

RULES OF THE XLMEDIA 2020 GLOBAL SHARE INCENTIVE PLAN

Adopted by resolution of the board of directors on 7 May 2020

Approved by shareholders on [●]

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THE XLMEDIA 2020 GLOBAL SHARE INCENTIVE PLAN

1. INTERPRETATION

1.1 In this Plan (unless the context otherwise requires) the following words and phrases have the meanings given below:

“**AIM**” means the market known as “**AIM**” operated by the London Stock Exchange plc or any successor body thereto;

“**Award**” means an Option (including a Deferred Share Award), an RSU Award (including a Deferred Share Award), a PSU Award, other share-based awards, a Cash Award or any combination of these granted (or to be granted) by the Grantor to an Employee under the Plan;

“**Award Certificate**” means a certificate provided by the Company or an agreement executed by the Company and Participant granting an Award to the Participant which contains the details of the Award set out in Rule 2.8;

“**Board**” means the board of directors of the Company or a duly constituted committee thereof (including, without limitation, the Committee);

“**Cash Award**” means a right to receive a cash payment pursuant to the Plan;

“**Committee**” means the duly authorised remuneration committee of the Board from time to time;

“**Company**” means XLMedia PLC (a public limited liability company incorporated under the Companies (Jersey) Law 1991, as amended, and registered with number 114467);

“**Control**” means the power of a person to secure by means of the holding of shares, the possession of voting rights or as a result of any rights conferred by the articles of association or other document regulating that or any other company that the affairs of the company are conducted in accordance with that person’s wishes;

“**Date of Adoption**” means the date on which the Plan is approved by the Company’s shareholders;

“**Date of Grant**” means in relation to any Award, the date on which that Award is granted;

“**Dealing Code**” means the internal code of the Company that regulates share dealings by directors and certain other Employees of the Group;

“**Deferred Share Award**” means an Option or an RSU Award granted pursuant to the provisions of the Deferred Share Plan at Schedule 1 to these Rules;

“**Employee**” means any person who is a bona fide employee of any member of the Group, including any person who is an executive director of the Company;

“**Excessive Cash Payment**” has the meaning given to it in Rule 13.1.1;

“**Excessive Share Award**” has the meaning given to it in Rule 13.1.2;

“**Good Leaver**” means ceasing to be an Employee by reason of death, injury, ill-health or disability, redundancy, retirement, transfer of the Employee’s employment or employer company out of the Group (in each case evidenced to the satisfaction of the Committee) or in any other circumstances at the Committee’s discretion;

“**Grantor**” means in relation to an Award, the Company or such other person (including the trustee of any employee benefit trust) as has granted that Award;

“**Group**” means the Company and each and every company which is for the time being a Subsidiary;

“**Holding Period**” means a period commencing on the Vesting Date of an Award and ending on such date determined by the Committee in its absolute discretion and specified in the Award Certificate (for the avoidance of doubt, different Holding Periods may be specified for different proportions of the same Award);

“**MAR**” means the Market Abuse regulations (Regulation 596/2014) and any delegated regulations thereunder (including, for the avoidance of doubt, Commission Delegated Regulations (EU) 2016/522);

“**Market Value**” means in respect of a Share on any day:

- (a) if the Shares are for the time being admitted to trading on AIM, an amount equal to the closing price of a Share on the day immediately preceding that day (or the last day before that day when AIM was open for trading); and
- (b) if the Shares are not for the time being admitted to trading on AIM, the value of a Share on that date as determined by the Board;

“**Normal Vesting Date**” means the date on which any Award, or any part of an Award, is due to Vest as specified in the Award Certificate (or, in the absence of any such specified date, as determined in accordance with Rule 6.1);

“**Normal Vesting Period**” means in respect of an Award (or part of an Award), and unless otherwise specified in the Award Certificate, the period commencing on the Date of Grant and ending on the Normal Vesting Date;

“**Option**” means a right (for the time being subsisting) to acquire Shares in accordance with the Plan;

“**Option Price**” means the price per Share to be paid by the Participant on the exercise of an Option determined in accordance with Rule 2.5, subject to any adjustment made pursuant to Rule 11;

“**Other Share Plan**” means any share option or share incentive plan operated by the Company, save for the Plan, pursuant to which employees, directors, non-executive directors and/or consultants may acquire Shares or an interest in Shares;

“**Participant**” means a person who has been (or is to be) granted an Award or, if that person has died, his personal representatives;

“**Performance Period**” means in respect of an Award, the period over which a Performance Target is measured;

“**Performance Target**” means any performance based target or targets by reference to which the Vesting of an Award is expressed to be conditional;

“**Plan**” means the XLMedia 2020 Global Share Incentive Plan as set out in these Rules and as amended from time to time;

“**Plan Limit**” means the limit on the number of Shares that may be placed under Award pursuant to the Plan as set out in Rule 3.1;

“**PSU Award**” means a contingent right to acquire Shares pursuant to the Plan subject to the achievement of a Performance Target;

“Release” means:

- (a) in the context of an Option, the Option becoming capable of being exercised; and
- (b) in the context of all other Awards, the unconditional entitlement of a Participant to the Shares, or cash (as appropriate), subject to the Award or part thereof (whether automatically or pursuant to a notice of release),

and **“Released”** and **“Release Date”** shall be construed accordingly;

“Relevant Award” has the meaning given to it in Rule 13.1.3;

“RSU Award” means a contingent right to acquire Shares pursuant to the Plan that is not subject to a Performance Target;

“Rules” means the rules of the Plan as set out in this document (as amended from time to time);

“Shares” means ordinary shares of US\$0.000001 per share in the capital of the Company which are fully paid up and non-redeemable;

“Subscription Awards” means rights to subscribe for Shares granted pursuant to this Plan or any Other Share Plan;

“Subsidiary” means any company which is for the time being directly or indirectly under the Control of the Company;

“Takeover” means any change of Control of the Company, whether by share transfer, new issue of shares or otherwise, arising as a result of any person (whether acting alone or together with any associate) becoming the beneficial owner of at least fifty per cent of the issued ordinary share capital of the Company;

“Takeover Date” means in relation to a Takeover, the date on which Control of the Company is unconditionally acquired (or, where the Takeover is by way of a scheme of arrangement or compromise between the Company and its shareholders under applicable law, the date on which the scheme is sanctioned);

“Tax Liability” means in relation to any Participant:

- (a) any liability of the Grantor and/or any company in the Group to account on behalf of the Participant for any amount of income tax or employee's national insurance contribution (or any similar tax or social security contribution arising in any jurisdiction outside the UK) in relation to the Award; and
- (b) if the Committee so determines on or before the Date of Grant and specifies in the Award Certificate, and to the extent lawfully possible, any liability of the Grantor and/or any company in the Group to account for employer's national insurance contributions (or any similar tax or contribution arising in any jurisdiction outside the UK) in relation to the Award;

“Vested” has the meaning given in Rule 1.2; and

“Vesting Date” means the date on which any Award, or any part of an Award, Vests.

1.2 For the purposes of this Plan, when an Award becomes **“Vested”**, the Participant has the right, subject to any Holding Period, pursuant to the Rules to:

- 1.2.1 be issued or transferred legal and beneficial title to Shares pursuant to an RSU Award or a PSU Award;

- 1.2.2 exercise an Option; or
- 1.2.3 receive a payment of cash pursuant to a Cash Award,

and “**Vesting**”, “**Vests**” and “**Vest**” shall be construed accordingly. For the avoidance of doubt, unless otherwise specified in the Award Certificate, Vesting does not automatically give rise to the Release of an Award, and an Award shall not be treated as Vesting if and to the extent that the Award has been reduced in accordance with the provisions of Rule 13.

- 1.3 Any reference to any enactment includes a reference to that enactment as from time to time modified extended or re-enacted.
- 1.4 Any reference to a “month” shall mean a calendar month.
- 1.5 The headings are inserted for convenience only and do not affect the interpretation of the Rules.
- 1.6 Words denoting the masculine gender shall include the feminine.
- 1.7 Words denoting the singular shall include the plural and vice versa.

