

Close Brothers Group plc

RULES OF THE CLOSE BROTHERS GROUP PLC SHARESAVE PLAN 2021

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THE CLOSE BROTHERS GROUP PLC SHARESAVE PLAN 2021

Introduction

The purpose of the Plan is to provide Eligible Employees with the opportunity (but not the obligation) to acquire Shares on the condition that they save for a period of three or five years under an HMRC-approved Savings Contract.

The Exercise Price of an Option may be up to 20% below the Market Value of the Shares subject to the Option. Options are normally exercisable after three or five years (depending upon the length of the Savings Contract) but special rules apply on the Participant's cessation of employment and on a change of control of the Company.

The Plan is intended to be registered with HMRC under Schedule 3 and to be a "Schedule 3 SAYE option scheme" for the purposes of Schedule 3. In order to be a "Schedule 3 SAYE option scheme", the Company must notify HMRC of the first grant of Options by 6 July following the end of the tax year in which the relevant Grant Date occurs (in accordance with Schedule 3) and then make annual filings with HMRC (by each subsequent 6 July) detailing the operation of the Plan.

This introduction does not form part of the Plan rules.

Definitions

In these rules:

"Acquiring Company" has the meaning given to it in rule 7.6.1;

"Associated Company" has the meaning given by paragraph 47(1) of Schedule 3 except in relation to rules 4.4.5 and 4.5 where it will have the meaning given by paragraph 35(4) of Schedule 3;

"Board" means the board of directors of the Company, or any sub-committee or person duly authorised by it;

"Bonus" means any sum payable by way of terminal bonus under a Savings Contract being any additional payment made by the nominated Savings Authority when repaying contributions under a Savings Contract and:

(a) **"Three Year Bonus"** will mean any Bonus payable under a Three Year Savings Contract; and

(b) **"Five Year Bonus"** will mean any Bonus payable under a Five Year Savings Contract;

"Bonus Date" means the earliest date on which the relevant Bonus is payable under the Savings Contract applicable to the Option;

"Business Day" means a day on which the London Stock Exchange (or, if relevant and if the Board determines, any other stock exchange nominated by the Board on which the Shares are traded) is open for the transaction of business;

"Company" means Close Brothers Group plc, a company incorporated in England and Wales with registered number 00520241;

"Control" means, in relation to a body corporate, the power of a person to secure by means of the holding of shares or the possession of voting power in or in relation to that or any other body corporate, or as a result of any powers conferred by the articles of association, or other

document regulating that or any other body corporate, that the affairs of the first mentioned body corporate are conducted in accordance with the wishes of that person;

“Dealing Restrictions” means any restrictions imposed by law, order, regulation, Government directive or any dealing code adopted by the Company;

“Eligible Employee” means:

- (a) any person who is an employee or Full-Time Director of any Participating Company who:
 - (i) has been such an employee or Full-Time Director during any qualifying period of continuous service (being a period of not more than five years before the Grant Date or such other period as may be permitted by paragraph 6(1)(b) of Schedule 3 from time to time) as the Board may determine in its absolute discretion from time to time; and
 - (ii) receives earnings in respect of their office or employment with that Participating Company which are general earnings to which section 15 of ITEPA applies (or would apply if there were any); and
- (b) any other executive director or employee of any Participating Company whom the Board may in its absolute discretion determine from time to time;

“Employment” has the meaning given to it in rule 4.5;

“Exercise Price” means the price at which each Share subject to an Option may be acquired on the exercise of that Option, being (subject to rule 6) not manifestly less than:

- (a) eighty per cent (80%) of the Market Value of a Share; or
- (b) if greater, and Shares are to be acquired by subscription, the nominal value of a Share;

“Exercise Period” means the period beginning on the Bonus Date and ending six months after that date;

“Expiry Date” means [●] November 2031, being the tenth anniversary of the date on which the Plan was approved by the Company’s shareholders;

“Full-Time Director” means an employee who is a director of any Participating Company and normally devotes not less than 25 hours per week (excluding meal breaks and normal holiday entitlement or such other number of hours as may be required by HMRC for the purposes of paragraph 6 of Schedule 3) to their duties;

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

“Group Member” means the Company and its Subsidiaries from time to time and **“Group”** will be construed accordingly;

“HMRC” means HM Revenue & Customs;

“Invitation Date” means the date on which invitations are issued to Eligible Employees in accordance with rule 1.1;

“ITEPA” means the Income Tax (Earnings and Pensions) Act 2003, as amended from time to time;

