2 to the Act;

SIP Code has the meaning given by Section 488(3) of the Act;

Subsidiary means, in relation to the Company, a subsidiary within the meaning given by Section 1159 of the Companies Act 2006;

Para 37

Takeover means a transaction affecting any Plan Shares, as mentioned in paragraph 37 of Schedule 2 to the Act;

Trustees means the original trustees referred to in the Deed or such other person or persons who is or are the trustee or trustees from time to time of the Plan;

Unit means any individual or group of individuals, business unit, division, body corporate, or other person within the Company or any Participating Company to which the Board shall apply a performance target or performance measure; and

Year of Assessment has the meaning given by Section 989 of the ITA.

- 1.2 Words and expressions not otherwise defined herein have the same meaning they have in the Act and the CTA 2010.
- 1.3 In these Rules references to any statutory provisions are to those provisions as amended, extended or re-enacted from time to time and shall include any regulations made thereunder; and, unless the context otherwise requires, words in the singular include the plural (and vice versa) and words importing any gender include all genders.
- 1.4 Headings shall be ignored in interpreting the provisions of the Plan.

2. Trusts of the Free Shares and Matching Shares

2.1 Each Participating Company hereby covenants with the Trustees to pay to the Trustees in accordance with and subject to the provisions of the Plan, the amounts due from it for the purpose of the acquisition of Free Shares or Matching Shares by the Trustees to be appropriated under the Plan to the Eligible Employees employed by it, together with any other amounts required to cover any costs, charges and expenses incurred in such acquisition and any other expenses and charges incurred by the Trustees in the establishment, operation and termination of the Plan.

Paras 71(1) and (2)

2.2 Subject as hereinafter provided, the Trustees hereby agree with each Participating Company to apply all monies received by them from Participating Companies under the Plan in the acquisition of Free Shares or

Matching Shares and in paying their expenses, taxation and other liabilities, as the case may be, in accordance with the Rules of the Plan and to hold any Shares once appropriated and all other trust property deriving therefrom UPON TRUST for the Participants respectively entitled thereto subject to the Rules of the Plan.

Para 71(2)(a) 2.3 The Trustees shall, as soon as practicable after the acquisition of Free Shares or Matching Shares for the purposes of the Plan, appropriate the Shares so acquired to Eligible Employees in accordance with the Rules of the Plan.

Para 75 2.4 If, in the case of any acquisition of Shares for the purpose of an appropriation under the Plan of Free Shares or Matching Shares, it is not possible to appropriate all the Shares so acquired the Trustees may either retain so many of the Shares as the Company shall direct, or forthwith shall sell any Shares and thereupon may apply the proceeds to meet any expenses and subject thereto shall forthwith pay to the Participating Companies such monies in so far as practicable in the same proportion as they were provided or as may otherwise be appropriate.

Para 75(2) 2.5 The Trustees shall, as soon as practicable after the appropriation of Free Shares or Matching Shares by them pursuant to the Plan notify each Participant in the form of Schedule 6 (or such other form as may comply with the requirements of Schedule 2 to the Act) of the description and number of Shares so appropriated to him, the date of the appropriation, the Appropriation Value of the Shares, the Holding Period applying to such Shares and the details of any Restrictions applying to such Shares.

3. Trusts of the Partnership Shares

Para 71(2)(b) 3.1 Subject as hereinafter provided, the Trustees hereby agree with each Participating Company to hold all monies deducted from Participants' Salaries on behalf of such Participants in accordance with Paragraph 2.2.6 of Appendix 2 to Schedule 1 to this Deed and to apply all such monies in the acquisition of Partnership Shares in accordance with the Rules of Plan and to hold any Partnership Shares once acquired and all other trust property deriving therefrom UPON TRUST for the Participants respectively entitled thereto subject to the Rules of the Plan.

3.2 If any monies deducted from Participants' Salaries on any occasion cannot be applied in the acquisition of Partnership Shares the Trustees may as the Company shall direct either retain so much of the surplus monies UPON TRUST for the Participants respectively entitled thereto subject to the Rules of the Plan or forthwith shall pay to the Participants their respective entitlements to such surplus monies.

3.3 The Trustees shall as soon as practicable after the acquisition by them of Partnership Shares pursuant to the Plan notify each Participant in the form of Schedule 6 (or such other form as may comply with the requirements of Schedule 2 to the Act) of the description and number of Partnership Shares so acquired on his behalf, the amount of monies deducted from his Salary and

applied in acquiring the Partnership Shares, the Market Value of the Partnership Shares in accordance with which the number of Shares awarded to the Participant was determined and the details of any Restrictions applying to such Shares.

Para 75(3)

4. Trusts of the Dividend Shares

Para 71(2)(c)

4.1 Subject as hereinafter provided, the Trustees hereby agree with each Participating Company if directed by the Company in accordance with paragraph 62 of Schedule 2 to the Act to apply some or all, as the Company may direct, of any cash dividends received by them in respect of Plan Shares in the acquisition of Dividend Shares and to hold any Dividend Shares once appropriated and all other trust property deriving therefrom UPON TRUST for the Participants respectively entitled thereto subject to the Rules of the Plan.

4.2 Subject as hereinafter provided, the Trustees hereby agree with each Participating Company to use all reasonable endeavours to transfer to the Participants (or their respective nominee) as soon as practicable any Shares received by the Trustees in respect of Plan Shares deriving from a scrip dividend and all other trust property deriving therefrom to which the Participants are respectively entitled, subject to the Rules of the Plan.

4.3 If any cash dividend received in respect of Plan Shares on any occasion cannot be applied in the acquisition of Dividend Shares by virtue of the circumstances mentioned in Rule 11.4 of Schedule 1 the Trustees may as the Company shall direct either retain so much of the surplus cash dividends UPON TRUST for the Participants respectively entitled thereto subject to the Rules of the Plan or forthwith shall pay to the Participants their respective entitlements to such monies.

4.4 The Trustees shall as soon as practicable after the appropriation by them of Dividend Shares pursuant to the Plan notify each Participant in the form of Schedule 6 (or such other form as may comply with the requirements of Schedule 2 to the Act) of the description and number of Dividend Shares so appropriated to him, their Market Value on the date referred to in Rule 11.4 of Schedule 1, the amount of any part of the dividend which cannot be used to acquire a whole Share and which will be carried forward to be applied in the acquisition of Dividend Shares on another occasion in accordance with Rule 11.3 and the Holding Period applying to such Dividend Shares.

Paras 65 and 75(4)

5. General Trusts of the Plan

5.1 The Company may enter into arrangements with the Trustees under which the Trustees may acquire Shares at any time prior to their allocation to Participants as Plan Shares.

5.2 If the Trustees become entitled in respect of any unappropriated or unallocated Shares to any rights to be allotted, or to subscribe for, further securities in the Company (other than an issue of capitalisation shares of the same class as Shares then held by the Trustees pending any appropriation or allocation as

Free Shares, Matching Shares or Partnership Shares which capitalisation shares shall be retained by the Trustees and shall form part of the Free Shares, Matching Shares or Partnership Shares to be appropriated among the Participants on the relevant Appropriation Day), the Trustees may at their discretion take up those rights or sell them for the best consideration in money reasonably obtainable at the time or sell sufficient of them nil paid to enable the Trustees to subscribe in full for the balance of any unsold rights, or allow them to lapse.

5.3 The Trustees shall stand possessed of any unappropriated or unallocated Shares or unutilised cash balances arising under Clauses 2.4, 5.1 or 5.2 above and any income arising therefrom on trust to apply the same in or towards the future subscription or purchase of Shares for the purposes of the Plan and/or the Trustees expenses of administering the same, and shall notify the Company from time to time of the amounts and number of Shares so held by them and their application.

Para 75(5) 5.4 If any foreign cash dividend is received in respect of Plan Shares held on behalf of a Participant, the Trustees shall give him notice of the amount of any foreign tax deducted from the dividend before it was paid.

Para 78 **6. Investment and borrowing powers**

6.1 The Trustees may invest any monies from time to time held by them (excluding Partnership Share Money and cash dividends in respect of the Plan Shares) and not immediately required in such manner as they may choose to the extent that the Trustees shall have the same full and unrestricted powers of investing and transposing investments and laying out moneys in all respects as if they were an absolute beneficial owner thereof.

6.2 The Trustees shall be under no duty to invest or invest at interest any Trust property. Any Trustee which is a bank or building society shall, notwithstanding any benefit which may accrue to it as a result, itself be entitled to hold Partnership Share Money in a designated account in its capacity as a bank or building society and not be obliged to account for any resultant profit.

Para 76 6.3 The Trustees shall have power to borrow moneys or otherwise receive credit from any person, corporation or company for any purpose (including, without prejudice to the generality of the foregoing, for the purposes of making investments) on such terms as to payment of interest (if any) and as to repayment and otherwise as the Trustees shall in their absolute discretion think fit and whether on the security of any property held by the Trustees on the trusts hereof or on personal security only or without security or on a guarantee from the Company and the Trustees may provide for repayment thereof or payment of costs associated therewith out of the capital or income of any Trust property as the Trustees may decide, provided always that no security shall be granted over or repayment made from Plan Shares or other property held on trust for Participants.

7. Receipts by the Trustees

Para 74 7.1 Subject to Rules 11 and 12 of Schedule 1 (*reinvestment of cash dividends and scrip dividends*) and the Trustees' powers under Rule 14 of Schedule 1 (*PAYE*) and the Trustees' obligations under Sections 510 to 514 of the Act, the Trustees shall, as soon as practicable following their receipt of any dividend or other money or money's worth in respect of Plan Shares (other than money's worth consisting of New Shares), account for and pay such dividend or other money or money's worth to Participants in accordance with their respective entitlements. The Trustees may retain such income received in respect of Plan Shares which have not been allocated to Participants upon the trusts hereof.

Section 513(1) to (4) 7.2 Upon receipt of a sum of money being (or being part of) a capital receipt in respect of any Plan Shares, the Trustees shall comply with the provisions of Sections 513(1) to 513(4) of the Act.

7.3 Any Participating Company to which the Trustees pay or account for any part of any such sum as is referred to in Clause 7.2 shall (subject to compliance with the Act) forthwith account to the Participant for the balance remaining in its hands.

8. Disposal and retention of Plan Shares

Para 72(1) 8.1 Subject to Clause 8.2 below and Rule 14 of Schedule 1, the Trustees are under an obligation:

- (a) to dispose of a Participant's Plan Shares; and
- (b) to deal with any right conferred in respect of any of the Participant's Plan Shares to be allotted other shares, securities or rights of any description,

only in accordance with a direction of that Participant or on behalf of that Participant.

Para 73 8.2 During the relevant Holding Period, the Trustees shall not dispose of any Free Shares, Matching Shares or Dividend Shares held for a Participant (whether by transfer to the Participant or otherwise) except:

- (a) in accordance with a direction of that Participant (or his personal representatives) in the event of a Reconstruction or Takeover affecting such Shares; or
- (b) in accordance with Rule 8 of Schedule 1 (*rights issues*); or
- (c) in accordance with Rule 14 of Schedule 1 (*PAYE*); or
- (d) pursuant to Rule 15 of Schedule 1 (*Participant ceasing to be in Relevant Employment*); or
- (e) in accordance with paragraph 90(5) of Schedule 2 to the Act (termination of Plan, early removal with consent of the Participant).

9. Application of Plan to Subsidiaries, etc.

- 9.1 The Plan may with the consent of the Board be extended to any Subsidiary which is under the Control of the Company and not a party to this Deed by a Deed of Adherence in the form of Schedule 5; and thereupon the provisions of the Plan shall apply to that company as though it were a party to this Deed.
- 9.2 The Plan shall cease to apply to any company, other than the Company, at any time when:
- (a) that company ceases to be a Subsidiary or under the Control of the Company; or
 - (b) a notice is served by the Company upon the Trustees that the Plan shall not apply to that company.
- 9.3 A company which is or has been a Participating Company shall provide the Trustees with all information required from it for the purposes of the administration and termination of the Plan and shall do so in such form as the Trustees shall reasonably require and the Trustees shall in good faith rely on such information without further enquiry.
- 9.4 If and so long as the Plan applies to any Participating Company, the powers and discretions exercisable by that company in relation to the Plan shall be exercisable by resolution of its board of directors or a duly authorised committee of such board, and a minute of any resolution thereof signed by the secretary or a director of that company shall be sufficient authority for the Trustees to act.