2. GRANT OF AWARDS

- 2.1 Subject to the remaining provisions of this Rule 2:
 - 2.1.1 an Award may be granted on a date determined by the Committee in its absolute discretion, provided that such date falls during the period of 10 years from the Date of Adoption;
 - 2.1.2 the Committee shall have absolute discretion as to the selection of Employees to whom an Award is granted;
 - 2.1.3 Awards may be granted in such form and over or in respect of such number of Shares as the Committee may, in its absolute discretion, determine;
 - 2.1.4 subject to Rule 2.1.5, the Vesting of Awards may be subject to a Performance Target or other condition (including, but not limited to, the passing of time) as the Committee may, in its absolute discretion, determine;
 - 2.1.5 the Vesting of Awards granted to an Employee who is an executive director of the Company must be subject to a Performance Target unless the Committee in its absolute discretion determines that exceptional circumstances justify the grant of an Award that is not subject to a Performance Target; and
 - 2.1.6 Awards may be subject to one or more Holding Periods as the Committee may, in its absolute discretion, determine.
- 2.2 An Award shall not be granted to any person unless he is an Employee as at the Date of Grant.
- 2.3 No person shall be entitled as of right to be granted any Award.
- 2.4 If and for so long as the Shares are traded on AIM:
 - 2.4.1 Awards shall only be granted:
 - (a) within the period of 42 days immediately after the Date of Adoption;
 - (b) within the period of 42 days immediately after the end of a closed period of the Company (as determined in accordance with MAR); or
 - (c) at any other time or in other circumstances which, in the opinion of the Committee, are exceptional,

provided that, in the event of there being a restriction by statute, order, regulation or government directive preventing Awards from being granted within any such period, Awards shall only be granted within a period of 42 days after the lifting of such restriction; and

- 2.4.2 the Company shall in granting Awards be bound by the provisions (as from time to time in force) of MAR and the Dealing Code.
- 2.5 The Option Price of an Option shall be determined by the Committee in its absolute discretion (subject, in the case of an Option granted by a Grantor, to the Grantor's consent) not later than the relevant Date of Grant and for the avoidance of doubt may be nil (provided that, where the Option is to be satisfied by the issue of new Shares, the Option Price shall not be less than the nominal value of a Share).
- 2.6 For the avoidance of doubt, a Cash Award shall not confer on the holder of the Award any right, title or interest in any Shares or with a right to acquire Shares.
- 2.7 Subject to the remaining Rules (and, where the Grantor is not the Company, subject to the consent of the Grantor), the Committee shall determine the terms and conditions of an Award. An Award shall be granted either by the Grantor executing a deed or by the Grantor and Participant executing an Award Certificate (in either case in such form as is determined by the Committee) setting out the terms and conditions of the Award. If an Award is granted by the Grantor executing a deed, the Company shall issue to the Participant (including by any electronic means) an Award Certificate as soon as reasonably practicable following the grant of the Award.
- 2.8 The Award Certificate shall specify:
 - 2.8.1 the Date of Grant;
 - 2.8.2 the identity of the Grantor and whether the Award is an Option, an RSU Award, a PSU Award, some other share-based award or a Cash Award;
 - 2.8.3 if the Award is to be granted under a sub-plan, a statement to such effect;
 - 2.8.4 where relevant, the number of Shares comprised in the Award;
 - 2.8.5 if the Award is an Option, the Option Price;
 - 2.8.6 the basis on which the Award will Vest including details of any Performance Target or other condition (including, but not limited to, the passing of time) on which the Vesting of the Award is conditional;
 - 2.8.7 the date or dates on which an Award may Vest and the date on which the Award may expire;
 - 2.8.8 if the Award is any type other than a Cash Award, a statement confirming whether the provisions of Rule 7 (Dividend Equivalents) apply to the Award;
 - 2.8.9 the Holding Period(s) applicable to the Award (if any) and the basis on which, or any other condition on which, the Release of the Award is conditional;
 - 2.8.10 a statement of the matters relating to an Employee's contract of employment referred to in Rule 4 below;
 - 2.8.11 that the Participant agrees to indemnify the Grantor and any company in the Group in respect of any Tax Liability (and, if the Committee has so determined and to the extent lawfully possible, that the indemnity extends to employer's national insurance

contributions or to any similar tax or contributions in any jurisdictions outside the UK); and

2.8.12 a statement of the matters relating to malus and clawback, and is otherwise in such form as the Committee may from time to time determine.

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

3. PLAN AND INDIVIDUAL LIMIT

3.1 Subject to Rule 3.2, on the Date of Grant of a given Award, the total number of Shares capable of being issued or transferred from treasury of the Company in respect of that Award, when added to the number of Shares issued or transferred from treasury of the Company (or capable of being issued or transferred from treasury of the Company) in respect of all other Subscription Awards granted on that day or in the preceding 10 years (but disregarding any Subscription Awards granted on or before the date on which the Shares were first admitted to trading on AIM (21 March 2014)), shall not exceed 10% of the Company's ordinary share capital then in issue.

3.2 For the purposes of applying the limit in Rule 3.1:

3.2.1 to the extent that any Subscription Award has lapsed, it shall not be taken into account; and

3.2.2 to the extent that any Subscription Award has been settled other than by the issue of Shares or the transfer of Shares from treasury of the Company, or the Committee has determined that any outstanding Subscription Award will be so settled, it shall not be taken into account.

3.3 No Participant who is an executive director of the Company shall be granted an Award in any financial year over Shares with an aggregate Market Value (at the Date of Grant) of more than 200 per cent (200%) of his base salary. For the purposes of calculating this limit, the value of any Deferred Share Awards and the value of any Exchange Offer made pursuant to Rule 10.5 shall not be taken into account.

4. RELATIONSHIP WITH CONTRACT OF EMPLOYMENT

4.1 The grant of an Award does not form part of the Participant's entitlement to remuneration or benefits nor does the existence of a contract of employment between any person and the Company or any Subsidiary or former Subsidiary give such person any right or entitlement to have an Award granted to him or any expectation that an Award might be granted to him whether subject to any conditions or at all.

4.2 The rights granted to a Participant upon the grant of an Award shall not afford the Participant any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with the Company or any member of the Group for any reason whatsoever.

4.3 A Participant shall not be entitled to any compensation or damages for any loss or potential loss which he may suffer by reason of his Award lapsing in consequence of the loss or termination of his office or employment with the Company or any Subsidiary or former Subsidiary for any reason (including, without limitation, in breach of contract by his employer) or in any other circumstances whatsoever.

5. NON-TRANSFERABILITY OF AWARDS

Except to the extent necessary to enable a personal representative to exercise, or otherwise benefit from, an Award following the death of the Participant (in accordance with Rule 6), no Award or any interest in it shall be capable of being assigned, transferred, pledged, charged or otherwise encumbered and any attempt to take such action or actions with an Award shall cause it to lapse immediately.

6. RELEASE AND LAPSE OF AWARDS

Release and Application of Performance Targets

6.1 Subject to the remaining provisions of this Rule 6 and to the other provisions of these Rules, an Award shall Vest on the date or dates specified in the Award Certificate, and only to the extent that any Performance Target or other conditions specified in the Award Certificate have been satisfied. If no provision is made in an Award Certificate for the Vesting of the Award, the Award shall Vest on the later of the date on which the Committee determines that any applicable Performance Target has been satisfied and the third anniversary of the Date of Grant.

6.2 Where the Vesting of an Award is subject to Performance Targets or other conditions (as specified in the Award Certificate), the Committee may subsequently amend such targets and conditions provided that:

6.2.1 no such amendments shall be made unless an event has, or events have, occurred which lead the Committee to reasonably consider that the targets or conditions should be varied so as to constitute a fairer measure of the performance of the Company, Group or individual (as the case may be);

6.2.2 the new targets or conditions will constitute a more effective incentive to the Participant; and

6.2.3 the new targets or conditions will be no more difficult to satisfy than the original targets or conditions were intended to be when set.