“London Stock Exchange” means London Stock Exchange plc (or any successor entity);

“Market Value” means:

- (a) the closing middle-market quotation (taken from the Daily Official List of the London Stock Exchange) of a Share on the Business Day before the Invitation Date (or such other date as the Board may determine on the Invitation Date, being no later than the Grant Date); or
- (b) if the Board so determines, the average of the closing middle-market quotations for the three Business Days before the Invitation Date (or such other date as the Board may determine on the Invitation Date, being no later than the Grant Date), provided that:
 - (i) such Business Day(s) do not fall within any period when Dealing Restrictions apply; and
 - (ii) where Shares are subject to a Restriction, **“Market Value”** will be determined as if they were not subject to that Restriction;

“Maximum Contribution” means the maximum aggregate Monthly Contribution which a Participant may make under all Savings Contracts linked to options granted to that Participant under the Plan or any other savings-related share option plan registered with HMRC under Part 8 of Schedule 3, being £500 per month (or such other maximum amount specified for the purposes of paragraph 25(3) of Schedule 3 from time to time);

“Minimum Contribution” means £10 or such other minimum amount specified for the purposes of paragraph 25(3) of Schedule 3 from time to time;

“Monthly Contribution” means the monthly contribution agreed to be paid by a Participant under the relevant Savings Contract;

“Non-UK Company Reorganisation” has the meaning given by paragraph 47A of Schedule 3;

“Official List” means the list maintained by the Financial Conduct Authority for the purposes of section 74(1) of the Financial Services and Markets Act 2000;

“Option” means a right to acquire Shares granted under the Plan;

“Option Certificate” has the meaning given in rule 3.3;

“Option Exercise Date” has the meaning given in rule 5.4;

“Participating Company” means the Company and any other Group Member of which the Company has Control and which the Board has determined will be a participating company for the purposes of the Plan;

“Participant” means any person holding an Option or that person’s personal representatives;

“Plan” means the plan constituted by these rules known as the Close Brothers Group plc Sharesave Plan 2021, as amended from time to time;

“Regulatory Information Service” means a service that is approved by the Financial Conduct Authority as meeting the Primary Information Provider criteria and is on the list of Regulatory Information Services maintained by the Financial Conduct Authority;

“Restriction” means any contract, agreement, arrangement or condition which makes provision to which any of subsections (2) to (4) of section 423 of ITEPA would apply if the references in those subsections to the employment-related securities were to the Shares;

“Savings Authority” means the bank, building society or European authorised institution chosen by the Board from time to time for the purpose of receiving Monthly Contributions under Savings Contracts;

“Savings Contract” means a savings contract under a certified SAYE savings arrangement (within the meaning of section 703(1) of the Income Tax (Trading and Other Income) Act 2005) approved by HMRC for the purpose of Schedule 3 and **“Three Year Savings Contract”** and **“Five Year Savings Contract”** will be construed accordingly;

“Schedule 3” means Schedule 3 to ITEPA;

“Share” means a fully paid ordinary share in the capital of the Company which satisfies the requirements of paragraphs 18 to 20 and 22 of Schedule 3; and

“Subsidiary” means a company which is a subsidiary of the Company within the meaning of section 1159 of the Companies Act 2006.

References to any statutory provision are to that provision as amended or re-enacted from time to time (and any regulations made under it), and, unless the context otherwise requires, words in the singular will include the plural and vice versa.

The purpose of the Plan is to provide, in accordance with Schedule 3, benefits for employees and directors in the form of share options. The Plan may not provide benefits to employees or directors otherwise than in accordance with Schedule 3.

1 Invitations to apply for Options

1.1 Invitations under the Plan

The Board may, in its absolute discretion, decide when (if at all) to invite all Eligible Employees to apply for the grant of Options.