10. Voting rights and directions

- 10.1 If and so long as Plan Shares held under the Plan are registered in the names of the Trustees, the Trustees may, but shall not be obliged, in respect of any matter upon which at a general meeting of the Company or at any class meeting they are entitled to exercise any voting rights attaching thereto, invite the relevant Participants to direct them as to such exercise. The Trustees shall not be obliged to attend any particular meeting and may exercise the voting rights either personally or by proxy. The Trustees shall not be entitled in respect of Plan Shares held on behalf of such Participants to vote on a show of hands unless all directions received from those Participants who have given directions in respect of the particular resolution are identical, and shall not in any circumstances be under an obligation to call for a poll. In the event of any poll the Trustees shall vote only in accordance with the directions of Participants who have given such directions and shall not exercise voting rights in respect of Plan Shares where no directions have been received from Participants in relation to those Plan Shares.
- 10.2 The Trustees may not vote in respect of Shares which are not Plan Shares; Plan Shares where no directions have been received; unallocated or unappropriated Shares; or any Shares held under the Plan which are not registered in their name.

- 10.3 Where Shares held under the Plan are registered in the name of a nominee for the Trustees, the Trustees shall arrange for the directions of Participants received by them to be carried out by the nominee.
- 10.4 The Trustees shall deal only pursuant to a direction (which direction may be of general or specific application) given by or on behalf of the Participant or any person in whom the beneficial interest in that Participant's Shares is for the time being vested with any right conferred in respect of any of those Shares to be allotted other shares, securities or rights of any description.

11. Trustees' powers of delegation

- 11.1 The Trustees, in the exercise of their discretions and the performance of their duties hereunder, may engage and pay the reasonable costs of any of a registrar, solicitor, broker, actuary, accountant or banker, and may appoint any such person as their agent to transact all or any business, and may act on the advice or opinion of any solicitor, broker, actuary, accountant or other professional or business person, and shall not be responsible for anything done or omitted or suffered in good faith in reliance on such advice or opinion. The Company shall meet the expenses of such advice to the extent that the same are agreed in advance by the Trustees and the Company (such agreement not to be unreasonably refused, withheld or delayed).
- 11.2 Except as otherwise provided by Schedule 2 to the Act, the Trustees may delegate any of their powers and duties hereunder or any business including, without limitation, the exercise of any discretion to any person or company including, without limitation, the Company or any Subsidiary. The Trustees may pay the reasonable costs and expenses of any such person or company out of the sums of money (excluding money received from on or behalf of Participants in accordance with Clauses 3.1 and 4 above) from time to time in their hands or under their control as Trustees of the Plan.
- 11.3 The Trustees may at any time, and shall if so directed by the Company, revoke any delegation or arrangement made under this Clause and/or require any trust property held by another person to be returned to the Trustees.
- 11.4 The Trustees may execute and authorise any of their directors, officers or employees on their behalf to execute any deeds, documents, cheques or other instruments by the impression of any signature on behalf of, or as witness of any sealing by, the Trustees of any writing, printing, lithography, photocopying and other modes of representing or reproducing words in a visible form.
- 11.5 The Trustees may at any time cause any part of the trust property to be deposited for safekeeping with any person on behalf of the Trustees and may pay any expenses in connection therewith.
- 11.6 The Trustees may allow any Plan Shares to be registered in the name of an appointed nominee, provided that such Plan Shares shall be registered in a designated account. Such registration shall not divest the Trustees of their responsibilities under this Deed or Schedule 2 to the Act.

12. Administration

12.1 Subject to and in accordance with the provisions of this Deed, the Trustees may convene meetings and make such regulations as they consider appropriate relating to the administration of the Plan.

Para 80(1) 12.2 The Trustees shall maintain all such records as are necessary for the purpose of enabling the Trustees and each employer company (as defined in Section 513 of the Act) to make and account to HMRC for any PAYE deduction required in accordance with Sections 509 to 514 of the Act.

Para 80(3) 12.3 Where a Participant becomes liable to income tax under the Act or Chapters 3 and 4 of Part 4 of ITTOIA by reason of the occurrence of any event the Trustees shall inform the Participant of any facts relevant to determining that liability.

12.4 The Trustees shall account to HMRC or other authority concerned for any amounts of income tax or other deductions required to be made including, but not limited to, in accordance with Sections 510 to 512 of the Act.

Para 93 12.5 The Trustees shall provide any information which they are required by notice to provide to HMRC under paragraph 93 of Schedule 2 to the Act within such time as such notice shall specify.

12.6 The Trustees shall maintain records of Participants who have participated in one or more other Associated Plans established by the Company or a Connected Company in accordance with paragraph 71A of Schedule 2 to the Act.

13. Trustees' indemnities and charges

13.1 The Participating Companies hereby jointly and severally covenant with the Trustees (and any officer or employee of a corporate Trustee jointly and severally for themselves and as trustee for their successors in title) (each an ***Indemnified Person***) that they shall at all times hereafter keep each of them and each of their successors in title as Trustees and each of their estates and effects fully indemnified and saved harmless both before as well as after any removal or retirement of a trustee of the trusts established by this Deed pursuant to Clause 14 hereof against all actions, claims, losses, demands, proceedings, charges, expenses, costs, damages, taxes, duties and other liabilities whatsoever suffered or incurred by it arising out of or in connection with the Plan, but so that no Indemnified Person shall be indemnified or exonerated in respect of any fraud or wilful default on his or his agent's part or (in the case of a Trustee engaged in the business of providing a trustee service for a fee) his or his agent's negligence. In addition the Trustees shall have the benefit of all indemnities conferred upon trustees generally by law and by the Trustee Act 2000.

13.2 In the professed execution of the trusts and powers contained in this Deed, no Trustee or director or other officer of a corporate Trustee shall be liable for any loss arising by reason of:

- (a) fraud, wilful default or negligence of any other Trustee (including any director, other officer or employee of a body corporate acting as Trustee);
 - (b) any mistake or omission made in good faith by any other Trustee or any such other person; or
 - (c) any other matter or thing except loss arising by reason of fraud, wilful default or negligence on the part of the Trustee or any director, officer or employee of a corporate Trustee.
- 13.3 Neither the Trustees nor any of their officers or employees shall be liable to account to Participants for any remuneration or other benefit received in connection with the Plan and no Trustee or officer or employee of the Trustees shall be liable to account to other Participants for any profit derived from the appropriation to him of Shares held under the Plan or acquisition of Partnership Shares.
- 13.4 Any person acting as a Trustee in the course of any profession or business carried on by him may charge and be paid such reasonable remuneration, charges or disbursements whether in connection with the Plan or otherwise as shall from time to time be agreed between him and the Company such agreement not to be unreasonably refused, withheld or delayed by either party. Each Participating Company hereby covenants to pay such reasonable remuneration, charges and disbursements of the Trustee.
- 13.5 Any Trustee (and any director, officer or employee of a body corporate or a trust corporation acting as a Trustee) shall not on his own account be precluded from acquiring, holding or dealing with any debentures, debenture stock, shares or securities whatsoever of the Company or any Subsidiary or any other company in the shares of which the Company or any Subsidiary may be interested, or from entering into any contract or other transaction with the Company or any Subsidiary or any such other company, or from being interested in any such contract or transaction, and nor shall he be in any way liable to account to the Company or any Subsidiary or any Participant for any profits made, fees, commissions, shares of brokerage, discounts allowed or advantages obtained by him from or in connection with such acquisition, holding, dealing, contract or transaction whether or not in connection with his duties hereunder.
- 13.6 The Trustees shall be entitled in the absence of manifest error to rely without further enquiry on information supplied to them by any Participating Company for the purposes of the Plan and shall also be entitled to rely in the absence of manifest error on any direction, notice or document purporting to be given or executed by or with the authority of any Participating Company or by any Participant as having been so given or executed. The Trustees shall not be liable to any Participant or any Participating Company for any loss arising in consequence of the incompleteness or inaccuracy of any such information.

14. Appointment, and retirement of Trustees

- 14.1 The Company may in its absolute discretion, by writing under hand of a person duly authorised by a resolution of the Board:
- (a) appoint a new or additional Trustee, including a corporate Trustee; and
 - (b) remove a Trustee from office (but not so as to leave in office less than two Trustees, unless a corporate Trustee), without assigning any reason therefore and such removal shall (in the absence of any later date specified in the notice) take place one calendar month after the date that written notice of such removal is delivered to the Trustees.
- 14.2 The powers of appointment and removal shall be vested in the Trustees in the event that the Company ceases to exist otherwise than in consequence of a Reconstruction or Takeover when the successor company (or, if more than one, such successor companies as the Company shall nominate) shall have such powers.
- 14.3 A Trustee may retire by giving to the Company written notice of his desire to retire and such notice shall take effect at the expiry of three months (or such other period as may be agreed with the Company) from the date of such notice. The retiring Trustee shall not be obliged to give any reason for and shall not be responsible for any costs occasioned by such retirement but shall execute all such documents and do all such things as are reasonably required to give proper effect to such retirement. If such retirement will leave in office less than two individuals or less than one body corporate as Trustee(s), the Company shall, within three months after the giving of such notice (or such other period as may be agreed with the Trustee), appoint an additional Trustee. If the Company fails to do so within such period, the retiring Trustee may by deed appoint an additional Trustee and his retirement shall thereupon become effective.
- 14.4 Forthwith upon his removal or retirement a Trustee shall transfer all trust property held by him and deliver all documents in his possession relating to the Plan as the Company may direct and hereby authorises the continuing Trustees, in the absence of such transfer, to effect such transfer on his behalf.
- 14.5 A person shall not be disqualified from acting as a Trustee or an officer or employee of a Trustee of the Plan because he is or was an officer or employee of a Participating Company or is or was a Participant.

15. Residence of the Trustees

The Trustees shall at all times be resident in the United Kingdom for United Kingdom tax purposes.

16. Alterations

- 16.1 The Board may at a time when the Plan (including this Deed) is a Schedule 2 SIP and if such status is to be maintained alter or add to the Plan (including

this Deed and the Schedules hereto) as may be necessary in order to obtain such status.

16.2 The Board may by written resolution alter or add to any of the provisions of the Plan (including this Deed and the Schedules thereto) in such manner as may be thought fit (and such alterations or additions shall be binding on the Trustees and all Participating Companies and Participants) PROVIDED THAT no such purported alteration or addition shall be effective:

Para 84(1)(b)

- (a) if and so long as the Plan is desired to be a Schedule 2 SIP, where the alteration or addition is to a Key Feature of the Plan or of the terms of this Deed, if such alteration or addition would mean that the requirements of Schedule 2 to the Act would no longer be met in relation to the Plan, and such alteration or addition will be notified to HMRC in accordance with paragraph 81B of Schedule 2 to the Act;
- (b) where the alteration or addition is to the advantage of existing or future Participants, without prior shareholder approval where such alteration or addition relates to:
 - (i) the persons to whom or for the benefit of whom Shares may be appropriated or acquired under the Plan;
 - (ii) the limitations on the number of Shares to be appropriated to Participants or acquired on their behalf and to be made available under the Plan (but so that they may be adjusted as provided herein);
 - (iii) the determination of the price at which the Trustees are to subscribe for Shares;
 - (iv) the voting, dividend, transfer and other rights attaching to Shares;
 - (v) the rights of Participants on the winding-up of the Company; or
 - (vi) the terms of this Clause 16.2(b);

provided that the Board may alter or add to the Plan without prior shareholder approval if the alteration or addition is a minor alteration or addition to benefit the administration of the Scheme, to take account of any change in legislation, or to maintain or obtain favourable tax, exchange or regulatory treatment of any Shares or of any Participant or Participating Company but not so as to alter the basic structure of the Plan or the limits in Rule 3.1 of the rules of the Plan as set out in Schedule 1 hereto;

- (c) where the alteration or addition would adversely affect any right already acquired by the Participant, without the prior written consent of each Participant (other than in a case where the alteration or addition is made as a result of a change in the law);

- (d) where the alteration or addition would cause the Plan to cease to be an Employees' Share Scheme; and
 - (e) where the alteration or addition would offend the rule against perpetuities.
- 16.3 Written notice of any alteration or addition made in accordance with Clause 16.2 shall be given to the Trustees and all Participants affected thereby.
- 16.4 No alteration or addition made in accordance with Clause 16.2 shall alter or make any addition to the disadvantage of the Trustees the provisions for its protection and indemnity contained in the Plan and/or impose more onerous obligations on the Trustees other than those contained in the Deed prior to such alteration or addition without the prior written agreement of the Trustees.

17. Termination of Plan

- 17.1 No appropriation of Shares under the Plan may be made later than:
- (a) ten years after the date on which the Plan is established without the approval of the Company in general meeting; or
 - (b) later than seventy-four years after the date of this Deed or the earlier termination of the Plan by the Board or the Company in general meeting or pursuant to a plan termination notice issued in respect of the Plan pursuant to paragraph 89 of Schedule 2 to the Act, and the perpetuity period applicable to this Deed shall be one hundred and twenty-five years.
- 17.2 Any assets of the trust shall be paid to Participating Companies or if relevant to Participants so far as practicable in proportion to the total amounts provided by each of them to the Trustees.