6.3 The Committee may, in its absolute discretion, reduce the level of Vesting of an Award where the formulaic outcome of any Performance Target or other conditions produces a higher level of Vesting than the Committee considers to be reasonable given the overall performance of the Company during the Normal Vesting Period.

6.4 Where the Vesting of an Award is subject to Performance Targets or other conditions, to the extent the Committee determines that the Performance Targets or other conditions have not been satisfied and are no longer capable of being satisfied then, subject to Rule 6.2, the Award will lapse automatically.

6.5 Except as otherwise permitted in these Rules:

6.5.1 to the extent a Holding Period applies to an Award (or part of an Award), such Award (or part of Award) will, subject to Rule 13, be Released following the expiry of the applicable Holding Period; and

6.5.2 to the extent that no Holding Period applies to an Award (or part of an Award), such Award (or part of Award) will be Released on the Vesting Date of the Award.

Notwithstanding the preceding provisions of this Rule 6.5, the Committee may, in its discretion, determine that an Award (or part of an Award) may be Released before the end of any applicable Holding Period conditional upon the Participant undertaking to retain such number of

Shares acquired by him pursuant to the Award (or part of the Award) (after taking into account the operation of Rule 9.1.3) for the remainder of the applicable Holding Period on such terms as the Committee, in its absolute discretion, determines and entering into suitable arrangements.

- 6.6 An Award shall not be Released in circumstances where the Participant would need to direct the sale of Shares acquired to fund any Tax Liability, and no Option may be exercised, at any time or in any circumstances when such action would be prohibited by MAR or the Dealing Code. If an Award would otherwise have been Released at any time but for the application of this Rule 6.6, it shall be Released at the first occasion thereafter where to do so would not be prohibited by MAR or the Dealing Code.

Expiry of an Award

- 6.7 An Award shall lapse in full, and thereafter shall not Vest or be Released and no Option may be exercised, on the day immediately prior to the tenth anniversary of the Date of Grant or such earlier time as may be specified in the Award Certificate or in these Rules.

Cessation of Employment

- 6.8 A Participant ceases to be an Employee for the purposes of the Plan if he ceases to be an Employee (and does not immediately again become an Employee) or gives or receives notice to terminate his status as an Employee.

- 6.9 Unless otherwise stated in the Award Certificate:

6.9.1 Subject to Rule 6.9.3, if a Participant ceases to be an Employee other than as a Good Leaver, his Award shall immediately cease to be capable of Vesting (or, in the case of an Option, cease to be capable of being exercised) in any circumstance and shall lapse automatically 30 days after ceasing to be an Employee. At any time before an Award lapses in accordance with this Rule 6.9, the Committee may in its discretion determine that an Employee shall be treated as a Good Leaver.

6.9.2 Subject to Rule 6.9.4, if a Participant ceases to be an Employee as a Good Leaver then, unless the Committee in its absolute discretion determines otherwise:

- (a) the number of Shares under the Award (or where the Award has more than one Normal Vesting Date, the number of Shares under each applicable part of the Award) shall be reduced so that the number of Shares under the Award (or under each applicable part) after reduction (expressed as a proportion of the number of Shares under the Award or the applicable part before reduction) equates to the number of days of the Normal Vesting Period that have elapsed as at the date on which the Participant ceases to be an Employee (expressed as a proportion of the total number of days in the Normal Vesting Period);
- (b) the Award (as so reduced) shall be retained and shall Vest:
 - (i) immediately if there is no outstanding Performance Target; or
 - (ii) as and when, and to the extent to which, a Performance Target is met;
- (c) if the Committee determines in its absolute discretion that it would be appropriate or necessary in the circumstances to assess Vesting before the end of any applicable Performance Period, the Committee shall assess the Performance Targets as at the date on which the Participant ceases to be an

Employee on such modified basis at the Committee considers, in its absolute discretion, to be appropriate;

(d) to the extent that an Award does not Vest in accordance with this Rule 6.9.2, it shall lapse automatically.

6.9.3 Subject to Rules 6.9.4 and 6.9.5, if a Participant ceases to be an Employee and holds Options that have previously Vested or have Vested in accordance with Rule 6.9.2(b)(i), those Options will be exercisable to the extent Vested (subject to any Holding Period) during the period of three months following the Participant ceasing to be an Employee or, if an Option Vests in accordance with Rule 6.9.2(b)(ii), during the period of three months following the Vesting Date, subject to any earlier lapse in accordance with Rule 6.7.

6.9.4 If a Participant dies, any Awards then held by him shall Vest on the date of death to the extent that any Performance Targets applying to the Award are met. The Committee shall assess the Performance Targets as at the date on which the Participant died on such modified basis at the Committee considers, in its absolute discretion, to be appropriate. To the extent that an Award does not Vest in accordance with this Rule 6.9.4 (including, for the avoidance of doubt, where, in the case of an Award subject to a Performance Target, Vesting is assessed before the end of the applicable Performance Period), it shall lapse automatically. An Option, to the extent it Vests in accordance with this Rule 6.9.4, may be exercised during the period of 12 months following the date of death. At the end of the 12 month period, to the extent the Option has not been exercised, it shall lapse automatically, subject to any earlier lapse in accordance with Rule 6.7.

6.9.5 If a Participant ceases to be an Employee by reason of misconduct as determined by the Committee, his Awards will lapse, and cease to be exercisable, in full (including Vested Awards) immediately on the date of such cessation.

Bankruptcy of the Participant and Winding up of the Company

6.10 An Award shall lapse automatically in the event that the Participant is adjudicated bankrupt or a bankruptcy order is made against him.

6.11 Subject to Rule 10.4, all Options shall immediately lapse and cease to be exercisable and all Awards shall immediately lapse upon the commencement of a winding-up of the Company.

7. DIVIDEND EQUIVALENTS

7.1 The Committee may determine at the Date of Grant of an Award (other than a Cash Award) that the provisions of this Rule 7 shall apply to such Award.

7.2 If the Committee determines that this Rule 7 applies to an Award, on Vesting and subject to Rule 7.5, the number of Shares in respect of which the Award in question Vests shall be increased by such number of Shares (rounded down to the nearest whole number) as have a Market Value on the Vesting Date in question equal to:

$$A \times B$$

where:

“A” is the total number of Shares that Vest on the Vesting Date in question (ignoring, for such purposes, the application of this Rule 7.2); and

“B” is the sum of all the dividends paid by the Company on a Share from the Date of Grant of the Award until the Vesting Date in question.

7.3 For the avoidance of doubt, to the extent that the number of Shares in respect of which the Option Vests is increased pursuant to Rule 7.2, the Participant shall have the right to acquire the additional Shares when the Option is exercised in accordance with the terms of these Rules and/or the Award Certificate.

7.4 For the purposes of applying the Plan Limit:

7.4.1 any additional Shares over which an Award actually Vests pursuant to the provisions of Rule 7.2 shall (unless such additional Shares are or will be satisfied by the transfer of Shares already in issue) count towards the Plan Limit; but

7.4.2 any additional Shares over which an Award may potentially Vest, pursuant to the provisions of Rule 7.2, on a Vesting Date in the future shall not count towards the Plan Limit.

7.5 The Committee may decide that, in substitution for the additional Shares to which the Participant would otherwise be entitled under Rule 7.2, the Participant will receive an equivalent cash payment. If the Committee decides to pay cash under this Rule 7.5, payment will be made as soon as reasonably practicable following:

7.5.1 the Vesting Date for an Award other than an Option and Cash Award; or

7.5.2 the date on which an Option is exercised (and to the extent to which the Option is exercised on that occasion),

and subject to an appropriate deduction for any Tax Liability.