1.2 Contents of invitation

Any invitation will be made in writing to all Eligible Employees and will include details of the following matters which will be determined by the Board:

- 1.2.1 the Exercise Price or the means by which it will be notified to Eligible Employees;
- 1.2.2 the latest date by which applications must be received, being no earlier than 14 days after the Invitation Date;
- 1.2.3 the minimum Monthly Contribution that the Participant may make in respect of that invitation, which may not exceed the Minimum Contribution;
- 1.2.4 the maximum Monthly Contribution that the Participant may make in respect of that invitation, which may not in any event (when taken together with any Monthly Contribution the Participant makes under any other Savings Contract linked to options granted to that Participant under the Plan or any other savings-related share option plan registered with HMRC under Part 8 of Schedule 3) exceed the Maximum Contribution;
- 1.2.5 any limit on the number of Shares over which applications for Options will be accepted in respect of that invitation;
- 1.2.6 whether Eligible Employees can apply for more than one Option;

- 1.2.7 whether, in determining the number of Shares over which Options will be granted in respect of that invitation, the amount of any Bonus will be excluded from the amount of the expected repayment under the applicable Savings Contract;
- 1.2.8 whether the applicable Savings Contract(s) being offered are:
- (i) a Three Year Savings Contract;
 - (ii) a Five Year Savings Contract;
 - (iii) either a Three Year Savings Contract or a Five Year Savings Contract, as the applicant will select; or
 - (iv) a combination of a Three Year Savings Contract and a Five Year Saving Contract (subject always to the Maximum Contribution);
- 1.2.9 whether the Shares subject to an Option will be subject to any Restriction (and, if so, details of that Restriction); and
- 1.2.10 if rule 1.10 will apply to applications in respect of the invitation, confirmation of that fact.
- 1.3 Application form**
- Each invitation will be accompanied by:
- 1.3.1 a proposal form for a Savings Contract; and
 - 1.3.2 an application form.
- 1.4 Contents of application form**
- An application form will be in such form as the Board may from time to time determine, but it must provide for the Eligible Employee to state:
- 1.4.1 the Monthly Contribution (being a multiple of £1) which the Eligible Employee wishes to make under the related Savings Contract;
 - 1.4.2 that the Eligible Employee's proposed Monthly Contribution (when taken together with any Monthly Contribution the Eligible Employee makes under any other Savings Contract linked to options granted to that Eligible Employee under the Plan or any other savings-related share option plan registered with HMRC under Part 8 of Schedule 3) will not exceed the Maximum Contribution;
 - 1.4.3 that the Eligible Employee authorises the Group Member that employs them to deduct the Monthly Contribution from the Eligible Employee's salary and to pay it to the Savings Authority; and
 - 1.4.4 if the Board has determined that an applicant may select either a Three Year Savings Contract and/or a Five Year Savings Contract, the Eligible Employee's selection in that respect.
- 1.5 Setting Exercise Price**
- When determining the Market Value by reference to which the Exercise Price is calculated, the Board will only use the middle-market quotation of a Share for Business Days which occur:

1.5.1 within 42 days beginning on:

- (i) the Business Day after the day on which the Company's results are announced through a Regulatory Information Service for any period;
- (ii) the day on which an announcement is made of a new prospectus for certified SAYE savings arrangements (within the meaning of section 703(1) of the Income Tax (Trading and Other Income) Act 2005) that has been approved by HMRC for the purposes of Schedule 3;
- (iii) the day on which an announcement is made of amendments to be made to ITEPA (so far as those changes affect savings-related share option plans registered with HMRC) or a day on which any such amendments come into force; or
- (iv) the day on which the grant of Options is no longer prohibited by any Dealing Restrictions; or

1.5.2 following the Board resolving that exceptional circumstances exist which justify the grant of Options

provided that such Business Day(s) do not fall within any period when Dealing Restrictions apply.

1.6 **Dealing Restrictions**

No Eligible Employee will complete an application to receive an Option on a day that the Eligible Employee is subject to Dealing Restrictions and if the Company receives an application purporting to be completed on such a day, it will not take effect until such time as the Dealing Restrictions cease to apply.

1.7 **Scaling down authority**

Each application will provide that, in the event of scaling down in accordance with rule 2, the Board is authorised by the applicant to modify their application to reflect such scaling down.

1.8 **Number of Shares under Option**

Subject to rules 1.2.7, 1.7 and 2, each application will be deemed to be for an Option over such number of whole Shares as can be acquired at the Exercise Price with the expected repayment under the related Savings Contract at the appropriate Bonus Date.

1.9 **Applications in excess of maximum Monthly Contribution**

If an application for a Savings Contract specifies a Monthly Contribution which exceeds the maximum Monthly Contribution that the Participant may make in respect of the relevant invitation, that application may be modified by the Company down to the maximum amount specified by the relevant invitation.

1.10 **Cancelled Savings Contracts**

If the Board so determines in respect of an invitation before or on the Invitation Date, if a Participant gives, or is deemed to have given, notice to the relevant Savings Authority of an intention to stop paying Monthly Contributions under a Savings Contract, the Participant will, for the purposes of this rule 1, be treated as if they were continuing to pay the remaining Monthly Contributions payable under that Savings Contract.