18. Governing law

- 18.1 This Deed and the relationship between the parties shall be governed by and construed in accordance with the law of England.
- 18.2 Each of the parties agrees that the courts of England are to have exclusive jurisdiction to settle any disputes (including claims for set-off and counterclaims) which may arise in connection with the creation, validity, effect, interpretation or performance of, or the legal relationships established by, this Deed or otherwise arising in connection with this Deed, and for such purposes irrevocably submit to the jurisdiction of the English courts.
- 18.3 The Trustees irrevocably consent to service of process or any other documents in connection with proceedings in any court by facsimile transmission, personal service, delivery at any address specified in this Deed or any other usual address, mail or in any other manner permitted by English law, the law of the place of service or the law of the jurisdiction where proceedings are instituted.

19. Construction of this Deed

The Schedules and Appendices hereto shall be treated as part of this Deed.

20. Counterparts

This Deed may be executed in any number of counterparts, and by each party on separate counterparts. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument. Delivery of a counterpart of this Deed by e-mail attachment or telecopy shall be an effective mode of delivery.

IN WITNESS whereof this Deed has been executed and delivered by the parties hereto as a deed on the date above mentioned.

EXECUTED as a)
DEED by **PHOENIX GROUP HOLDINGS PLC**)
in the presence of:)

Per:

Title: Director/Attorney-in-Fact

Witness's signature:

Name:

Address:

Occupation:

EXECUTED and **DELIVERED** as a DEED)
Under the **COMMON SEAL** of)
COMPUTERSHARE TRUSTEES LIMITED)
in the presence of:)

Director

Director/Secretary

Schedule 1
The Rules of The Phoenix Group Holdings plc
Share Incentive Plan

1. Operation of the Plan

Para 3(2) 1.1 The Board may, at any time, in its absolute discretion decide that Free Shares may be appropriated to Eligible Employees and if it so determines the provisions of this Schedule 1 and of Appendix 1 to this Schedule 1 shall apply. The Board may determine that the availability and number of Free Shares to be appropriated in respect of that Plan Period shall be conditional upon specified performance targets and or performance measures being met or satisfied.

Paras 51(1) and (3) 1.2 The Board may, at any time, in its absolute discretion determine in respect of any Plan Period whether it shall arrange for Partnership Shares to be acquired on behalf of Eligible Employees out of deductions from their pay and if it so determines the provisions of this Schedule 1 and of Appendix 2 to this Schedule 1 shall apply. The Board may determine that Partnership Shares to be acquired in respect of that Plan Period shall be acquired at the end of an Accumulation Period or after each deduction from a Participant's Salary. The Board may determine that any Accumulation Period shall come to an end on the occurrence of a specified event.

1.3 Whenever the Board determines that Partnership Shares may be acquired on behalf of Eligible Employees it may in its absolute discretion determine whether it shall offer an appropriation of Matching Shares in proportion to any Partnership Shares so acquired and if it so determines the provisions of this Schedule 1 and of Appendix 3 to this Schedule 1 shall apply. The Board shall determine in respect of each acquisition of Partnership Shares the ratio of Matching Shares to Partnership Shares which shall be offered.

1.4 This Plan is intended to be a Schedule 2 SIP for the purposes of the Act and the Plan and any Free Shares, Partnership Shares, Matching Shares or Dividend Shares granted under it shall be interpreted, operated and administered in a manner that is consistent with that intention and in the case of conflict between the Plan and the provisions of sections 488 to 515 and Schedule 2 to the Act (the *legislation*), the legislation shall prevail and, notwithstanding any other provision of the Plan to the contrary, the Board, to the extent it deems necessary or advisable in its sole discretion, reserves the right, but shall not be required, to unilaterally amend the Plan and any Free Shares, Partnership Shares, Matching Shares or Dividend Shares granted under the Plan so that the Plan may be treated as a Schedule 2 SIP.

2. Eligibility

Paras 14(7) and 18A 2.1 If an individual participates in an award of Shares under the Plan in any Year of Assessment in which he has already participated in an award of shares under one or more other Associated Plans then:

- (a) the maximum annual amount of Free Shares which may be awarded to a Participant as set out in paragraph 1.4.2 of Appendix 1 to this Schedule 1; and
- (b) the maximum deduction from Salary that may be made in respect of Partnership Shares as set out in paragraph 2.2.2 of Appendix 2 to this Schedule 1,
- (c) the limit on the amount of any cash dividend paid in respect of Plan Shares that may be reinvested as set out in Rule 11.2,

shall apply as if the Plan and the other plan or plans were a single plan.

Paras 14(7) and 18(1)

2.2 An individual shall not be eligible to participate in an award of Free Shares, Partnership Shares or Matching Shares under the Plan at the same time as he participates in an award of shares under another Associated Plan.

Para 9(1)

2.3 Subject to the specific provisions of this Schedule 1 (including Appendix 1, 2 and 3 to this Schedule), the Trust Deed and Schedule 2 to the Act, every individual who is invited to participate in the Plan must be invited to participate on the same terms and those who do participate must actually participate on the same terms.

3. Limitations

3.1 Shares shall not be issued on any occasion for the purposes of the Plan to the extent that the result of that issue would be that the aggregate number of Shares issued on that occasion, when added to the number of Shares that:

- (a) have been issued during the preceding 10 years under the Plan; and
- (b) could be issued pursuant to any subsisting rights, options or awards granted during the preceding ten years under any other Employees' Share Scheme established by the Company or any other company under the Company's Control; and
- (c) have been issued pursuant to any rights, options or awards granted during the preceding ten years under any other Employees' Share Scheme established by the Company or any other company under the Company's Control; and
- (d) have been issued during the preceding ten years under any Associated Plan or other employee share incentive scheme established by the Company or any other company under the Company's Control,

would exceed 10 per cent. of the ordinary share capital of the Company for the time being in issue. For the purpose of this rule 3, Shares shall include shares in Phoenix Group Holdings (a company incorporated in the Cayman Islands) issued pursuant to Share Schemes prior to 12 December 2018.

3.2 Reference in this rule 3 to the *issue* of Shares shall, for the avoidance of doubt, only include arrangements under which Shares are newly allotted and issued

(but not transferred) and shall include Shares issued or transferred out of treasury.

4. Contributions to be made by Participating Companies

- 4.1 Contributions to be made by the Company and each Participating Company to the Trustees to support any acquisition of Free Shares or Matching Shares by the Trustees for appropriation on any Appropriation Day shall be paid not later than the fifth Dealing Day immediately prior to the relevant Appropriation Day.
- 4.2 A Participating Company shall only contribute to the Trustees such sums as are required in connection with the acquisition of Shares by the Trustees for appropriation to Eligible Employees who are for the time being employees of that Participating Company.

5. Acquisition of Free Shares and Matching Shares

- 5.1 The Trustees, if so directed by the Board, shall on the relevant Appropriation Date (which day the Company shall notify to the Trustees in advance), acquire Shares for appropriation under the Plan on that Appropriation Day as Free Shares or Matching Shares by purchase on the London Stock Exchange or privately (provided that any private purchase made at a time when shares in the Company are listed is made at a price not materially more or less than their Market Value on the day on which they are acquired).
- 5.2 The Trustees, if so directed by the Board, shall on the relevant Appropriation Day (which day the Company shall notify to the Trustees in advance) subscribe for Shares for appropriation under the Plan on that Appropriation Day as Free Shares or Matching Shares, and the price per Shares at which the Trustees subscribe for Shares under the Plan shall be the greater of:
- (a) the nominal value of a Share on the date of subscription; and
 - (b) the Market Value of a Share.

6. Shares to be Appropriated or Acquired

- 6.1 Shares subscribed for by the Trustees (whether or not appropriated or acquired on behalf of Participants pursuant to the Plan) shall rank *pari passu* in all respects with the Shares then in issue except they will not rank for any rights attaching to Shares by reference to a record date preceding the date of issue.
- 6.2 If and so long as Shares are admitted to listing by the Financial Conduct Authority acting as the UK Listing Authority, the Company shall apply for a listing for any Shares issued pursuant to the Plan as soon as practicable after the allotment thereof.
- 6.3 If and so long as Shares are admitted to trading on the Official List of the London Stock Exchange, the Company shall apply for admission to trading of any Shares issued pursuant to the Plan as soon as practicable after the allotment thereof.

7. Circulars and Notices

The Company shall procure that Participants receive copies of all documents normally issued by the Company and sent to the holders of Shares.

8. Rights Issues

8.1 Whenever a company grants to the holders of any class of shares of which some are Plan Shares any rights to acquire other shares, securities or rights of any description in that company (a *Rights Issue*) each Participant shall be notified in writing by the Trustees of the rights relating to his Plan Shares and he may instruct the Trustees in writing to do one or more of the following:

- (a) subject to the provision by him of any necessary funds, to take up all or any of the rights;
- (b) to sell all or any of the rights nil paid;
- (c) to allow all or any of the rights to lapse; or
- (d) to sell rights nil paid to the extent necessary to enable the Trustees to subscribe in full for the balance of any unsold rights,

which instructions may be particular or of general application and relate to Plan Shares appropriated before and after the date of the relevant Rights Issue.

8.2 The Trustees shall act upon any such instruction received by them not less than five Dealing Days before the expiry of the period allowed for the exercise of any rights pursuant to the relevant Rights Issue. If any Participant has not prior to five Dealing Days before the expiry of the period allowed for the exercise of any such rights given instructions to the Trustees with regard thereto and provided any funds necessary for the purpose, the Trustees shall allow such rights to lapse. The Trustees shall deal with any capital receipt received in consequence of the non-exercise or sale of any rights in accordance with Clause 7.2 of the Trust Deed.

8.3 Any shares, securities or rights taken up by the Trustees on behalf of any Participant under Rule 8 shall, subject to Rule 13 and to the provisions of paragraph 88 of Schedule 2 to the Act, form part of the Participant's Plan Shares and shall be deemed to have been appropriated at the same time as the Participant's Plan Shares to which they relate.

8.4 Nothing in this Rule 8 shall require the Trustees to act in any manner whereby they would incur any liability unless indemnified to their satisfaction by the Participant against such liability.

9. Capitalisation Issues

Where a company allots any New Shares by way of capitalisation to the Trustees in respect of any Participant's Plan Shares, such New Shares shall to the extent applicable, be dealt with in accordance with Rule 10, and otherwise as capital receipt.

10. Reconstruction and Takeover

- Para 72
- 10.1 If there is a Reconstruction or Takeover affecting Plan Shares, the Participants shall be notified of such event and any Participant may give notice in writing to the Trustees instructing them on the action to be taken (and, where appropriate, exercise any right to elect to receive any particular form of consideration available thereunder) in respect of any of his Plan Shares.
- 10.2 If there is a Reconstruction or Takeover affecting Plan Shares, the consideration received thereunder shall (so far as it consists of cash or securities which cannot be held under the Plan) be treated as the proceeds of a disposal under Rule 14 and (so far as it consists of New Shares) be held by the Trustees as Plan Shares subject to the Rules of the Plan mutatis mutandis as if the same were the Shares in respect of which they are issued, or which they otherwise represent.
- 10.3 In the event of any Plan Shares being compulsorily acquired under Sections 974 to 989 of the Companies Act 2006, or if under any scheme of arrangement sanctioned by the Court pursuant to Section 899 of the Companies Act 2006, Plan Shares are transferred to another company or cancelled for a consideration consisting of cash and/or securities or shares, the Participants concerned shall be entitled to receive notification thereof from the Trustees as soon as practicable after such acquisition, transfer or cancellation, and to give instructions to the Trustees in relation to such consideration, and the provisions of Rules 10.1, 10.2 and 13 shall apply mutatis mutandis so far as relevant.

11. Reinvestment of Cash Dividends

- Paras 62,55(1) and 69
- 11.1 The Board may, from time to time, subject to Rule 11.2, direct the Trustees to apply some or all of any cash dividends paid in respect of Plan Shares held on behalf of a Participant in acquiring Dividend Shares to be held on behalf of the Participant. Alternatively, the Board may allow each Participant to direct the Trustees as to whether or not some or all of any cash dividends will be so applied subject to Rule 11.2. In acquiring Dividend Shares, all Participants shall be treated fairly and equally. The Company may cease and start the Dividend Reinvestment part of the Plan at any time.
- 11.2 Any direction by the Board referred to in Rule 11.1 as to any limit on cash dividends that may be reinvested must set out:
- (a) the amount of the cash dividends to be applied in acquiring Dividend Shares to be held on behalf of the Participant; or
 - (b) how the amount of cash dividends to be applied in acquiring Dividend Shares to be held on behalf of the Participant is to be determined.
- Para 68(1) to (3)
- 11.3 The Trustees may retain and carry forward to be added to the amount of the next cash dividend to be reinvested the amount of any cash dividend which is insufficient to acquire a Dividend Share. If any amount is so retained, the

Trustees shall hold the amount so as to be separately identifiable for the purposes of Rule 11.4.