8. SETTLEMENT OF AWARDS

8.1 Subject to Rule 6 and the terms of this Rule 8, when an Award is Released:

8.1.1 in relation to an RSU Award, a PSU Award or other share-based award, the Grantor shall transfer, or procure the transfer, to the Participant (or such other person as the Participant may direct) of the legal and beneficial title to the relevant Shares within 30 days of the Release Date;

8.1.2 in relation to an Option, the Participant shall then be entitled to exercise his Option in accordance with Rule 9 (whether in whole or in part); and

8.1.3 in relation to a Cash Award, the Grantor shall pay, or procure the payment of cash to the Participant (or such other person as the Participant may direct) as soon as practicable following the Release Date (and such a payment may be made, where appropriate, via the payroll of the relevant member of the Group).

In relation to an RSU Award, a PSU Award or other share-based award granted by the Company, and if the Committee so determines, such Award may be settled by the Company issuing the relevant number of Shares to the Participant at a subscription price per Share equal to the nominal value of a Share. In such circumstances, the Participant shall unconditionally and irrevocably agree, as a condition of the right to have Shares delivered to him on the Release of such Award, to pay (or enter into such alternative arrangement permitted by the Committee for the payment of) the subscription price for the Shares.

- 8.2 Subject to the Plan Limit, unless the Committee determines otherwise at the Date of Grant, Awards granted by the Company may be satisfied by the allotment and issue of Shares and/or the transfer of Shares out of treasury and/or the transfer of Shares (other than out of treasury).
- 8.3 If the delivery of Shares to a Participant may be prohibited or restricted due to legal or regulatory requirements in the Participant's country of residence, the Committee may determine that, in substitution for the Shares to which the Participant would otherwise be entitled, the Award will be satisfied by a cash payment of an equivalent amount (calculated by reference to the Market Value of the relevant Shares on the applicable date and, if relevant, less any Option Price otherwise payable), subject to an appropriate deduction for any Tax Liability. As soon as reasonably practicable after the Committee has made its decision in accordance with this Rule 8.3, it shall procure the making of the cash payment.
- 8.4 A Participant shall unconditionally and irrevocably agree, as a condition of his right to have Shares delivered to him on the Release of an Award:
- 8.4.1 that unless suitable arrangements have been made to the prior satisfaction of the Committee to ensure that any Tax Liability will be reimbursed to the person liable to account for such liability, the Grantor shall have the right to retain out of the aggregate number of Shares to which a Participant would otherwise be entitled on the Vesting of the Award, such number of Shares as, in the opinion of the Grantor, will enable the Grantor to sell as agent for the Participant (at the best price which can reasonably be expected to be obtained at the time of sale) and to pay over to the relevant person sufficient monies out of the net proceeds of sale to satisfy the Tax Liability; and
- 8.4.2 to enter into any elections or forms or agreements which the Committee may from time to time require to be entered into to ensure a certain tax treatment is applied on the Vesting of the Award or the acquisition of the Shares.
- 8.5 A Participant shall unconditionally and irrevocably agree, as a condition of his right to receive a cash payment on Release of a Cash Award, that the cash payment pursuant to that Cash Award will only be made after an appropriate deduction for any Tax Liability.
- 8.6 As soon as reasonably practicable after the allotment or transfer of any Shares pursuant to Rule 8.1 or 9.2, the Board shall arrange for the issue to the Participant (or other person as directed by the Participant) of a definitive share certificate or such acknowledgment of shareholding as is prescribed from time to time (including in electronic form) in respect of the Shares so allotted or transferred.
- 8.7 The allotment or transfer of any Shares under the Plan shall be subject to the articles of association of the Company (as amended from time to time) and to any necessary consents of any governmental or other authorities under any enactments or regulations from time to time in force and it shall be the responsibility of the Participant to comply with any requirements to be fulfilled in order to obtain or obviate the necessity of such consent.
- 8.8 All Shares allotted or transferred under the Plan shall rank equally in all respects with the Shares for the time being in issue save as regards any rights attaching to such Shares by reference to a record date prior to the date of such allotment or transfer. Before the allotment or transfer, a Participant will have no voting or other rights in relation to the Shares subject to his Awards.

9. MANNER OF EXERCISE OF OPTIONS

9.1 Subject to Rule 6, once Released, an Option shall be exercised by the Participant serving a written notice upon the Company or such third party as nominated by the Company (acting as agent for the Grantor where the Grantor is not the Company) which:

- 9.1.1 specifies the number of Shares in respect of which that Option is exercised;
- 9.1.2 unless the Committee permits an alternative arrangement for the payment of the Option Price, is accompanied by payment of an amount equal to the product of the number of Shares specified in the notice and the Option Price;
- 9.1.3 is accompanied by evidence satisfactory to the Committee that such arrangements have been made as the Committee may from time to time reasonably require (and notify to Participants on request) to ensure that any Tax Liability will be reimbursed to the person liable to account for such liability and in the absence of such arrangements the Grantor shall have the right to retain out of the aggregate number of Shares to which a Participant would otherwise be entitled on exercise of an Option, such number of Shares as, in the opinion of the Grantor, will enable the Grantor to sell as agent for the Participant (at the best price which can reasonably be expected to be obtained at the time of sale) and to pay over to the relevant person sufficient monies out of the net proceeds of sale to satisfy the Tax Liability; and
- 9.1.4 is accompanied by any elections or forms or agreements which the Committee may from time to time require to be entered into to ensure a certain tax treatment is applied on the exercise of the Option or the acquisition of the Shares or to help administer the exercise of such option,

and is otherwise in such form (including as to any electronic form) as the Committee may from time to time determine. The effective date of exercise of the Option will be the date on which the Secretary of the Company or his agent processes such notice once it is satisfied that all necessary documentation and information has been provided.

9.2 Within the period of 30 days beginning with the date on which an Option is exercised, the Grantor shall transfer, procure the transfer or, where the Grantor is the Company, issue to the Participant (or such other person as the Participant may direct) such number of Shares as are specified in the notice served pursuant to Rule 9.1.

10. TAKEOVERS AND LIQUIDATION

10.1 If a Takeover occurs then, to the extent that any Award (or part of an Award) has Vested but has not been Released (including as a result of the application of any Holding Period), that Award shall immediately be Released.

10.2 If a Takeover occurs then, to the extent that an Award has not otherwise Vested in accordance with the Rules and subject to Rule 10.5, Awards shall Vest on the following basis:

- 10.2.1 unless the Committee in its absolute discretion determines otherwise or as otherwise specified in the Award Certificate, the number of Shares under the Award (or where the Award has more than one Normal Vesting Date, the number of Shares under each applicable part of the Award) shall be reduced so that the number of Shares under the Award (or under each applicable part) after reduction (expressed as a proportion of the number of Shares under the Award or the applicable part before reduction) equates to the number of days of the Normal Vesting Period that have elapsed as at the Takeover

Date (expressed as a proportion of the total number of days in the Normal Vesting Period); and

- 10.2.2 unless the Committee in its absolute discretion determines otherwise, the Award (as so reduced) shall then Vest and be Released (as the case may be) to the extent that the Performance Targets applying to the Award are met. Where the applicable event for the purposes of this Rule 10 arises before the end of a Performance Period, the Committee shall assess the Performance Target as at the date of the applicable event on such modified basis as the Committee considers to be appropriate.

To the extent that an Award is not Released in accordance with this Rule 10.2 it will otherwise lapse with immediate effect.

- 10.3 If any Option has been Released on or before a Takeover Date, or is determined to Vest and be Released in accordance with Rule 10.2, it may be exercised at any time until:

10.3.1 such date as is determined by the Committee in its absolute discretion (provided that such date is not less than 7 days after the Takeover Date); or

10.3.2 where a person (whether acting alone or together with any associate) has become entitled or bound to acquire shares in the Company, which would result in a Takeover, the earlier of the date determined by the Committee pursuant to Rule 10.3.1 above and the date by which such person ceases to be so entitled or bound.

Any Option that has not been exercised by such date shall cease to be capable of being exercised and will lapse in full and with immediate effect.

- 10.4 If notice is duly given of a general meeting at which a resolution will be proposed for the voluntary winding-up of the Company, Awards shall Vest and be Released in accordance with the provisions of Rule 10.2 (as if a Takeover had occurred) but conditional on the passing of the resolution. To the extent that an Award does not Vest, it shall lapse automatically. Any Option that has Vested and been Released (whether pursuant to Rule 10.2 or otherwise) will lapse to the extent that it is not exercised on or before the passing of a resolution to wind-up the Company voluntarily.