2 Scaling down

2.1 Method of scaling down

To the extent that valid applications are received in excess of any maximum number of Shares determined by the Board in accordance with rule 1.2.5, the Board will scale down applications in the same manner in order to eliminate the excess by:

- 2.1.1 excluding the Bonuses under the relevant Savings Contracts; and/or
- 2.1.2 each application for a Savings Contract with a Five Year Bonus will be deemed to be an application for a Savings Contract with a Three Year Bonus; and/or
- 2.1.3 reducing pro-rata the proposed Monthly Contributions in excess of the Minimum Contribution; and/or
- 2.1.4 so far as necessary, selecting by lot, each application based on a Monthly Contribution of the Minimum Contribution and no Bonus.

2.2 Effect of scaling down

Where applications are scaled down in accordance with rule 2.1 all relevant applications will be deemed to have been amended or withdrawn, as the case may be.

2.3 Revocation of invitation

If the number of Shares is insufficient to enable an Option based on a Monthly Contribution of the Minimum Contribution per month to be granted to each Eligible Employee who has made a valid application, the Company may, as an alternative to selecting by lot, determine in its absolute discretion that no Options will be granted.

2.4 Multiple Options

If an Eligible Employee applies for more than one Option, the Eligible Employee must be treated for the purposes of this rule 2 as if they had applied for a single Option. The Board may make such adjustments as it considers appropriate to make sure that the Eligible Employee is treated no more favourably than an Eligible Employee who had applied for a single Option.

3 Grant of Options

3.1 Timing of grant

3.1.1 Options must be granted within 30 days (or, in the event that applications are scaled down under rule 2, 42 days or such longer period as may be agreed with HMRC) of the first Business Day by reference to which the Exercise Price was determined.

3.1.2 No Option will be granted under the Plan after the Expiry Date.

3.2 Conditions on grant

An Option will only be granted to a person if:

- 3.2.1 that person is an Eligible Employee on the Grant Date; and
- 3.2.2 the grant would not breach any Dealing Restrictions.

3.3 Option Certificate

Each Participant will receive a statement setting out the terms of the Option as soon as reasonably practicable after the Grant Date (an “**Option Certificate**”) including:

- 3.3.1 the Grant Date of the Option;
- 3.3.2 the number of Shares over which the Option is granted;
- 3.3.3 the Exercise Price payable for each Share subject to the Option; and
- 3.3.4 whether the Shares subject to the Option are subject to any Restrictions and, if so, details of those Restrictions.

The Option Certificate may be sent by email or made available by other electronic means.

4 Rights of exercise and lapse of Options

4.1 Exercise Period

An Option may only be exercised, subject to any Dealing Restrictions, during the Exercise Period, or, to the extent rule 4.3, 4.4, 4.6, 4.7 or 6 applies, the periods specified in those rules. Subject to rule 4.3 and any earlier lapse in accordance with these rules, the Option will lapse at the end of the Exercise Period.

4.2 Participant in Employment on exercise

- 4.2.1 Subject to rules 4.3, 4.4 and 4.6, an Option may only be exercised by a Participant whilst in Employment.
- 4.2.2 An Option will lapse on the date the Participant ceases to be in Employment unless rule 4.3, 4.4 or 4.6 applies.

4.3 Death

An Option may be exercised by the personal representatives of a deceased Participant:

- 4.3.1 during the period of 12 months after the date of the Participant’s death if such death occurs before the Bonus Date; or
- 4.3.2 during the period of 12 months after the Bonus Date if the Participant’s death occurs on or within the period of six months after the Bonus Date,

after which time, it will lapse.

4.4 Good leavers

If a Participant ceases Employment because of:

- 4.4.1 injury or disability;
- 4.4.2 redundancy (within the meaning of the Employment Rights Act 1996);
- 4.4.3 retirement;
- 4.4.4 a relevant transfer (within the meaning of the Transfer of Undertakings (Protection of Employment) Regulations 2006);
- 4.4.5 the company by which the Participant is employed ceasing to be an Associated Company of the Company by reason of a change of control (within the meaning given by sections 450 and 451 of the Corporation Tax Act 2010); or

4.4.6 the transfer of the business or part of a business by which the Participant is employed to a person who is not an Associated Company of the Company where the transfer is not a relevant transfer within the meaning of the Transfer of Undertakings (Protection of Employment) Regulations 2006,

4.4.7 if the date of such cessation is on or after the third anniversary of the Grant Date, any reason other than the Participant ceasing Employment in circumstances where a Group Member is entitled to terminate the Participant's employment contract summarily without payment,

the Option may be exercised within the period of six months after the date of such cessation (or, if it ends earlier, the Exercise Period applicable to that Option) after which time, it will, subject to rule 4.3, lapse.