- Para 68(4) to (6) 11.4 The Trustees shall as soon as practicable pay to the Participant any amount retained in accordance with Rule 11.3 if:
- (a) the Participant ceases to be in Relevant Employment; or
 - (b) a termination notice is issued in respect of the Plan pursuant to paragraph 89 of Schedule 2 to the Act.
- Paras 66(2) to (4) 11.5 The Trustees shall apply any cash dividend in acquiring Dividend Shares (whether by the subscription of unissued Shares or the purchase of existing Shares (in the market or privately)) on a date set by the Trustees in relation to the acquisition of Dividend Shares which shall be within 30 days of the date on which they receive the dividend.
- Para 62 11.6 The Trustees may treat a cash dividend as applied in acquiring Dividend Shares if they appropriate Shares already held by them.
- Para 66(3) 11.7 The number of Dividend Shares appropriated to a Participant on any occasion by the Trustees shall be such number as can be acquired at the Market Value of the Shares on the date referred to in Rule 11.5 above with the applicable amount of cash dividend received in respect of the Participant's Plan Shares on that occasion.
- 11.8 Dividend Shares shall be held by the Trustees in accordance with Clauses 4 and 8 of the Deed.
- Paras 68(4) and 69 11.9 Any cash dividends that are not required to be reinvested, or which are in excess of any cash dividends applied in acquiring Dividend Shares following a direction under Rule 11.1 shall be paid to the Participant as soon as practicable after they are received by the Trustees.

12. Scrip Dividends

- 12.1 This Rule applies where the holders of any class of shares of which some are Plan Shares are offered the right to elect to receive shares, credited as fully paid in whole or in part, in lieu of a cash dividend. Within five working days or such other period as the Trustees may decide before the closing of the offer, the Participant may:
- (a) instruct the Trustees to elect to receive shares; or
 - (b) instruct the Trustees to elect to receive cash,

which instructions may be of particular or of general application and relate to Plan Shares appropriated before and after the relevant date of the scrip dividend. Any shares received by the Trustees on behalf of any Participant deriving from a scrip dividend shall not be Plan Shares and the Trustees shall use their reasonable endeavours to transfer such shares to the Participant (or

his nominee) as soon as reasonably practicable, subject to the Rules of the Plan.

13. Fractional Entitlements

- 13.1 Where a company makes an offer or invitation conferring any rights upon its members to acquire against payment additional shares, securities or rights of any description in that company or where that company allots any new securities by way of capitalisation, the Trustees shall allocate such rights or securities amongst the Participants concerned on a proportionate basis and, if such allocation shall give rise to a fraction of a security or a transferable unit thereof (in this Rule "unit"), shall round such allocation down to the next whole unit and the Trustees shall aggregate the fractions not allocated and use their best endeavours to sell any rights or units which are not allocated and distribute the net proceeds of sale (after deducting therefrom any expenses of sale and any taxation which may be payable in respect thereof) proportionately among the Participants whose allocation was rounded down, provided that any sum of less than £3 otherwise distributable to a particular Participant may be retained by the Trustees in accordance with Clause 5.3 of the Trust Deed.
- 13.2 In any circumstances in which the Trustees receive New Shares which form part of a Participant's Plan Shares the Trustees shall allocate the New Shares to the Participant by reference to the relative times of appropriation of his Plan Shares to which they relate and, if any such allocation should give rise to a fraction of a New Share, the Trustees shall, subject to the Act, round such allocation up or down to the next whole unit as they in their discretion think fit.

14. Disposals and Payments

Para 79(1) The Trustees may dispose of or acquire from the Participant all or any of a Participant's Plan Shares, or accept a sum from the Participant in order to enable the Trustees to pay the Employer Company an amount sufficient to enable the Employer Company to satisfy any obligation in respect of the Participant's Plan Shares in accordance with Sections 509 to 514 of the Act.

15. Withdrawal of Shares from the Plan on Cessation of Relevant Employment

- Para 97(1) 15.1 Subject to any terms for forfeiture of a Participant's Free Shares or Matching Shares, if a Participant ceases to be in Relevant Employment, the Trustees may:
- (a) transfer to the Participant or any other person whom the Participant so directs all the Participant's Plan Shares held by them; or
 - (b) if the Participant so directs, dispose of all the Participant's Plan Shares held by them and account (or hold themselves, ready to account) for the proceeds of sale to the Participant or any other person whom the Participant so directs less any amounts deducted under Rule 14.

- 15.2 For the purposes of this Rule 15 a Participant shall not be treated as ceasing to be in Relevant Employment if he remains in the employment of the Company or any Associated Company.

16. Transfer of Legal Title

The Trustees shall transfer the legal title to any Plan Shares into the name of the relevant Participant or to another person as soon as reasonably practicable after the Participant gives the Trustees any written direction to that effect in accordance with the rules of the Plan.

17. Stamp Duty

Any stamp duty or other expenses involved in any transfer of Shares by the Trustees shall be payable:

- (a) in the case of a transfer into the name of the Participant concerned, by the Trustees (and reimbursed by the Company); and
- (b) in any other case, by the transferee concerned.

18. Notices

- 18.1 The Trustees shall not be bound to act upon any instructions given by or on behalf of a Participant or any person in whom the beneficial interest in his Plan Shares is for the time being vested pursuant to the Plan unless such instructions are received by the Trustees from the relevant person.

- 18.2 Any notice, document or other communication given by, or on behalf of the Company, a Participating Company, the directors of the Company or the Trustee to any person in connection with the Plan shall be deemed to have been duly given if:

- (a) delivered to him at his place of work, if he is employed by a Participating Company; or
- (b) sent through the post in a pre-paid envelope to his address last known to the Company or the Company's agent appointed to administer the Plan, and if so sent it shall be deemed to have been given on the date of posting; or
- (c) sent to his work facsimile number, or his home facsimile number last known to the Company or the Company's agent appointed to administer the Plan, and if so sent it shall be deemed to have been given on the date of sending; or
- (d) sent to his work email address, or his home email address last known to the Company or the Company's agent appointed to administer the Plan, and if so sent it shall be deemed to have been given on the date of sending.

- 18.3 Any notice, document, or other communication so sent to a Participant pursuant to the Plan shall be deemed to have been duly delivered notwithstanding that such Participant is then deceased (and whether or not the Company or Trustees have notice of his death) except where his personal representatives have established their title to the satisfaction of the Company or Trustees as appropriate and supplied to the Company and the Trustees an address to which notices, documents and other communications are to be sent.
- 18.4 Any notice, document or other communication given to the Company, a Participating Company, the directors of the Company or the Trustees in connection with the Plan shall be given in writing by or on behalf of the Eligible Employee or Participant, or any person in whom the beneficial interest in his Shares is for the time being vested (as appropriate). Any such notice, document or other communication given in connection with this Plan shall be delivered by hand or sent by post, facsimile transmission or email but shall not in any event be duly given unless and until it is actually received by such individual as may from time to time be nominated by the Trustee for the purposes of this Plan and whose name and address is notified to Eligible Employees or Participant.

19. Information

The Trustees shall maintain such records as may be necessary to comply with the Act, and shall at all times and from time to time give to each Participant such information as shall be in their possession to enable him to determine and quantify any liability he may have to income tax under Part 2 of the Act.

20. Disputes

The decision of the Board in any dispute or question affecting any Eligible Employee or Participant under the Plan shall be final and conclusive.

21. Terms of Employment

- 21.1 This Plan does not form part of any Participant's contract of employment.
- 21.2 Participation in the Plan does not:
- (a) confer upon any person any right to participate in the Plan at any time in the future either at all or on any particular basis;
 - (b) confer upon any person any right to continue in employment with any member of the Group; or
 - (c) restrict the right of any member of the Group to terminate the employment of any Participant without liability at any time with or without cause.
- 21.3 In no circumstances shall any person who has ceased to be an employee of the Company, any Subsidiary or any Associated Company by reason of dismissal or otherwise howsoever or who is under notice of termination of his

employment be entitled to claim as against any Participating Company, Subsidiary, Associated Company or the Trustees any compensation for or in respect of any consequential loss he may suffer by reason of the operation of the terms of the Plan or of the provisions of the Act.

- 21.4 Any profits or gains made as a result of Shares acquired by a Participant under this Plan are not pensionable under any of the Group's pension arrangements.

Appendix 1

Free Shares

1. Invitations to Participate in Appropriations of Free Shares

Para 34 1.1.1 Whenever the Board resolves that Free Shares may be appropriated to Eligible Employees in accordance with Rule 1.1 of Schedule 1, the provisions of this Appendix 1 shall apply.

1.1.2 The Company shall issue an invitation in the form of Schedule 2 (or such other form as may comply with the requirements of Schedule 2 to the Act) to each Eligible Employee who has not previously become a Participant (and, if applicable, to each Eligible Employee who has, since Free Shares were last appropriated, revoked a notice previously served by him under paragraph 1.1.6) to consent to the appropriation of Free Shares under the Plan by returning the accompanying contract of participation in the form of Schedule 3 (or such other form as may comply with the requirements of Schedule 2 to the Act) duly completed by such date as shall be specified in the invitation (but in any event prior to the relevant Appropriation Day). Eligible Employees may be invited to participate in the Plan by means of a communication which is not delivered or sent to them personally but to which their attention is drawn by a notice or other communication which is delivered or sent to them individually.

Para 36 1.1.3 The Company, shall in respect of each appropriation of Free Shares specify a Holding Period applicable to those Free Shares and any Dividend Shares which, once specified, may not be increased in respect of that appropriation.

1.1.4 The Company may in respect of each appropriation of Free Shares specify a Forfeiture Period applicable to those Free Shares which must be the same for all Free Shares appropriated to Eligible Employees on that occasion.

Para 36 1.1.5 A contract of participation shall bind the relevant Eligible Employee in contract with the Company in consideration of the appropriation to him of Free Shares:

Para 36(5) (a) to permit all Free Shares appropriated to him and any Dividend Shares to remain in the hands of the Trustees throughout the applicable Holding Period or, if earlier, until he ceases to be in Relevant Employment; and

Para36(5) (b) not to assign, charge or otherwise dispose of his beneficial interest in any Free Shares or any Dividend Shares during the applicable Holding Period or, if earlier, until he ceases to be in Relevant Employment; and

Paras 36(4) and 79(1) (c) if he directs the Trustees to transfer the legal title of any Free Shares to him or any other person at any time before the end of the period of five years beginning with the date on which the Free Shares are appropriated to him, to agree to the Trustees disposing of any of a Participant's Shares in order to enable the Trustees to pay to the Employer Company an amount sufficient to enable the Employer

Company to satisfy any obligation to deduct PAYE in accordance with Sections 509 to 514 of the Act unless he pays to the Trustees a sum equal to the amount of such obligation

Para 37 PROVIDED that no Participant by virtue of the signature of a contract of participation shall be precluded from directing the Trustees to dispose of his Free Shares in accordance with paragraph 37 of Schedule 2 to the Act in the event of a Reconstruction or a Takeover affecting his Free Shares.

1.1.6 An individual may by notice given to the Company before an Appropriation Day direct that Free Shares shall not be appropriated to him on that Appropriation Day or on each subsequent Appropriation Day. A notice given by an individual under this paragraph 1.1.6 may be revoked by that individual giving the Company a written notice of revocation.

2. Basis of Allocation of Free Shares

Para 38 1.2.1 The Free Shares to be appropriated to Eligible Employees shall be appropriated to such Eligible Employees on the same terms in accordance with one or more of the following formulae to be determined in respect of each appropriation by the Board:

Paras 9(3)(a) and 15(2)(b) (a) Eligible Employees shall be appropriated Free Shares the number or value of which shall be determined by reference to their remuneration; or

Paras 9(3)(b) and 15(2)(b) (b) Eligible Employees shall be appropriated Free Shares the number or value of which shall be determined by reference to their length of service with a Qualifying Company; or

Para 9(3)(c) (c) Eligible Employees shall be appropriated Free Shares the number or value of which shall be determined by reference to the number of hours they work for a Qualifying Company; or

(d) Eligible Employees shall be appropriated a fixed number of Free Shares or a number of Free Shares with a Market Value equal to a fixed sum; or

Paras 38 and 39 (e) Eligible Employees shall, subject to the provisions of paragraph 6, be appropriated Free Shares the number or value of which shall be determined according to the achievement by the Unit in which the Eligible Employee works of performance targets and/or performance measures during a Performance Period which in the case of performance measures shall:

Para 39(3) (i) be based on business results or other objective criteria determined by the Board; and

(ii) be fair and objective measures of the performance of that Unit,

Para 9 PROVIDED THAT where an appropriation of Free Shares is based upon more than one of the factors mentioned in paragraphs (a), (b) or (c) each factor shall

give rise to a separate entitlement to Free Shares related to the level of remuneration, length of service or hours worked (as the case may be) and the total entitlements shall be the sum of those separate entitlements.

3. Performance Targets and Measures

Para 34 1.3.1 Any appropriation of Free Shares which is made by reference to a performance measure or performance target pursuant to Paragraph 1.2.1(e) must comply either with the requirements of Paragraph 1.3.2 (*Method One*) or the requirements of Paragraph 1.3.3 (*Method Two*).