- 10.5 If, in relation to a Takeover:

10.5.1 the Company will become a subsidiary of a holding company where that holding company has substantially the same shareholders (with substantially the same proportionate shareholdings) as the Company immediately before the Takeover; and

10.5.2 a Participant is offered the opportunity to release his Award in consideration of the grant of new rights over shares in the holding company which the Committee, acting reasonably, considers equivalent to the rights under an Award (“**Exchange Offer**”),

an Award will not, unless the Committee in its absolute discretion determines otherwise, Vest and be Released pursuant to this Rule 10 and the Award will lapse to the extent that the Exchange Offer is not accepted by the Participant.

11. VARIATION OF SHARE CAPITAL

- 11.1 In the event of any alteration of the ordinary share capital of the Company by way of capitalisation or rights issue, sub-division, consolidation or reduction or any other variation in the share capital of the Company, the Committee may (with the prior approval of the Grantor

where the Grantor is not the Company) make such adjustment as it (in its absolute discretion) considers appropriate:

- 11.1.1 to the aggregate number of Shares subject to any Award (or the basis on which such number of Shares is calculated);
- 11.1.2 to the description and/or nominal value of any Shares under the Award; and/or
- 11.1.3 in the case of an Option, to the Option Price payable (provided that except insofar as the directors, on behalf of the Company, agree to capitalise the Company's reserves and apply the same at the time of exercise of the Option in paying up the difference between the Option Price and the nominal value of the Shares, the Option Price in relation to any Option that is a Subscription Award is not reduced below the nominal value of a Share).

11.2 As soon as reasonably practicable after any such adjustment has effect in relation to any Award the Committee shall give notice in writing to the Participant.

12. ALTERATION OF PLAN

12.1 Subject to Rules 12.2 and 12.3, the Board may at any time alter or add to all or any of the provisions of the Plan in any respect provided however that any amendments which relate to:

- 12.1.1 the persons to whom Awards may be granted;
- 12.1.2 the limit on the number of Shares that may be issued;
- 12.1.3 the basis for determining a Participant's entitlement to Shares or Awards under the Plan and for the adjustment thereof following any increase or variation to the share capital of the Company,

cannot be amended to the advantage of a Participant or potential Participant without the prior approval of the Company in general meeting.

12.2 Subject to Rule 12.3, amendments which would detrimentally affect Participants with regard to their subsisting Awards may not be made without the consent on the part of such Participants as hold subsisting Awards over at least 50% of the total number of Shares subject to all subsisting Awards under the Plan (or if, in the reasonable opinion of the Board, the proposed amendments do not adversely affect all subsisting Awards under the Plan, with the consent on the part of such Participants as hold subsisting Awards over at least 50% of the total number of Shares subject to such subsisting Awards that are considered to be adversely affected).

12.3 The Board may make minor amendments to benefit the administration of the Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for any Participant or any member of the Group.

12.4 As soon as reasonably practicable after making any alteration or addition under this Rule 12 the Board shall give notice in writing thereof to any Participant affected.

13. MALUS AND CLAWBACK

13.1 For the purposes of this Rule 13:

- 13.1.1 "**Excessive Cash Payment**" means any cash payment paid to a Participant in connection with any Cash Award under the Plan if and to the extent to which such cash payment would not have occurred but for a Relevant Event, calculated as:

- (a) the amount of the cash payment in respect of the Cash Award in question that would not have been paid but for the Relevant Event; less
- (b) the deductions previously made from such amount in accordance with the provisions of Rule 13.4.2 or 13.5.1 (or pursuant to any equivalent provisions in any applicable Other Share Plan);

13.1.2 **“Excessive Share Award”** means:

- (a) in respect of a Deferred Share Award, any Shares in respect of a Deferred Share Award if and to the extent to which the Deferred Share Award would not have been granted in respect of such Shares had the Committee been aware of a Relevant Event before the Date of Grant of the Deferred Share Award in question, expressed as a number of Shares being equal to:
 - (i) the number of Shares in respect of which the Deferred Share Award in question would not have been granted had the Committee been aware of the Relevant Event before the Date of Grant; less
 - (ii) the deductions previously made from such number in accordance with the provisions of Rule 13.4.1 or 13.5.2 (or pursuant to any equivalent provisions in any applicable Other Share Plan); and
- (b) in respect of a Deferred Share Award and any other Award, any Shares Vesting in respect of an Award if and to the extent to which Vesting in respect of such Shares would not have occurred but for a Relevant Event, expressed as a number of Shares being equal to:
 - (i) the number of Shares in respect of which the Award in question would not have Vested but for the Relevant Event; less
 - (ii) the deductions previously made from such number in accordance with the provisions of Rule 13.4.1 or 13.5.2 (or pursuant to any equivalent provisions in any applicable Other Share Plan);

13.1.3 **“Relevant Event”** means any one or a combination of:

- (a) a material misstatement in the financial results of the Company; and/or
- (b) an act of gross misconduct on the part of the Participant that takes place prior to the Vesting Date of the Award in question but which only comes to light after the Award Vests or, in the case of an Option, after the Option is exercised.

13.2 The provisions of this Rule 13 shall apply if, at any time during the period commencing on:

13.2.1 in respect of a Deferred Share Award, the Date of Grant of the Award; and

13.2.2 in respect of all other Awards, the Vesting Date of the Award,

and ending two years thereafter, or such other period as determined by the Committee, the Committee determines and notifies a Participant in writing that as a result of a Relevant Event the Participant has received an Excessive Share Award and/or an Excessive Cash Payment.

- 13.3 In respect of any Participant who has been notified of an Excessive Share Award and/or Excessive Cash Payment in accordance with the provisions of Rule 13.2, the Committee may in its absolute discretion and at any time determine:
- 13.3.1 before it otherwise Vests, to reduce the number of Shares or cash subject to any Award held by the Participant that would otherwise become Vested to such an extent as the Committee determines to be appropriate (including, for the avoidance of doubt, to such an extent as would result in no Shares Vesting or no cash being payable under the Award);
 - 13.3.2 before it is otherwise Released, to reduce the number of Shares or cash subject to any Award held by the Participant that would otherwise be Released to such an extent as the Committee determines to be appropriate (including, for the avoidance of doubt, to such an extent as would result in no Shares being Released or no cash being payable under the Award);
 - 13.3.3 before it is exercised, reduce the number of Shares subject to any Vested Option held by the Participant that would otherwise be acquired on exercise to such an extent as the Committee determines to be appropriate (including, for the avoidance of doubt, as to all the Shares under the Option); and
 - 13.3.4 before it otherwise Vests (or, in the case of an Option, before it is exercised) reduce the number of Shares or cash subject to any option, award or right to acquire Shares or cash held by the Participant pursuant to any Other Share Plan that would otherwise become vested or capable of being exercised to such an extent as the Committee determines to be appropriate (including, for the avoidance of doubt, to such an extent as would result in no Shares vesting or being acquired or no cash being payable under the relevant option, award or right).

Notwithstanding any other provision of this Plan, to the extent that an Award has been reduced in accordance with this Rule 13.3, it shall never be capable of being Released (or, in the case of an Option, of being exercised) and the Participant shall cease to have any interest in the reduced part of the Award (and shall have no entitlement whatsoever to compensation in relation to the reduced part).

- 13.4 To the extent that a Participant's Award (or any option, award or right under any Other Share Plan) is reduced in accordance with Rule 13.3 then:
- 13.4.1 the number of Shares or additional Shares in respect of which the Award or other right in question would have Vested or, as the case may be, been Released (or, in the case of an Option, would have been capable of being exercised) but for the reduction shall be deducted from the Participant's Excessive Share Award; and
 - 13.4.2 if the Participant does not have an Excessive Share Award or it has already been reduced to zero pursuant to the operation of Rule 13, an amount equal to the Market Value as at the Release Date (or in the case of an Option that has already Vested, as at the date the Option is reduced in accordance with Rule 13.3.3) of the Shares or the additional Shares that would otherwise have become Vested, or as the case may be, been Released (or in the case of an Option, that would otherwise be acquired on exercise) but for the reduction, shall be deducted from the Participant's Excessive Cash Payment.