4.5 **Meaning of Employment**

4.5.1 Subject to rule 4.5.2, "**Employment**" means the Participant's employment or directorship by reference to which the Participant was an Eligible Employee.

4.5.2 If the Participant ceases to hold Employment within the meaning given by rule 4.5.1 but continues to hold any office or employment with the Company or an Associated Company of the Company then the Participant will be regarded as ceasing to be in Employment when the Participant ceases to hold that office or employment.

4.6 **Participant employee or director of Associated Company on Bonus Date**

If the Participant on the Bonus Date has ceased to hold Employment but is an employee or director of an Associated Company of the Company, the Participant may exercise their Option within six months of the Bonus Date, after which time it will lapse.

4.7 **Cessation of Monthly Contributions**

An Option will lapse if, before an Option has become capable of being exercised, the Participant:

4.7.1 gives notice of an intention to stop paying Monthly Contributions;

4.7.2 is deemed under the terms of the Savings Contract to have given such notice;
or

4.7.3 makes an application for the repayment of Monthly Contributions

unless it may be exercised at that time under rule 4.3, 4.4, 4.6 or 6.

5 **Terms of exercise of Options**

5.1 **Repayment**

An Option may only be exercised with monies not exceeding the amount of the repayment (including any Bonus or interest) made under the related Savings Contract. For the purpose of this rule 5.1, a repayment under the Savings Contract will exclude the repayment of any Monthly Contribution the due date for payment of which falls after the date on which repayment is made.

5.2 **Exercise in whole or in part**

To the extent provided in the rules, an Option may be exercised in whole or in part but only on one occasion. If the Option is exercised in part, it will lapse immediately in respect of the balance.

5.3 **Method of exercise**

A Participant may, subject to any Dealing Restrictions, exercise their Option in accordance with these rules by:

- 5.3.1 giving notice in the prescribed form to the Company or any person nominated by the Company;
- 5.3.2 enclosing the relevant Option Certificate (if required by the Company); and
- 5.3.3 paying to the Company or any person nominated by the Company a remittance in cleared funds for the aggregate Exercise Price payable or an instruction for any sums held by the Savings Authority to be used to pay such Exercise Price.

5.4 **Option Exercise Date**

The “**Option Exercise Date**” will be the date of receipt by the Company or its duly appointed agent of the notice (and, if relevant, the Option Certificate, payment or instruction) referred to in rule 5.3.1. However, if an option exercise notice is delivered at a time when any Dealing Restrictions would prohibit the exercise of Options by the Participant, the Option Exercise Date will be the first Business Day when such prohibitions cease to apply.

5.5 **Issue or transfer of Shares**

Subject to rule 11.8 and any Dealing Restrictions, the Company will arrange for the Shares in respect of which the Option has been validly exercised to be transferred to or issued to the Participant within 30 days of the Option Exercise Date.

5.6 **Rights**

Shares issued or transferred on the exercise of an Option will rank equally in all respects with the Shares in issue at the point of issue or transfer, save as provided in these rules. They will not rank for any rights attaching to Shares by reference to a record date before the date of issue or transfer. Where Shares are transferred (including a transfer out of treasury) on the exercise of an Option the Participant will be entitled to all rights attaching to the Shares by reference to a record date on or after the transfer date.

6 **Variations of share capital**

6.1 **Adjustment of Options**

If there is a variation in the equity share capital of the Company, including a capitalisation or rights issue, sub-division, consolidation or reduction of share capital, the Board may adjust the number or description of Shares subject to, and the Exercise Price of, an Option as it considers appropriate, provided that:

- 6.1.1 except as provided in rule 6.2, no variation will be made which would result in the Exercise Price for an allotted Share being less than its nominal value; and
- 6.1.2 any such adjustment complies with paragraph 28 of Schedule 3.