Para 41 1.3.2 The requirements of this Paragraph 1.3.2 (*Method One*) are that:

- (a) at least twenty per cent. (20%) of the Free Shares of any class appropriated to an Eligible Employee on any occasion shall be appropriated without reference to performance and in accordance with the requirements of paragraphs 9 and 41(3) and (4) of Schedule 2 to the Act (*same terms*); and
- (b) the Free Shares which are not appropriated in accordance with (a) shall be appropriated by reference to performance; and
- (c) the greatest number of Free Shares appropriated to any Eligible Employee on any occasion by reference to performance shall not be more than four times greater than the greatest number of Free Shares of the same class appropriated to any Eligible Employee on that occasion by reference to factors which are not performance related.

Para 42 1.3.3 The requirements of this Paragraph 1.3.3 (*Method Two*) are that:

- (a) some or all of the Free Shares must be appropriated by reference to performance;
- (b) the appropriation of Free Shares to Eligible Employees within a Unit shall be in accordance with the requirements of paragraphs 9 and 42(4) of Schedule 2 to the Act (*same terms*); and
- (c) the performance targets and measures must be set in accordance with the requirements of paragraph 42(3) of Schedule 2 to the Act (*consistent targets*).

1.3.4 An Eligible Employee may not be a member of more than one Unit in any Participating Company in respect of any Plan Period.

Para 40 1.3.5 The Company must notify as soon as reasonably practicable:

- (a) each Eligible Employee to whom Free Shares may be appropriated in respect of a Performance Period of any performance targets and measures which will be used to determine the number or value of Free Shares appropriated to him in respect of that Performance Period; and
- (b) all Eligible Employees of the Company and of any Participating Company in general terms of the performance measures to be used to

determine the number or value of Free Shares to be appropriated to each individual

PROVIDED THAT in respect of paragraph (b) above the Company shall not be required to include in such notification any information which the Board reasonably considers would prejudice the confidentiality of commercially sensitive information.

4. Appropriation of Free Shares

- Paras 41(2) to (4)
- 1.4.1 An individual shall not be eligible to have an appropriation of Free Shares if at the date of such appropriation he is not an Eligible Employee.
- Para 35
- 1.4.2 The aggregate of the Appropriation Values of all Free Shares under the Plan and any Associated Plan which may be allocated to any Participant in any Year of Assessment shall not exceed £3,600 or such other amount as may from time to time be permitted by Schedule 2 to the Act.
- 1.4.3 Any appropriation of Free Shares shall be made within 90 days of any relevant Announcement Date, save where the Board resolves to make an appropriation at a different time.
- 1.4.4 Where the Trustees appropriate Free Shares a proportion of which rank for any dividend or other distribution or other rights attaching to Shares by reference to a record date preceding the relevant Appropriation Day and a proportion of which do not, then the Free Shares to be appropriated to each Eligible Employee shall as far as practicable be in the same proportions.

5. Forfeiture of Free Shares

- Paras 32, 96 and 97
- 1.5.1 Free Shares may be appropriated to a Participant on terms that the Participant shall cease to be beneficially entitled to such Free Shares if, within the specified Forfeiture Period applicable to that appropriation of Free Shares, he:
- (a) (i) directs the Trustees to transfer the Free Shares to himself or another person (otherwise than pursuant to a Reconstruction or Takeover); or
 - (ii) assigns, charges or otherwise disposes of his beneficial interest in such Free Shares; or
 - (iii) directs the Trustees to dispose of the Free Shares and to account to himself or another person for the proceeds of sale; or
 - (b) ceases to be in Relevant Employment for any reason other than one mentioned in paragraphs 1.5.2(i) to (vi) below.
- Para 95(2)
- 1.5.2 The reasons referred to in Paragraph 1.5.1 are:
- (i) injury or disability;
 - (ii) redundancy within the meaning of the Employment Rights Act 1996 or the Employment Rights (Northern Ireland) Order 1996;
- Section 498

- (iii) by reason of a relevant transfer within the meaning of the Transfer of Undertakings (Protection of Employment) Regulations 2006 apply;
- (iv) a change of Control or other circumstances ending the Associated Company status of the company by which the Participant is employed;
- (v) retirement; or
- (vi) death.

1.5.3 Any terms for forfeiture of Free Shares may not be linked to the performance of any person or persons, and shall apply in relation to all Free Shares appropriated to Eligible Employees on the same occasion.

Para 95

6. Ceasing to be in Relevant Employment

1.6.1 For the purposes of this Appendix 1 a Participant shall not be treated as ceasing to be in Relevant Employment if he remains in the employment of the Company or any Associated Company.

Appendix 2 Partnership Shares

1. The Partnership Share Agreement

2.1.1 Whenever the Board resolves that Partnership Shares may be acquired on behalf of Eligible Employees out of deductions from their Salary in accordance with Rule 1.2 of Schedule 1, the provisions of this Appendix 2 shall apply.

Para 9 and 44

2.1.2 The Company shall procure the issue to all Eligible Employees of an invitation and a Partnership Share Agreement in the form of Schedule 4 (or in such other form as may comply with the requirements of Schedule 2 to the Act) by which the Company shall invite each Eligible Employee on the same terms to apply to acquire Partnership Shares by entering into and returning the Partnership Share Agreement duly completed by such date as shall be specified in the invitation. Eligible Employees may be invited to participate in the Plan by means of a communication which is not delivered or sent to them personally but to which their attention is drawn by a notice or other communication which is delivered or sent to them individually.

Para 44(1)

2.1.3 Under the Partnership Share Agreement the relevant Eligible Employee shall agree with the Company and the Trustees to allocate part of his Salary for the purchase of Partnership Shares and the Company shall agree to arrange the acquisition of Partnership Shares on behalf of the Eligible Employee in accordance with the rules of the Plan.

Para 45

2.1.4 Partnership Shares shall be acquired with monies deducted from an Eligible Employee's Salary at such intervals and in such amounts or percentages as shall be specified in the Partnership Share Agreement or such other intervals, amounts or percentages as may be agreed between the Company and the Eligible Employee from time to time but which shall be subject to the provisions of paragraphs 2 and 3 of this Appendix.

Para 51(5)

2.1.5 If the Board has determined that an Accumulation Period shall apply in respect of any acquisition of Partnership Shares and a Reconstruction occurs during that Accumulation Period which results in New Shares being issued or allocated in place of the Partnership Shares, the Partnership Share Agreement shall provide that if the Participant consents, it shall have effect after the Reconstruction as if it were an agreement for the purchase of shares which are New Shares.

Para 53(1)

2.1.6 The Board may specify the maximum number of Partnership Shares which may be acquired on a Participant's behalf or in aggregate for all Participants on any occasion or in respect of any Accumulation Period.

Paras 53(3) to (4)

2.1.7 The Partnership Share Agreement shall contain an undertaking by the Company to notify an Eligible Employee of any restriction specified pursuant to paragraph 2.1.6 of this Appendix on the number of Shares which may be acquired which notification shall be given:

- (a) if there is no Accumulation Period, before any deduction of monies is made from Salary; and
- (b) if there is an Accumulation Period, before the beginning of the Accumulation Period relating to the Partnership Shares.

Para 60(1) 2.1.8 If pursuant to Rule 1.3 of Schedule 1 the Company determines in respect of any acquisition of Partnership Shares that Matching Shares shall be offered, the Partnership Share Agreement shall specify:

- (a) the ratio of Matching Shares to Partnership Shares offered by the Company; and
- (b) the circumstances (if any) and manner in which the ratio may be changed by the Company before the related Partnership Shares are acquired.

Para 48 2.1.9 The Company may not enter into a Partnership Share Agreement with an Eligible Employee unless the agreement contains a notice as required by paragraph 48 of Schedule 2 to the Act in the form prescribed by regulations containing information as to the possible effect of deductions on an employee's entitlement to social security benefits, statutory sick pay and statutory maternity pay.

2.1.10 The Board shall specify the Holding Period applicable to any Dividend Shares and the Partnership Share Agreement shall bind the relevant Eligible Employee in contract with the Company to permit any Dividend Shares to be held as described in paragraphs 1.1.5(a) and (b) of Appendix 1.

Para 43(2A) 2.1.11 Partnership Shares shall not be subject to any provision for forfeiture.

2. Limits on Partnership Share Monies

Para 47 2.2.1 The minimum amount which may be deducted from an Eligible Employee's Salary and whether a particular description of earnings is not to be regarded as forming part of an Eligible Employee's salary for this purpose shall be determined by the Board and specified in the Partnership Share Agreement and shall be the same for all Eligible Employees but shall not be greater than £10 (or such other minimum amount as may be prescribed from time to time by paragraph 47 of Schedule 2 to the Act) on any occasion (irrespective of the intervals at which the Eligible Employee is paid).

Paras 46 and 53 2.2.2 The maximum amount which may be deducted from an Eligible Employee's Salary under the Plan shall be determined by the Board and specified in the Partnership Share Agreement and shall be the same for all Eligible Employees but when aggregated with the maximum amount that may be deducted under any other Associated Plan shall not be greater than £1,800 (or such other maximum amount as may be prescribed from time to time by paragraph 47 of Schedule 2 to the Act) in any Year of Assessment. The maximum amount shall not exceed 10% of the Eligible Employee's Salary in the Year of Assessment in which the deduction is made. In this paragraph 2.2.2 references

to any percentage or amount shall be construed as references to any maximum percentage or amount (as the case may be) which may be permitted from time to time by paragraph 46 of Schedule 2 to the Act.

Para 46(5) 2.2.3 Any amount deducted from an Eligible Employee's Salary in excess of the limits referred to in paragraph 2.2.2 or such other lower limit as is specified in the Partnership Share Agreement shall be paid to the Eligible Employee as soon as practicable.

Para 49(1) 2.2.4 For the avoidance of doubt, where an amount has been deducted from Salary and Shares have been acquired on behalf of the Eligible Employee, and the Eligible Employee thereafter ceases to hold Relevant Employment in the same Year of Assessment, if the amount deducted from Salary exceeds the limits referred to in paragraph 2.2.2 or such other lower limit as is specified in the Partnership Share Agreement for the Year of Assessment in which the Relevant Employment terminates then:

- (a) the Shares acquired with the amount deducted from an Eligible Employee's Salary in excess of the limits referred to in paragraph 2.2.2 (*the Excess Partnership Shares*) will not constitute Plan Shares;
- (b) subject to paragraph 2.2.4(c), the Trustees may, if the Eligible Employee so directs, dispose of all of the Eligible Employee's Excess Partnership Shares held by them and account (or hold themselves ready to account) for the proceeds of sale to the Eligible Employee (or any other person the Eligible Employee so directs) or transfer to the Eligible Employee (or any other person whom the Eligible Employee so directs) all the Eligible Employee's Excess Partnership Shares;
- (c) the Trustees may dispose of some of the Excess Partnership Shares or accept a sum from the Eligible Employee in order to enable them to pay to the Employer Company an amount sufficient to enable the Employer Company to satisfy any income tax and national insurance contributions obligations.

Para 49(3) 2.2.5 Any money deducted from an Eligible Employee's Salary to acquire Partnership Shares shall, subject to paragraphs 2.2.3 and 3, be paid to the Trustees as soon as practicable and held by the Trustees on behalf of that Eligible Employee until it is applied by the Trustees in acquiring Partnership Shares on the Eligible Employee's behalf.

Para 49(4) 2.2.6 The Trustees shall keep any money which they are required to hold pursuant to Paragraph 2.2.5 in an account (which may or may not be interest bearing) with:

- (a) a person falling within Section 991(2)(b) of the ITA;
- (b) a building society; or
- (c) a firm falling within Section 991(2)(c) of the ITA.

2.2.7 If monies deducted from Salary and held on an Eligible Employee's behalf are held in an interest bearing account the Trustees must account to the Eligible Employee for that interest.

3. Acquisition of Partnership Shares

2.3.1 An individual shall not be eligible to have Partnership Shares acquired on his behalf unless:

- (a) if there is no Accumulation Period, he is an Eligible Employee at the time the monies for that acquisition are deducted from his Salary; or
- (b) if there is an Accumulation Period, he is an Eligible Employee at the time the monies for that acquisition are first deducted from his Salary.

Where no Accumulation Period Applies

2.3.2 If no Accumulation Period applies to any particular acquisition of Partnership Shares, the provisions of paragraphs 2.3.3, 2.3.4 and 2.3.5 shall apply.

2.3.3 Amounts deducted from Salary shall be applied in the acquisition of Partnership Shares on a date set by the Trustees in relation to the relevant award of Partnership Shares, which shall be within thirty days after the last date on which the amounts to be applied in acquiring the Partnership Shares are deducted from the Participant's Salary.

2.3.4 Subject to any scaling down pursuant to paragraph 2.3.12 below, the number of Partnership Shares acquired on behalf of a Participant shall be determined by reference to the Market Value of the Shares on the date referred to in paragraph 2.3.3 above.