- 13.5 To the extent that a Participant's Cash Award is reduced in accordance with Rule 13.3 then:

- 13.5.1 the cash amount or additional cash amount that would have been Released but for the reduction shall be deducted from the Participant's Excessive Cash Payment; and
 - 13.5.2 if the Participant does not have an Excessive Cash Payment or it has already been reduced to zero pursuant to the operation of Rule 13, the maximum number of Shares that have a total Market Value (as at the Vesting Date of the Cash Award) not in excess of the cash or the additional cash in respect of which the Cash Award would have Vested but for the reduction, shall be deducted from the Participant's Excessive Share Award.
- 13.6 Subject to Rule 13.7, the provisions of Rules 13.3 to 13.5 shall continually be applied until such time as a Participant's Excessive Share Award has been reduced to zero. For the avoidance of doubt, and notwithstanding any other provision of this Rule 13, the Committee shall not operate the provisions of Rule 13 so as to reduce a Participant's Excessive Share Award and/or Excessive Cash Payment to a number below zero.
- 13.7 The Committee may in its absolute discretion and at any time determine that Rules 13.3 to 13.5 shall cease to apply in relation to a Participant's Excessive Share Award and/or Excessive Cash Payment. In these circumstances, the Committee may in its absolute discretion determine that the Participant shall pay to the Company (or to such other person as the Company directs) a cash payment equal to:
- 13.7.1 the Excessive Cash Payment and/or the Market Value (as at the date on which the Committee makes its determination for the purpose of this Rule 13.7) of the Shares under the Excessive Share Award; less
 - 13.7.2 the amount of any income tax and/or social security which the Participant has paid (and will not be able to recover from the appropriate tax authority) in connection with the Excessive Share Award and/or Excessive Cash Payment, as the case may be.

If the Committee does determine that the Participant will make a cash payment under this Rule 13.7, the Committee will notify the Participant of this determination in writing and will inform the Participant of the date or dates by which the payment shall be made. The Participant shall then be obliged to pay such cash payment in accordance with the terms notified to him by the Committee.

14. SERVICE OF DOCUMENTS

- 14.1 Except as otherwise provided in the Plan, any notice or document to be given by, or on behalf of, the Company or other Grantor to any person in accordance or in connection with the Plan shall be duly given:
- 14.1.1 if he is an Employee, by delivering it to him by hand at his place of work;
 - 14.1.2 by sending it through the post in a pre-paid envelope to the address last known to the Company to be his address and, if so sent, it shall be deemed to have been duly given 48 hours after posting; or
 - 14.1.3 if he is an Employee, by sending an email, fax or any other electronic communication to a current fax number or email address addressed to him at his place of work or his address last known to the Company and if so sent it shall be deemed to have been duly given at the time of the time of transmission.
- 14.2 Any notice or document so sent to a Participant shall be deemed to have been duly given notwithstanding that such Participant is then deceased (and whether or not the Company or

other Grantor has notice of his death) except where his personal representatives have established their title to the satisfaction of the Company and supplied to the Company an address to which documents are to be sent.

- 14.3 Any notice in writing or document to be submitted or given to the Board, the Committee, the Company or other Grantor in accordance or in connection with the Plan may be delivered, sent by post, email, telex, or fax transmission but shall not in any event be duly given unless it is actually received by the secretary of the Company or such other individual as may from time to time be nominated by the Board and whose name and address is notified to Participants.

15. MISCELLANEOUS

- 15.1 The Committee shall administer and interpret the Plan. The Committee may from time to time make and vary such rules and regulations not inconsistent herewith as it determines in its absolute discretion, and establish such procedures for the administration and implementation of the Plan as it thinks fit and in the event of a dispute or disagreement as to the interpretation of this Plan or any such rules, regulations or procedures or as to any question or right arising from or regulated to this Plan, the decision of the Committee shall be final and binding upon all persons.
- 15.2 The Committee may establish sub-plans to the Plan containing specific terms and conditions for grants of Awards to Employees in specific jurisdictions (or who are subject to tax in such jurisdictions). A sub-plan adopted by the Committee shall be deemed to be a part of the Plan and shall be read and interpreted together, provided however that in the event of any discrepancy between the provisions in the Plan and the sub-plan, the provisions in the sub-plan shall prevail.
- 15.3 The Rules and the Plan and any dispute, claim or obligation (whether contractual or non-contractual) arising out of or in connection with it, its subject matter or formation shall be governed by English law. The Participant and the Company irrevocably agree that the English courts shall have exclusive jurisdiction to settle any dispute or claim (whether contractual or non-contractual) arising out of or in connection with this Scheme, its subject matter or formation.
- 15.4 The Company shall at all times keep available sufficient authorised but unissued Shares to satisfy the exercise in full of all Subscription Awards for the time being remaining capable of Vesting (or, in the case of an Option, being exercised) under the Plan.
- 15.5 The Company will at all times, in operating and administering the Plan, be bound by the provisions (as from time to time in force) of the internal code and/ or policies that regulate the Company's compliance with applicable data privacy laws.
- 15.6 The costs of the administration and implementation of the Plan shall be borne by the Company.
- 15.7 Awards will be non-pensionable.

SCHEDULE 1

Deferred Share Plan

Certain Employees may receive Bonuses which may be satisfied by a deferred entitlement to Shares or comprise a combination of cash and a deferred entitlement to Shares. This Schedule 1 (“**Deferred Share Plan**”) is intended to facilitate such deferred entitlement to Shares. The Committee may grant Options or RSU Awards (“**Deferred Share Awards**”) to Employees in accordance with the Rules of the Plan as varied by the provisions of this Deferred Share Plan. If there are any inconsistencies between the Rules of the Plan and the provisions of this Deferred Share Plan, the provisions of the Deferred Share Plan will prevail.

1. DEFINITIONS

1.1 Unless otherwise stated and unless the context otherwise requires, words and phrases defined in Rule 1 of the Plan will have the same meaning when used in this schedule.

1.2 In this Deferred Share Plan (unless the context otherwise requires) the following words and phrases have the meanings given below:

“**Bonus**” means a bonus paid by a company in the Group to an Employee in respect of a particular financial year of the Group or otherwise;

“**Bonus Date**” means, in respect of a Deferred Share Award, the date on which the Bonus to which such Deferred Share Award relates would otherwise have been paid to the Participant had the Bonus been paid in full in cash; and

“**Normal Vesting Date**” means the date on which any Deferred Share Award is due to Vest as specified in the Award Certificate (or, in the absence of any such specified date, as determined in accordance with paragraph 3.1 of this Deferred Share Plan).

2. GRANT OF DEFERRED SHARE AWARDS

2.1 The Committee may grant Deferred Share Awards to any Employee as at the Date of Grant.

2.2 For the purposes of Deferred Share Awards, Rules 2.1.4 and 2.1.5 of the Plan shall be deleted.

3. VESTING AND LAPSE OF DEFERRED SHARE AWARDS

Vesting

3.1 For the purposes of Deferred Share Awards, Rule 6.1 of the Plan shall be deleted and replaced with the following:

Subject to the remaining provisions of this paragraph 3.1 and to the other provisions of this Deferred Share Plan, a Deferred Share Award shall Vest on the date or dates specified in the Award Certificate. If no provision is made in the Award Certificate for the Vesting of the Deferred Share Award, the Deferred Share Award shall Vest in full on (and not before) the first anniversary of the Bonus Date.

Cessation of Employment

3.2 For the purposes of Deferred Share Awards, Rules 6.8 and 6.9 (inclusive) of the Plan shall be deleted.

3.3 If a Participant ceases to be an Employee (and does not immediately again become an Employee) or gives or receives notice to terminate his status as an Employee, in either case in

circumstances other than those set out in paragraphs 3.5 and 3.6 of this Deferred Share Plan, then any Deferred Share Awards then held by the Participant shall, subject to paragraph 3.4 of this Deferred Share Plan, be retained and shall Vest in full on their Normal Vesting Dates.