2.3.5 If any monies deducted from a Participant's Salary cannot be applied in the acquisition of Partnership Shares, the surplus may, if the Partnership Share Agreement so provides, be carried forward and added to the amount of the next deduction from Salary and applied in the next acquisition of Partnership Shares, and otherwise shall be paid to the Participant as soon as practicable.

Where an Accumulation Period applies

2.3.6 If an Accumulation Period applies to any particular acquisition of Partnership Shares the provisions of paragraphs 2.3.7 to 2.3.9 shall apply.

2.3.7 Amounts deducted from Salary shall be applied in the acquisition of Partnership Shares on a date set by the Trustees in relation to that acquisition of Partnership Shares, which shall be within thirty days after the end of the Accumulation Period relating to that acquisition of Partnership Shares.

2.3.8 Subject to any scaling down pursuant to paragraph 2.3.12 below, the number of Partnership Shares acquired on behalf of a Participant shall be determined in accordance, as the Board may decide, with paragraph 52(3), paragraph 52(3A) or paragraph 52(3B) of Schedule 2 to the Act by reference to:

- (a) the Market Value of the Shares at the beginning of the Accumulation Period;
- (b) the Market Value of the Shares on the date referred to in paragraph 2.3.7 above, or
- (c) the lower of (a) and (b).

The Partnership Share Agreement shall specify which method of determination will apply and any determination under this paragraph 2.3.8 shall be in accordance with the terms of the relevant Partnership Share Agreement. Where a Partnership Share Agreement does not specify the valuation method, the number of Partnership Shares acquired on behalf of a Participant shall be determined by reference to paragraph 2.3.8(c) above.

Para 52(6) 2.3.9 If any monies deducted from a Participant's Salary during an Accumulation Period cannot be applied in the acquisition of Partnership Shares the surplus may, if the Partnership Share Agreement so provides, be carried forward and used in the next acquisition of Partnership Shares on behalf of that Participant, and otherwise shall be paid to the Participant as soon as practicable.

Para 52(7) 2.3.10 If a Participant ceases to be in Relevant Employment during an Accumulation Period, any monies deducted from his salary during that period, shall be paid to the Participant as soon as practicable after he so ceases.

Para 52(8) 2.3.11 If the Partnership Share Agreement provides that an Accumulation Period comes to an end on the occurrence of a specified event, any monies deducted from a Participant's Salary during that period shall be paid to the Participant as soon as practicable.

Scaling Down

Para 53(5) 2.3.12 If applications to acquire Partnership Shares would, if they were satisfied in full, result in any maximum specified pursuant to Rule 2.1.6 being exceeded, the number of Partnership Shares applied for by each Eligible Employee shall be reduced proportionately to the extent necessary to eliminate the excess and each application shall be treated as varied accordingly.

4. Stopping and Restarting Deductions

Para 54 2.4.1 A Participant may at any time by notice to the Company request that no further deductions be made from his Salary pursuant to a Partnership Share Agreement. The Company shall stop deductions within 30 days of the receipt of any such notice or on such later date as the Participant may specify in the notice.

2.4.2 A Participant may at any time give notice to the Company that he wishes to restart deductions from his Salary. The Company must restart deductions under the Partnership Share Agreement not later than the date of the first deduction under the Partnership Share Agreement which is due more than 30 days after receipt of the Participant's notice to restart making deductions. If a Participant

stops making deductions from Salary and then re-starts, he may not make up any missed deductions from Salary.

- 2.4.3 Where an Accumulation Period applies, a Participant may not give more than one notice to restart deductions in any one Accumulation Period.

5. Withdrawal from Plan

- 2.5.1 A Participant may at any time by notice to the Company withdraw from a Partnership Share Agreement in which case no further Partnership Shares shall be acquired on his behalf pursuant to that Partnership Share Agreement, no further deduction shall be made from his Salary and any monies held on his behalf to acquire Partnership Shares shall be paid to him as soon as practicable. Unless a later date is specified in the notice, the notice shall be treated as taking effect 30 days after it is received by the Company.

6. Access to Partnership Shares

- 2.6.1 A Participant may at any time after Partnership Shares have been acquired on his behalf:
- (a) direct the Trustees to transfer all or any of the Partnership Shares to himself or another person; or
 - (b) assign, charge or otherwise dispose of his beneficial interest in all or any of the Partnership Shares; or
 - (c) direct the Trustees to dispose of all or any of the Partnership Shares and account to himself or another person for the proceeds of sale.

7. General

- 2.7.1 If the Plan is not or ceases to be a Schedule 2 SIP by virtue of paragraph 81H or paragraph 81I of Schedule 2 to the Act, any monies held on a Participant's behalf to acquire Partnership Shares shall be paid to the Participant as soon as practicable after:
- (a) in the case of paragraph 81H of Schedule 2 to the Act, the last day of the period in which notice of an appeal under paragraph 81K(2)(a) of Schedule 2 to the Act may be given, or if notice of such an appeal is given, the day on which the appeal is determined or withdrawn; or
 - (b) in the case of paragraph 81I of Schedule 2 to the Act, the last day in the period in which notice of appeal under paragraph 81K(3) of Schedule 2 to the Act may be given, or if notice of such an appeal is give, the day on which the appeal is determined.
- 2.7.2 If a plan termination notice is issued in respect of the Plan pursuant to paragraph 89 of Schedule 2 to the Act, any monies held on a Participant's behalf to acquire Partnership Shares shall be paid to the Participant as soon as practicable after the plan termination notice is issued to the Trustees.

2.7.3 Stamp duty chargeable on any instruments of transfer entered into pursuant to any acquisition of Partnership Shares and any other related costs of such acquisition shall be borne by the Company.

Appendix 3

Matching Shares

1. Appropriations of Matching Shares

3.1.1 Whenever the Board resolves that Matching Shares may be offered for appropriation to Eligible Employees in accordance with Rule 1.3 of Schedule 1, the provisions of this Appendix 3 shall apply.

Para 60

3.1.2 The ratio of Matching Shares to Partnership Shares which shall be offered in respect of any acquisition of Partnership Shares shall be determined by the Board, offered to all Eligible Employees on the same terms and shall be specified in the Partnership Share Agreement governing the acquisition of the relevant Partnership Shares. The ratio shall not be greater than two Matching Shares for every one Partnership Share acquired or such other ratio as may be permitted from time to time by paragraph 60 of Schedule 2 to the Act.

Paras 60(1)(b) and 60(3)

3.1.3 The Company may determine that the ratio of Matching Shares to Partnership Shares may be altered by the Company in certain circumstances prior to the acquisition of the related Partnership Shares and if it does so, the Partnership Share Agreement shall specify the circumstances and the manner in which the ratio may be changed.

Paras 36 and 61

3.1.4 The Company, shall, in respect of each appropriation of Matching Shares specify a Holding Period applicable to those Matching Shares which shall be stated in the Partnership Share Agreement relating to the Partnership Shares to which the Matching Shares relate and which, once specified, may not be increased in respect of that appropriation.

3.1.5 The Company may in respect of each appropriation of Matching Shares specify a Forfeiture Period applicable to those Matching Shares which must be the same for all Matching Shares appropriated to Eligible Employees on that occasion.

Paras 37 and 61

3.1.6 The Partnership Share Agreement relating to the Partnership Shares to which the Matching Shares relate shall bind the relevant Eligible Employee in contract with the Company in consideration of the appropriation to him of the Matching Shares:

- (a) to permit all Matching Shares appropriated to him to remain in the hands of the Trustees throughout the applicable Holding Period or, if earlier, until he ceases to be in Relevant Employment; and
- (b) not to assign, charge or otherwise dispose of his beneficial interest in any Matching Shares during the applicable Holding Period or, if earlier, until he ceases to be in Relevant Employment; and
- (c) if he directs the Trustees to transfer the legal title of any Matching Shares to him or any other person at any time before the end of the applicable Holding Period and any applicable Forfeiture Period has ceased, to agree to the Trustees disposing of any of a Participant's

Shares in order to enable the Trustees to pay to the Employer Company an amount sufficient to enable the Employer Company to satisfy any obligation in accordance with Sections 509 to 514 of the Act unless he pays to the Trustees a sum equal to the amount of such obligation

PROVIDED THAT no Participant by virtue of the signature or execution of a contract of participation shall be precluded from directing the Trustees to dispose of his Matching Shares in the event of a Reconstruction or a Takeover affecting his Matching Shares.

- Paras 14(5) and (6)
- 3.1.7 An individual shall not be eligible to have an appropriation of Matching Shares unless:
- (a) if there is no Accumulation Period, he is an Eligible Employee at the time the monies for the acquisition of the Partnership Shares to which the Matching Shares relate are deducted from his Salary; or
 - (b) if there is an Accumulation Period, he is an Eligible Employee at the time the first deduction for the acquisition of the Partnership Shares to which the Matching Shares relate is made from his Salary.

- Para 59(1)(b)
- 3.1.8 Matching Shares shall be appropriated to a Participant on the same date as the Partnership Shares to which they relate are acquired on behalf of the Participant, unless the Partnership Shares on that day are not sufficient to produce a Matching Share, in which case the Matching Shares shall be appropriated when sufficient Partnership Shares have been acquired to allow at least one Matching Share to be appropriated.

- Para 59(1)(c)
- 3.1.9 Matching Shares appropriated on a day shall be appropriated to all Participants on whose behalf Partnership Shares have been acquired on that day on exactly the same basis.

- Para 60(2)
- 3.1.10 The number of Matching Shares to be appropriated to a Participant on any day shall be proportional to the number of Partnership Shares acquired on his behalf on that day and shall not exceed a ratio of two Matching Shares for every one Partnership Share.

2. Forfeiture of Matching Shares

- Paras 32(1), 96, 97 and 99
- 3.2.1 The Board may decide that Matching Shares will be appropriated to a Participant on terms that the Participant shall cease to be beneficially entitled to such Matching Shares if within the Forfeiture Period applicable to those Matching Shares he:
- (a) (i) directs the Trustees to transfer the Partnership Shares to which the Matching Shares relate to himself or another person; or
 - (ii) assigns, charges or otherwise disposes of his beneficial interest in the Partnership Shares to which the Matching Shares relate; or

- (iii) directs the Trustees to dispose of the Partnership Shares to which the Matching Shares relate and to account to himself or another person for the proceeds of sale; or
- (b) (i) directs the Trustees to transfer the Matching Shares to himself or another person; or
- (ii) assigns, charges or otherwise disposes of his beneficial interest in the Matching Shares; or
- (iii) directs the Trustees to sell the Matching Shares and to account to himself or another person for the proceeds of sale; or
- (c) ceases to be in Relevant Employment for any reason other than one mentioned in paragraphs 1.5.2(i) to (vi) of Appendix 1.

Paras 32(3) and (4)

3.2.2 Any terms for forfeiture of Matching Shares may not be linked to the performance of any person or persons, and shall apply in relation to all Matching Shares appropriated to Eligible Employees on the same occasion.

Para 95

3. Ceasing to be in Relevant Employment

3.3.1 For the purposes of this Appendix 3, a Participant shall not be treated as ceasing to be in Relevant Employment if he remains in the employment of the Company or any Associated Company.

Appendix 4

Non-UK Resident Taxpayers

1. Application of the Appendix

4.1.1 This Appendix shall apply to all Eligible Employees who are not “UK resident taxpayers” within the meaning of paragraph 8(2) of Schedule 2 to the Act (*Overseas Taxpayers*). The rules of the Plan and the terms of Plan Shares held by Overseas Taxpayers shall at all times be construed and interpreted in a manner consistent with this Appendix. The rules of the Plan shall apply to Overseas Taxpayers as modified by this Appendix.

4.1.2 The following expressions shall have the following meanings respectively:

Award means a Free Award or a Matching Award;

Foreign Currency Equivalent of a sterling amount means its foreign currency equivalent determined by a duly authorised committee of the Board using the average of the closing exchange rate quoted in the Financial Times during the month or year (as determined by such committee) preceding the date of deduction;

Free Award means an award granted in the form of a conditional right to acquire Shares without reference to Partnership Shares;

Matching Award means an award granted in the form of a conditional right to acquire Shares in proportion to Partnership Shares, which ratio shall be determined (on a pre-tax basis) by the Board in accordance with paragraphs 3.1.2 and 3.1.3 of this Appendix 3;

Salary means the earnings of a Participant’s employment by reference to which he or she is eligible to participate in the Plan after deducting any Tax Liability; and

Tax Liability means any amount of tax or social security contributions in respect of Salary for which a Participant would or may be liable and for which any members of the Group or former members of the Group would or may be obliged to (or would or may suffer a disadvantage if it were not to) account to any relevant authority.

2. Free Awards

4.2.1 The Board may in its discretion determine whether a Free Award will be granted to a Participant.

4.2.2 The maximum Market Value of Shares over which a Free Award may be granted to any individual in any Year of Assessment shall not exceed the Foreign Currency Equivalent of £3,600 (or such other amount as may from time to time be permitted by Schedule 2 to the Act).

3. Partnership Shares

4.3.1 The maximum deduction that may be made in respect of Partnership Shares that may be acquired by an Overseas Taxpayer shall not be greater than the Foreign Currency Equivalent of £1,800 (or such other maximum amount as may be prescribed from time to time by Schedule 2 to the Act) in any Year of Assessment, provided that the maximum amount shall not exceed 10% of the Participant's Salary payable in respect of the Year of Assessment in which the deduction is made.

4. Matching Awards

4.4.1 Whenever the Board determines that Partnership Shares may be acquired on behalf of Overseas Taxpayers, it may in its absolute discretion determine whether it shall grant Matching Awards at the time Partnership Shares are acquired.

5. Vesting of Awards

4.5.1 Subject to 4.5.2, an Award will vest on the later of:

- (a) the third anniversary of the date of grant (or such other date as the Board decides on or prior to the date of grant); and
- (b) the date on which the Board determines whether or not any condition imposed on the vesting of the Award has been satisfied,

except where earlier vesting occurs in accordance with paragraphs 4.7.1 and 4.7.2.

4.5.2 An Award will not vest unless the following conditions are satisfied:

- (a) the vesting of the Award, and the issue or transfer of Shares following such vesting must be lawful in all relevant jurisdictions and in compliance with the applicable listing rules, any relevant share dealing code of the Company any other relevant UK or overseas regulation or enactment;
- (b) if, on the vesting of the Award, a Tax Liability would arise by virtue of such vesting and the Board decides that such Tax Liability shall not be satisfied by the sale of Shares pursuant to paragraph 4.5.3, then the Participant must have entered into arrangements acceptable to the Board that the relevant member of the group will receive the amount of such Tax Liability;
- (c) the Participant has entered into such arrangements as the Board requires (and where permitted in the relevant jurisdiction) to satisfy a Group member's liability to social security contributions in respect of the vesting of the Award; and
- (d) where the Board requires, the Participant has entered into, or agreed to enter into, a valid election under the relevant overseas jurisdiction's equivalent of Part 7 of ITEPA (Employment income: elections to disapply tax charge on restricted securities).

For the purpose of this paragraph, references to member of the Group include a former member of the Group.

4.5.3 If a Participant will, or is likely to, incur any Tax Liability before the vesting of an Award then that Participant must enter into arrangements acceptable to any relevant member of the Group to secure that it receives such Tax Liability. If no such arrangement is made then the Participant will be deemed to have authorised the Company to sell or procure the sale of sufficient of the Shares subject to his Award on his behalf to ensure that the relevant member of the Group receives the amount required to discharge such Tax Liability and the number of Shares subject to his Award shall be reduced accordingly. For the purpose of this paragraph, references to member of the Group include a former member of the Group.

4.5.4 The Participant authorises the Company to procure the sale of sufficient vested Shares on or following the vesting of his Award on his behalf to ensure that any relevant member of the Group receives the amount required to discharge the Tax Liability which arises on vesting except to the extent he agrees to fund all or part of the Tax Liability in a different manner.

4.5.5 On or as soon as reasonably practicable after the vesting of an Award, the Board shall, subject to paragraphs 4.5.2 and 4.5.4, procure the transfer of the vested Shares to the Participant (or a nominee for him or her). Any member of the Group may provide money to the Trustees or any other person to enable them or him to acquire Shares to be held for the purposes of the Awards.

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

4.5.7 On the vesting of an Award, a Participant (or his or her nominee) shall be entitled to cash and/or Shares (as determined by the Board), of a value determined by reference to the dividends that would have been paid on his vested Shares in respect of dividend record dates occurring during the period between the date of grant and the date of vesting. The Board shall decide the basis on which the value of such dividend shall be calculated which may assume the reinvestment of dividends. The Board, acting fairly and reasonably, may decide to exclude the value of all or part of a special dividend or any other dividend from the amount of the dividend equivalent. The provision of the dividend equivalent, after accounting for any Tax Liability, shall be made as soon as practicable after the transfer of vested Shares.

4.5.8 Where an Award vests and vested Shares have not yet been transferred to the Participant (or his nominee), the Board may determine that, in substitution for his right to acquire such number of vested Shares as the Board may decide (but in full and final satisfaction of his right to those Shares), he shall be paid by way of additional employment income a sum equal to the cash equivalent of that number of Shares calculated by reference to the Market Value of a Share on the day when the Award vests.

4.5.9 As soon as reasonably practicable after the Board has determined under paragraph 4.5.8 that a person shall be paid a sum in substitution for his right to

acquire any number of vested Shares, the Company shall pay to him or procure the payment to him of that sum in cash, and there shall be deducted from any such payment the amount of his Tax Liability.

6. Lapse of Awards

4.6.1 An Award shall lapse:

- (a) in accordance with the rules of the Plan; or
- (b) to the extent it does not vest under the rules of the Plan.

4.6.2 A Matching Award shall lapse on the date on which the Participant transfers, charges or otherwise disposes of the beneficial interest in the Partnership Shares to which the Matching Award relates but only pro-rata to the number of Partnership Shares which are so transferred, charged or otherwise disposed of

4.6.3 An Award shall lapse upon the Participant ceasing to be in Relevant Employment for any reason other than one mentioned in paragraph 1.5.2(i), (ii), (iii), (iv), (v) or (vi), provided that the Participant shall not be treated as ceasing to be in Relevant Employment if he remains in the employment of the Company or any Associated Company.

7. Corporate Events

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

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

the Board shall within 7 days of becoming aware of that event notify every Participant of it and, subject to paragraphs 4.5.2 to 4.5.4 and paragraph 4.7.3, all Awards shall vest on the date of such notification if they have not then vested.

4.7.2 In the event that:

- (a) any person obtains Control of the Company as a result of a compromise or arrangement sanctioned by the Court under section 86 of the Cayman Islands Companies Law or a similar law applicable to the Company; or
- (b) the Company passes a resolution for a voluntary winding up; or
- (c) an order is made for the compulsory winding up of the Company

all Awards shall, subject to paragraphs 4.5.2 to 4.5.4 and paragraph 4.7.3, vest on the date of such event if they have not then vested.

4.7.3 In the event that:

- (a) a company (the *Acquiring Company*) is expected to obtain Control of the Company as a result of an offer referred to in paragraph 7 or a compromise or arrangement referred to in paragraph 4.7.2; and
- (b) the identity of the shareholders of the Acquiring Company following the obtaining of Control of the Company are expected to be substantially the same as the shareholders of the Company prior to the obtaining of Control of the Company and they are expected to hold shares in the Acquiring Company in substantially the same proportion as they hold Shares in the Company prior to such obtaining of Control,

then the Board, with the consent of the Acquiring Company, may decide before the obtaining of such Control that an Award shall not vest under paragraph 7 or paragraph 4.7.2 but shall be automatically surrendered in consideration for the grant of a new award which the Board determines is equivalent to the Award it replaces except that it will be over shares in the Acquiring Company or some other company.

The rules will apply to any new award granted under this paragraph 4.7.3 as if references to Shares were references to shares over which the new award is granted and references to the Company were references to the company whose shares are subject to the new awards.

8. Adjustment of Awards

4.8.1 In the event of (i) any variation of the share capital of the Company; or (ii) a demerger, special dividend or other similar event which affects the market price of Shares to a material extent, the Board may make such adjustments as it considers appropriate to the number of Shares comprised in an Award.

9. Governing Law & Jurisdiction

4.9.1 The rules, including this Appendix, are governed by and construed in accordance with the law of England. All disputes arising out of or in connection with the rules shall be subject to the exclusive jurisdiction of the courts of England and Wales.

Schedule 2
Letter of Invitation

To: [Participant]

Date:

The Directors of the Company invite you to participate in the Phoenix Group Holdings plc Share Incentive Plan (the *Plan*) with effect from [_____].

A copy of the explanatory booklet describing the Plan is enclosed and you are advised to read this carefully. A copy of the rules of the Plan may be obtained from [_____].

[Describe Accumulation Period, if any, for the Partnership Shares and the related Matching Shares ratio, and any awards of Free Shares.]

[Describe any Restrictions on Plan Shares, including any forfeiture period that applies to Free Shares or Matching Shares.]

[Set out any performance measures/targets which are relevant.]

In order to participate in the Plan, you are required (pursuant to the terms of Chapter 6 of Part 7 of and Schedule 2 to the Income Tax (Earnings and Pensions) Act 2003 in accordance with which this Plan is a Schedule 2 SIP), to enter into an agreement with the Company in the terms of the enclosed Partnership Share Agreement [and Agreement for Free Shares] which should be returned to [_____] to arrive not later than [_____].

.....

For and on behalf of

[]

Schedule 3
Agreement for Free Shares

The Phoenix Group Holdings plc Share Incentive Plan
Contract under Paragraph 36 of Schedule 2 to the Act

To: The Directors
[*the Company*]
[*address*]

Copy: The Trustees of the Plan

From: (Name)

(Residential Address)

.....

THIS AGREEMENT SHOULD BE SIGNED AND DATED AND RETURNED TO
[_____] AT [_____] SO AS TO BE RECEIVED BY [*deadline*].

This Agreement applies to the invitation issued on [_____] to be awarded [_____] worth of Free Shares and is subject to the terms of the Phoenix Group Holdings plc Share Incentive Plan (the *Plan*).

The definitions used in the Plan Rules apply in this Agreement for Free Shares save where the context otherwise requires.

1. I have received the Company's letter dated [] and the Explanatory Booklet explaining the Plan.
2. I accept the invitation to participate in the Plan and agree to be bound by the Rules of the Plan (including any amendments or additions which may subsequently be made thereto) and to accept the Free Shares on and subject to the terms of the Memorandum and Articles of Association of the Company.
3. [So long as I am eligible to participate in the Plan, and unless I shall have notified you to the contrary, I request and authorise you on each occasion that Free Shares are to be appropriated to me under the Plan, to appropriate my full entitlement].
4. [I request you to appropriate on the forthcoming Appropriation Day my full entitlement of Free Shares.]
5. In consideration of the right to participate and receive my Free Shares, I agree:
 - (a) throughout the Holding Period of [*state length*], and except as may be permitted in the event of a Reconstruction or Takeover or on my ceasing to be in Relevant Employment, to allow my Free Shares to remain in the hands of the Trustees without any assignment, charge or other disposal of my beneficial interest in such Free Shares;

- (b) if I direct the Trustees to dispose of any of my Free Shares or to transfer the legal title to such Free Shares to me or any other person at any time before the end of the period of five years beginning with the date on which the Free Shares are appropriated to me, that the Trustees may dispose of any Plan Shares held by them on my behalf under the terms of the Plan in order to enable the Trustees to pay to my Employer Company an amount sufficient to enable my Employer Company to satisfy any obligations to deduct PAYE in accordance with Sections 509 to 514 of the Act in respect of my Free Shares unless I pay to the Trustees a sum equal to the amount of such obligation.
- 6. [I agree that all dividends paid on my Free Shares [up to £[*insert value*] in each tax year] will be invested by the Trustees in acquiring more shares (***Dividend Shares***) in accordance with the Rules of the Plan.]
- 7. [I agree that all dividends paid on my Free Shares not invested by the Trustees in acquiring Dividend Shares will be paid to me by the Trustees.]
- 8. [I agree that any Dividend Shares shall remain in the hands of the Trustees without any assignment, charge or other disposal of my beneficial interest in such Dividend Shares throughout the three year Holding Period.]
- 9. I acknowledge that:
 - (a) my participation in the Plan does not affect my rights, entitlements and obligations under my contract of employment, and does not give me any rights or additional rights to compensation or damages if my employment ceases;
 - (b) I may ask the Trustees to transfer or sell my Free Shares [and Dividend Shares] at any time after the end of the Holding Period, but I may have to pay income tax and National Insurance Contributions when they are taken out of the Plan;
 - (c) if I take my Free Shares [or Dividend Shares] out of the Plan, I may pay the Trustees a sum to cover any income tax or National Insurance Contributions instead of them selling some or all of my Shares;
 - (d) if there is a rights issue, the Trustees may sell some of the rights attached to my Free Shares [and Dividend Shares] in the Plan, in order that they can exercise the rights attached to other Shares held on my behalf in the Plan;
 - (e) I can at any time withdraw from this Agreement, by advising the Company in writing or by electronic means specified by the Company;
 - (f) withdrawal from this agreement will not affect the terms on which I agreed to accept any Shares that have already been awarded to or bought for me under the terms of the Plan;
 - (g) my obligations during the Holding Period will end:

- (i) if I cease to be in Relevant Employment, [and I understand that this may lead to forfeiture of my Free Shares]; or
 - (ii) if the Company terminates the Plan and I have consented to the transfer to me of my Free Shares and Dividend Shares; and
- (h) [I will forfeit my Free Shares if I cease to be in Relevant Employment within [*insert time not exceeding 3 years*] from the date of the Award, unless the employment ceases for one of the following reasons:
- (i) injury or disability;
 - (ii) redundancy;
 - (iii) a relevant transfer within the meanings of the Transfer of Undertakings (Protection of Employment) Regulations 2006;
 - (iv) a change of Control or other circumstances ending the Associated Company status of the Company by which I am employed;
 - (v) retirement; or
 - (vi) death.]
- (i) Any cash dividends [over £[*insert value/wording from paragraph 6 above*] in each tax year] will be paid to me and any amount [below £[*insert value/wording from paragraph 6 above*]] not used to buy Dividend Shares shall be carried forward and added to the next cash dividend to be reinvested.