- 3.4 Any Deferred Share Award held by a Participant in accordance with paragraph 3.3 of this Deferred Share Plan shall immediately cease to be capable of Vesting in any circumstances and shall lapse automatically if an act of gross misconduct on the part of the Participant takes place prior to the Vesting Date of such Deferred Share Award but which only comes to light after the Participant has ceased to be an Employee.
- 3.5 If a Participant dies, any Deferred Share Awards then held by the Participant shall Vest in full on the date of death.
- 3.6 If a Participant ceases to be an Employee by reason of an act of gross misconduct on the part of the Participant any Deferred Share Awards then held by him shall immediately cease to be capable of Vesting in any circumstances and shall lapse automatically.

4. SETTLEMENT OF DEFERRED SHARE AWARDS

- 4.1 For the purposes of Deferred Share Awards, Rule 8.4 of the Plan shall be deleted and replaced with the following:

A Participant shall unconditionally and irrevocably agree, as a condition of his right to have Shares delivered to him on the Vesting of an Award, or, for Deferred Share Awards in the form of an Option, on the exercise of an Option:

- 4.1.1 that the Grantor shall have the right to retain out of the aggregate number of Shares to which a Participant would otherwise be entitled on the Vesting, or exercise, of the Award, such number of Shares as, in the opinion of the Grantor, will enable the Grantor to sell as agent for the Participant (at the best price which can reasonably be expected to be obtained at the time of sale) and to pay over to the relevant person sufficient monies out of the net proceeds of sale to satisfy the Tax Liability; and
- 4.1.2 to enter into any elections or forms or agreements which the Committee may from time to time require to be entered into to ensure a certain tax treatment is applied on the Vesting, or exercise, of the Award or the acquisition of the Shares.

5. TAKEOVERS AND LIQUIDATION

- 5.1 For the purposes of Deferred Share Awards, Rule 10.2 of the Plan shall be deleted and replaced with the following:

If a Takeover occurs then, to the extent that a Deferred Share Award has not otherwise Vested or lapsed in accordance with the Rules (as varied by this Deferred Share Plan) and subject to Rule 10.5 of the Plan, the Deferred Share Award shall Vest in full.

SCHEDULE 2

Sub-Plan for Israeli Employees

This Sub-Plan for Israeli Employees (the “**Sub-Plan**”) shall apply only to Employees who are residents of the State of Israel upon the date of grant of the Award, as defined below, or who are deemed Israeli tax residents (collectively, “**Israeli Participants**”). The provisions specified hereunder shall form an integral part of the XLMedia 2020 Global Share Incentive Plan (hereinafter the “**Plan**”).

This Sub-Plan is adopted pursuant to Rule 15.2 of the Plan. This Sub-Plan is to be read as a continuation of the Plan and modifies Awards (as defined herein below) granted to Israeli Participants only to the extent necessary to comply with the requirements set by the Israeli law in general, and in particular, with the provisions of the Israeli Income Tax Ordinance [New Version] 1961, as may be amended or replaced from time to time. This Sub-Plan does not add to or modify the Plan in respect of any other category of Participants.

Any capitalized term not specifically defined in this Sub-Plan shall be construed according to the interpretation given to it in the Plan.

1. DEFINITIONS

- 1.1 In this Sub-Plan (unless the context otherwise requires) the following words and phrases have the meanings given below.
- 1.2 “**102 Award**” means any Award issued by the Company to an Approved Israeli Participant pursuant to Section 102 of the Ordinance.
- 1.3 “**Approved Israeli Participant**” means an Israeli Participant who is an employee, director or an officer of an Israeli resident Subsidiary which is an “employing company” or “employer” within the meaning of Section 102(a) of the Ordinance, excluding any Controlling Shareholder of the Company, provided that the Subsidiary is an Israeli resident company or otherwise meets the definition of an Employer under Section 102.
- 1.4 “**Award**” means any Award granted by the Company under the Plan to be settled in Shares and excluding any Cash Award or any other Award settled in cash.
- 1.5 “**Capital Gain Award**” or “**CGA**” means a Trustee 102 Award elected and designated by the Company to qualify under the capital gain tax treatment in accordance with the provisions of Section 102(b)(2) of the Ordinance.
- 1.6 “**Controlling Shareholder**” shall have the meaning ascribed to it in Section 32(9) of the Ordinance.
- 1.7 “**ITA**” means the Israeli Tax Authority.
- 1.8 “**Israeli Award Agreement**” means the Award Certificate executed between the Company and an Israeli Participant that sets out the terms and conditions of an Award under the Plan and this Sub-Plan.
- 1.9 “**Non-Trustee 102 Award**” means a 102 Award granted pursuant to Section 102(c) of the Ordinance and not held in trust by a Trustee.
- 1.10 “**Ordinary Income Award**” or “**OIA**” means a Trustee 102 Award elected and designated by the Company to qualify under the ordinary income tax treatment in accordance with the provisions of Section 102(b)(1) of the Ordinance.

- 1.11 “**Ordinance**” means the Israeli Income Tax Ordinance [New Version] – 1961, as now in effect or as hereafter amended.
- 1.12 “**Section 102**” means Section 102 of the Ordinance and any regulations, rules, orders or procedures promulgated thereunder as now in effect or as hereafter amended.
- 1.13 “**Tax**” means any applicable tax and other compulsory payments such as social security and health tax contributions under any applicable law.
- 1.14 “**Trustee**” means any person or entity appointed by the Company to serve as a trustee and approved by the ITA, all in accordance with the provisions of Section 102(a) of the Ordinance, as may be replaced from time to time.
- 1.15 “**Trustee 102 Award**” means a 102 Award granted to an Approved Israeli Participant pursuant to Section 102(b) of the Ordinance, as detailed in Section 2.4 below, and held in trust by a Trustee for the benefit of an Approved Israeli Participant.
- 1.16 “**Unapproved Israeli Participant**” means an Israeli Participant who is not an Approved Israeli Participant, including a consultant or a Controlling Shareholder of the Company.

2. ISSUANCE OF AWARDS

- 2.1 The persons eligible for participation in the Plan as Israeli Participants shall include Approved Israeli Participants and Unapproved Israeli Participants, provided, however, that only Approved Israeli Participants may be granted 102 Awards.
- 2.2 The Company may designate Awards granted to Approved Israeli Participants pursuant to Section 102 as Trustee 102 Awards or Non-Trustee 102 Awards.
- 2.3 The grant of Trustee 102 Awards shall be subject to this Sub-Plan and shall not become effective prior to the lapse of (at least) 30 days from the date the Plan has been submitted for approval by the ITA and shall be conditioned upon the approval of the Plan and this Sub-Plan by the ITA.
- 2.4 Trustee 102 Awards may either be classified as Capital Gain Awards (CGAs) or Ordinary Income Awards (OIAs).
- 2.5 No Trustee 102 Award may be granted under this Sub-Plan to any Approved Israeli Participant, unless and until the Company has filed with the ITA its election regarding the type of Trustee 102 Awards, whether CGAs or OIAs, that will be granted under the Plan and this Sub-Plan (the “**Election**”) and meeting the terms of Section 2.3 above. Such Election shall become effective beginning the first date of grant of a Trustee 102 Award under this Sub-Plan and shall remain in effect at least until the end of the year following the year during which the Company first granted Trustee 102 Awards. The Election shall obligate the Company to grant *only* the type of Trustee 102 Award it has elected, and shall apply to all Israeli Participants who are granted Trustee 102 Awards during the period indicated herein, all in accordance with the provisions of Section 102(g) of the Ordinance. For the avoidance of doubt, the Election shall not prevent the Company from granting Non-Trustee 102 Awards simultaneously.
- 2.6 All Trustee 102 Awards must be held in trust by, or subject to the approval of the ITA, under the control or supervision of a Trustee, as described in Section 3 below.
- 2.7 The designation of Non-Trustee 102 Awards and Trustee 102 Awards shall be subject to the terms and conditions set forth in Section 102.