10. I undertake to notify the Trustees of any change in my residential address.

Signed

Date

Note: This form should be returned before [] to [].

Schedule 4
Partnership Share Agreement
The Phoenix Group Holdings plc Share Incentive Plan

Contract under Paragraph 44 of Schedule 2 to the Act

To: The Directors
[the Company]
[address]

Copy: The Trustees of the Plan

From: (Name)

(Residential Address)

.....

THIS AGREEMENT SHOULD BE SIGNED AND DATED AND RETURNED TO
[] AT [] SO AS TO BE RECEIVED BY [deadline].

This Agreement applies to the invitation to apply to acquire an award of Partnership Shares [and Matching Shares] issued on [].

The definitions used in the Plan Rules apply in this Agreement for Partnership Shares [and Matching Shares] save where the context otherwise requires.

1. I have received the Company's letter dated [] and the Explanatory Booklet explaining the Phoenix Group Holdings plc Share Incentive Plan (the **Plan**).
2. I accept the offer to acquire Partnership Shares and agree to be bound by the Rules (including any amendments or additions which may subsequently be made thereto).
3. I agree that £[] (insert amount between [£10] and [£150] and not more than 10% of pay) shall be deducted from my Salary [every month] but the total amounts deducted will not exceed £1,800 in any Year of Assessment to be applied by the Trustees in acquiring Partnership Shares on my behalf.
4. [If there is an Accumulation Period

I agree that the deductions from my Salary will be accumulated by the Trustees between [beginning of accumulation period] and [end of accumulation period] and that the Trustees will use my deductions from salary to acquire Partnership Shares in Phoenix Group Holdings plc on my behalf on the day which is [not more than 30] days after the end of the Accumulation Period.] I agree that any deductions from my Salary which cannot be used to buy Partnership Shares will be [repaid to me after the deduction of any necessary income tax or National Insurance Contributions]/[carried forward and added to the next Accumulation Period but if no such Accumulation Period then follows they will be repaid to me after the deduction of any necessary

income tax or National Insurance Contributions]. I agree that the number of Partnership Shares acquired on my behalf shall be determined by dividing the total of my deductions from salary by [the Market Value of the Shares at the beginning of the Accumulation Period][the Market Value of the Shares on the date the relevant Partnership Shares are acquired by the Trustees on my behalf][the lower of the Market Value of the Shares at the beginning of the Accumulation Period and the Market Value of the Shares on the date the relevant Partnership Shares are acquired by the Trustees on my behalf]].

[If no Accumulation Period

I agree that the deductions from my Salary will be applied by the Trustees in acquiring Partnership Shares in Phoenix Group Holdings plc on my behalf on the day which is [*not more than 30*] days after the deduction is made. I agree that any deductions from my Salary which cannot be used to buy Partnership Shares will be [repaid to me after the deduction of any necessary income tax and National Insurance Contributions]/[carried forward and added to the next Salary deduction but if no such Salary deduction then follows they will be repaid to me after the deduction of any necessary income tax and National Insurance Contributions].

5. [I agree to accept [] Matching Shares awarded to me under the Plan for every [] acquired on my behalf.]
6. [In consideration of the right to receive Matching Shares I agree:
 - (a) throughout the Holding Period of [*state length*], and except as may be permitted in the event of a Reconstruction or Takeover or on my ceasing to be in Relevant Employment, to allow my Matching Shares to remain in the hands of the Trustees without any assignment, charge or other disposal of my beneficial interest in such Matching Shares; and
 - (b) if I direct the Trustees to dispose of any of my Matching Shares or to transfer the legal title to such Matching Shares to me or any other person at any time before the end of the period of five years beginning with the date on which the Matching Shares are awarded to me, that the Trustees may dispose of any Shares held by them on my behalf under the Plan in order to enable the Trustees to discharge any obligations they may have to deduct PAYE and National Insurance Contributions in respect of my Matching Shares unless I pay to the Trustees a sum equal to the amount of such obligation.]
7. [I agree that all dividends paid on my Partnership Shares [and Matching Shares] [up to £[*insert value*] in each tax year] will be invested by the Trustees in acquiring more Shares (*Dividend Shares*) in accordance with the Rules of the Plan.]
8. [I agree that all dividends paid on my Partnership Shares [and Matching Shares] not invested by the Trustees in acquiring Dividend Shares will be paid to me by the Trustees.]

9. [To the extent that I choose to have the dividends paid on my Partnership Shares [and Matching Shares] invested in Dividend Shares, I agree that any Dividend Shares shall remain in the hands of the Trustees without any assignment, charge or other disposal of my beneficial interest in such Dividend Shares throughout the three year Holding Period.]
10. The Company agrees to arrange for Partnership Shares to be bought and awarded to me in accordance with the Rules of the Plan.
11. [The Company agrees to award to me [] Matching Shares for every [] Partnership Shares acquired pursuant to this Agreement in accordance with the Rules of the Plan and undertakes to notify me if such ratio changes before the Partnership Shares are bought [and to notify me of any restriction on the number of Partnership Shares that may be awarded.]]
12. I acknowledge that:
 - (a) taking part in the Plan does not affect my rights, entitlements and obligations under my contract of employment, and does not give me any rights or additional rights to compensation or damages if my employment ceases;
 - (b) [a maximum of [] Partnership Shares may be acquired by Eligible Employees and if applications for Partnership Shares exceed this limit, my deductions from Salary and the number of Partnership Shares I may acquire may be scaled down in accordance with the Rules of the Plan to the extent necessary to eliminate any excess;]
 - (c) I may stop and restart deductions from my Salary at any time by written notice to the Company [but I may restart deductions only once in an Accumulation Period] and I may not make up any missed deductions;
 - (d) I may ask the Trustees to transfer or sell my Partnership Shares at any time [and my Matching Shares at any time after the end of the Holding Period], but I may have to pay income tax and National Insurance Contributions when they are taken out of the Plan;
 - (e) if I take my Partnership Shares [or my Matching Shares] out of the Plan I may pay the Trustees a sum to cover any income tax and National Insurance contributions instead of them selling some or all of my Shares;
 - (f) if there is a rights issue, the Trustees may sell some of the rights attached to my Partnership Shares[, Matching Shares] [and Dividend Shares] in the Plan, in order to fund the exercise of the rights attached to other Shares held on my behalf in the Plan;
 - (g) I can at any time withdraw from this agreement by advising the Company in writing. Any unused deductions from my Salary will be returned to me after the deduction of any necessary income tax or National Insurance Contributions;

- (h) withdrawal from this Agreement will not affect the terms on which I agreed to buy Shares [or agreed to accept shares] already held for me under the Plan;

Accumulation Period

- (i) the Accumulation Period shall come to an end when [*specify nature of event(s)*], but this agreement shall continue until terminated by any party giving notice to the others;

Matching Shares

- (j) the ratio of Matching Shares to Partnership Shares is [*insert ratio – not more than 2:1*] and may be varied by the Company. The circumstances and manner in which the ratio may be varied are [*specify details*];
- (k) if the ratio varies, the Company will notify me before the Partnership Shares are acquired for me;
- (l) [I will lose my Matching Shares if:
 - (i) I cease to be in Relevant Employment; or
 - (ii) I withdraw the Partnership Shares in respect of which the Matching Shares were awarded

(*either or both of these options may be specified*) within [*insert time not exceeding 3 years*] from the date of the Award, unless the employment ceases for one of the following reasons:

- (A) injury or disability;
- (B) redundancy;
- (C) a relevant transfer within the meaning of the Transfer of Undertakings (Protection of Employment) Regulations 2006;
- (D) a change of Control or other circumstances ending the Associated Company status of the Company by which I am employed;
- (E) retirement; or
- (F) death.]

Partnership Share money held by Trustees

- (m) the Trustees are under no obligation to keep the deductions from my salary in any interest-bearing account, but if they do, they will pay the interest to me;

Dividend Reinvestment

- (n) any cash dividend [over £*[insert value/wording from paragraph 7 above]*] in each tax year will be paid to me and any amount below £*[insert value/wording from paragraph 7 above]*] not used to buy Dividend Shares shall be carried forward and added to the next cash dividend to be reinvested.

Holding Period: [Dividend and] Matching Shares

- (o) that my obligations during the Holding Period will end:
 - (i) if I cease to be in Relevant Employment, and this may lead to forfeiture of my Matching Shares; or
 - (ii) if the Company terminates the Plan and I have consented to the transfer to me of my Matching Shares [and Dividend Shares].

Notice To Participant About Possible Effect On Benefits

- 13. Deductions from your pay to buy Partnership Shares under this Agreement may affect your entitlement to, or the level of, some contributory social security benefits, statutory maternity/paternity pay and statutory sick pay.

They may also have a similar effect in respect of some contributory social security benefits paid to your spouse or civil partner.

With this agreement you should have been given information on the effect of deductions from your pay to buy Partnership Shares on entitlement to social security benefits, statutory sick pay and statutory maternity pay. The effect is particularly significant if your earnings are brought below the lower earnings limit for National Insurance purposes, and is explained in the information: it is therefore important that you read it. If you have not been given a copy, ask your employer for it. Otherwise a copy of leaflet IR177 may be obtained from any office of HMRC (or its website), the Department for Works and Pensions, or, in Northern Ireland, the Department for Social Development. You should take the information you have been given into account in deciding whether to buy Partnership Shares.

Signed

Date

**Schedule 5
Deed of Adherence**

THIS DEED is made this day of [_____] 20[]

BETWEEN

PHOENIX GROUP HOLDINGS PLC whose registered office is at [address] (*the Company*); and

COMPUTERSHARE TRUSTEES LIMITED whose registered office is at **The Pavilions, Bridgwater Road, Bristol BS13 8AE** (*the Trustees*); and

[NEW SUBSIDIARY] whose registered office is at [_____] ,

and is supplemental to a Trust Deed (*the Trust Deed*) of the [_____] Share Incentive Plan (*the Plan*) executed by the Company and the Trustees on [_____].

WHEREAS:

[New Subsidiary] wishes to become a Participating Company and to invite its Eligible Employees to participate in the Plan.

NOW THIS DEED WITNESSETH as follows:

1. Terms and expressions used in this Deed of Adherence shall bear unless the context otherwise requires the same meaning as in the Trust Deed.
2. [New Subsidiary] agrees to become a Participating Company and to be bound by the terms of the Trust Deed and Rules of the Plan.
3. This Deed of Adherence may be executed in any number of counterparts and by the parties to it in separate counterparts, each of which shall be an original, but all of which together shall constitute one and the same document. Delivery of a counterpart of the deed by e-mail attachment or telecopy shall be an effective mode of delivery.

IN WITNESS whereof these presents have been entered into the day and year first above written.

EXECUTED and DELIVERED as a)
DEED by)
PHOENIX GROUP HOLDINGS PLC)
acting by a duly authorised signatory:)

Director

Director/Secretary

EXECUTED and DELIVERED as a)
DEED by)
[NEW SUBSIDIARY])
acting by two directors/)
a director and the secretary:)

Director

Director/Secretary

EXECUTED and DELIVERED as a)
DEED by)
COMPUTERSHARE TRUSTEES LIMITED)
acting by two directors/)
a director and the secretary:)

Director

Director/Secretary

Schedule 6
Statement of Plan Shares¹

[Name of Participant]

This statement gives information as at (date) of the fully paid registered shares in the capital of Phoenix Group Holdings plc held on your behalf under the Phoenix Group Holdings plc Share Incentive Plan.

FREE SHARES

Award Date	Number of Shares	Description of Shares	Market Value	Holding Period	Restrictions

PARTNERSHIP SHARES

Award Date	Deduction from Salary	Number of Shares	Market Value at Purchase	Restrictions
		£	£	

¹ This can be replaced with the Trustees' preferred template.

MATCHING SHARES

Award Date	Number of Shares	Appropriation Value	Holding Period Ends	Restrictions
		£		

DIVIDEND SHARES

Purchase Date	Number of Shares	Market Value on Purchase £	Holding Period	Cash Carried Forward £

[This statement should also detail events giving rise to income tax and National Insurance Contributions and any sales of shares to satisfy PAYE or National Insurance Contribution obligations.]