2.8 Awards granted to Unapproved Israeli Participants shall be subject to tax according to the provisions of the Ordinance and shall not be subject to the Trustee arrangement detailed herein.

3. **TRUSTEE**

3.1 Trustee 102 Awards which shall be granted under this Sub-Plan and/or any Share allocated or issued upon grant, vesting or exercise of a Trustee 102 Award and/or other Shares received following any realization of rights under the Plan, including without limitation bonus shares, shall be allocated or issued to the Trustee or controlled and supervised by the Trustee (subject to the approval of the ITA), for the benefit of the Approved Israeli Participants, in accordance with the provisions of Section 102. In the event that the requirements for Trustee 102 Awards are not met, the Trustee 102 Awards may be regarded as Non-Trustee 102 Awards or as Awards which are not subject to Section 102, all in accordance with the provisions of Section 102.

3.2 With respect to any Trustee 102 Award, subject to the provisions of Section 102, an Approved Israeli Participant shall not sell or release from trust any Share received upon the grant, vesting or exercise of a Trustee 102 Award and/or any Share received following any realization of rights, including, without limitation, bonus shares, under the Plan at least until the lapse of the period of time required under Section 102 or any shorter period of time determined by the ITA (the “**End of Period**”). Notwithstanding the above, if any such sale or release occurs before the End of Period, the sanctions under Section 102 shall apply to and shall be borne by such Approved Israeli Participant.

3.3 Notwithstanding anything to the contrary, the Trustee shall not release or sell any Shares allocated or issued upon grant, vesting or exercise of a Trustee 102 Award unless the Company, its Israeli Subsidiary and the Trustee are satisfied that the full amounts of Tax due have been paid or will be paid.

3.4 Upon receipt of any Trustee 102 Award, the Approved Israeli Participant will consent to the grant of the Award under Section 102 and undertake to comply with the terms of Section 102 and the trust arrangement between the Company and the Trustee.

4. **THE AWARDS**

Notwithstanding Rule 2.8 of the Plan and in addition thereto, the terms and conditions upon which the Awards shall be issued and exercised or vest, shall be specified in the Israeli Award Agreement to be executed pursuant to the Plan and to this Sub-Plan. Each Israeli Award Agreement shall state, *inter alia*, the number of Shares to which the Award relates, the type of Award granted thereunder (*i.e.*, a CGA, OIA or Non-Trustee 102 Award or any Award granted to Unapproved Israeli Participant), and any applicable vesting provisions and Option Price or any exercise price that may be payable. Each Israeli Award Agreement shall also confirm whether the provisions of Rule 7 (*Dividend Equivalents*) of the Plan apply to the Award. Notwithstanding anything to the contrary in Rule 7 of the Plan, prior to the receipt of a tax ruling from the Israeli Tax Authority, if such tax ruling is required in order to avoid adverse tax consequences upon payment of dividend equivalents in Shares, dividend equivalents shall be paid only in cash. For the avoidance of doubt it is clarified that there is no obligation for uniformity of treatment of Israeli Participants and that the terms and conditions of Awards need not be the same with respect to each Israeli Participant (whether or not such Israeli Participants are similarly situated).

5. EXERCISE AND VESTING OF AWARDS

The grant, vesting and exercise of Awards granted to Israeli Participants shall be subject to the terms and conditions and, with respect to exercise, the method, as may be determined by the Company (including the provisions of the Plan) and, when applicable, by the Trustee, in accordance with the requirements of Section 102. Despite the provisions of Rules 3.1 and 8.2 of the Plan, Trustee 102 Awards may be settled in treasury shares only if such settlement complies with the requirements of the ITA, the Ordinance and any special tax ruling (if applicable).

6. ASSIGNABILITY, DESIGNATION AND SALE OF AWARDS

6.1 Notwithstanding any other provision of the Plan, no Award or any right with respect thereto, or purchasable hereunder, whether fully paid or not, shall be assignable, transferable or given as collateral, or any right with respect to any Award given to any third party whatsoever, and during the lifetime of the Israeli Participant, each and all of such Israeli Participant's rights with respect to an Award shall belong only to the Israeli Participant. Any such action made directly or indirectly, for an immediate or future validation, shall be void.

6.2 As long as Trustee 102 Awards or Shares issued or purchased hereunder are held by the Trustee on behalf of the Israeli Participant, all rights of the Israeli Participant over such Awards and/or Shares are personal, cannot be transferred, assigned, pledged or mortgaged, all in accordance with the provisions of Section 102 and the rules, regulations or orders promulgated thereunder, unless other than by will or laws of descent and distribution, and after the required taxes and payments have been fully made or secured. In the event that such Awards and/or Shares have been transferred by will or laws of descent and distribution, the provisions of Section 102 shall continue to apply on the heirs and transferees respectively.

7. INTEGRATION OF SECTION 102 AND TAX ASSESSING OFFICER'S APPROVAL

7.1 With regard to Trustee 102 Awards, the provisions of the Plan and/or the Sub-Plan and/or the Israeli Award Agreement shall be subject to the provisions of Section 102 and any approval or guidance issued by the ITA and the said provisions shall be deemed an integral part of the Plan, the Sub-Plan and the Israeli Award Agreement.

7.2 Any provision of Section 102 and/or said approval or guidance issued by the ITA which must be complied with in order to receive and/or to maintain any tax Award pursuant to Section 102, which is not expressly specified in the Plan, the Sub-Plan or the Israeli Award Agreement, shall be considered binding upon the Company, any Israeli Subsidiary and the Israeli Participants.

8. TAX CONSEQUENCES

8.1 Any tax consequences arising from the grant, purchase, exercise, vesting or sale of any Award, from the payment for or sale of Shares covered thereby or from any other event or act (of the Company, and/or its Subsidiaries, and the Trustee or the Israeli Participant), hereunder, shall be borne solely by the Israeli Participant. The Company and/or its Subsidiaries, and/or the Trustee shall withhold Tax according to the requirements under the applicable laws, rules, and regulations, including withholding taxes at source. Furthermore, the Israeli Participant agrees to indemnify the Company and/or its Subsidiaries and/or the Trustee and hold them harmless against and from any and all liability for any such Tax or interest or penalty thereon, including without limitation, liabilities relating to the necessity to withhold, or to have withheld, any such Tax from any payment made to the Israeli Participant.

- 8.2 The Company and/or, when applicable, the Trustee shall not be required to release any Award or Share to an Israeli Participant until all required Tax payments have been fully made.
- 8.3 Approved Awards that do not comply with the requirements of Section 102 shall be considered Non-Approved 102 Awards or Awards subject to tax under Section 3(i) or 2 of the Ordinance.
- 8.4 With respect to Non-Trustee 102 Awards, if the Israeli Participant ceases to be employed by the Company or any Subsidiary, or otherwise if so requested by the Company or the Subsidiary, the Israeli Participant shall extend to the Company and/or the Subsidiary a security or guarantee for the payment of Tax due at the time of sale of Shares, in accordance with the provisions of Section 102.

9. ONE TIME BENEFIT

The Awards and underlying Shares are extraordinary, one-time Awards granted to the Participants, and are not and shall not be deemed a salary component for any purpose whatsoever, including in connection with calculating severance compensation under applicable law, nor shall receipt of an award entitle a Participant to any future Awards.

10. TERM OF PLAN AND SUB-PLAN

Notwithstanding anything to the contrary in the Plan and in addition thereto, the Company shall obtain all approvals for the adoption of this Sub-Plan or for any amendment to this Sub-Plan as are necessary to comply with any applicable law, applicable to Awards granted to Israeli Participants under this Sub-Plan or with the Company's incorporation documents.

11. GOVERNING LAW

Solely for the purpose of Israeli tax, this Sub-Plan shall be governed by, construed and enforced in accordance with the laws of the State of Israel, without reference to conflicts of law principles.