6.2 **Adjustments below nominal value**

6.2.1 Any adjustment made to the Exercise Price of unissued Shares which would have the effect of reducing the Exercise Price to less than the nominal value of the Shares will only be made if and to the extent that the Board is authorised to capitalise from the reserves of the Company a sum equal to the amount by which the nominal value of the Shares in respect of which the Option is exercisable exceeds the adjusted Exercise Price. The Board may apply such sum in paying up such amount on such Shares so that on the exercise of any Option in respect of which such a reduction will have been made, the Board will capitalise such sum (if any) and apply the same in paying up such amount as aforesaid.

6.2.2 Where an Option subsists over both issued and unissued Shares, an adjustment may only be made under rule 6.1 if the reduction of the Exercise Price in relation to Options over both issued and unissued Shares can be made to the same extent.

6.3 **Notice**

The Company will notify Participants of any adjustment made under this rule 6 as soon as reasonably practicable thereafter.

7 **Takeovers and corporate events**

7.1 **Definitions**

7.1.1 A “**Corporate Event**” occurs when:

- (i) a person (either alone or together with any person acting in concert with that person) obtains Control of the Company as a result of making a general offer to acquire all of the issued ordinary share capital of the Company which is made on a condition such that if it is satisfied the offeror (together with any persons acting in concert with that person) will have Control of the Company and any condition to which that offer was subject has been satisfied;
- (ii) a person (either along or together with any person acting in concert with that person) obtains Control of the Company as a result of making a general offer to acquire all of the Shares and any condition to which that offer was subject has been satisfied;
- (iii) the court sanctions a compromise or arrangement under section 899 of the Companies Act 2006 applicable to or affecting (a) all the ordinary share capital of the Company or all the Shares; or (b) all the shares, or all the shares of that same class, which are held by a class of shareholders identified otherwise than by reference to their employment or directorships or their participation in a savings-related share option plan registered with HMRC under Part 8 of Schedule 3;
- (iv) a Non-UK Company Reorganisation applicable to or affecting (a) all the ordinary share capital of the Company or all the Shares; or (b) all the shares, or all the shares of that same class, which are held by a class of shareholders identified otherwise than by reference to their employment or directorships or their participation in a in a savings-

related share option plan registered with HMRC under Part 8 of Schedule 3 becomes binding on the shareholders covered by it;

- (v) any person becomes bound or entitled to acquire Shares under sections 979 to 982 or sections 983 to 985 of the Companies Act 2006; or
- (vi) a resolution is passed by the Company for the voluntary winding-up of the Company.

7.1.2 The offeror's offer under 7.1.1(i) or (ii) need not extend to shares which are already owned by the offeror and/or by persons connected with the offeror. It does not matter if the offer is made to different shareholders by different means.

7.1.3 **"Within the Rule 7 Period"** means:

- (i) where rule 7.1.1(i) or (ii) applies, within 6 months of the date the person obtains Control of the Company and any condition to which the offer was subject has been satisfied;
- (ii) where rule 7.1.1(iii) applies, within 6 months of the date the court sanctions the relevant compromise or arrangement;
- (iii) where rule 7.1.1(iv) applies, within 6 months of the date the Non-UK Company Reorganisation becomes binding on the shareholders covered by it;
- (iv) where rule 7.1.1(v) applies, at any time when that person remains so bound or entitled; and
- (v) where rule 7.1.1(vi) applies, within 6 months of the date the resolution is passed.

7.2 **Exercise on a Corporate Event**

If a Corporate Event occurs, an Option may, subject to rule 7.6, be exercised within the Rule 7 Period, after which time, subject to rule 4.3 except where rule 7.1.1(vi) applies to the Corporate Event, it will lapse.

7.3 **Shares ceasing to satisfy Schedule 3**

If, as a result of a Corporate Event (other than a Corporate Event to which rule 7.1.1(vi) applies), Shares will no longer satisfy the requirements of Part 4 of Schedule 3, Options may be exercised within the period of 20 days after the date on which the change of Control occurs, provided that the date of exercise falls within the Rule 7 Period.

7.4 **Conditional exercise**

If the Board reasonably expects a Corporate Event (other than a Corporate Event to which rule 7.1.1(vi) applies) to occur, the Board may, acting fairly and reasonably, make arrangements permitting Options to be exercised during a period of 20 days ending with the date of such event. If an Option is exercised under this rule 7.4, it will be treated as having been exercised in accordance with rule 7.2.

7.5 **Effect of conditional exercise**

If the Board makes arrangements for the exercise of Options under rule 7.4, if the relevant Corporate Event does not occur within 20 days of the date of purported exercise, the Option will be treated as not having been exercised.

7.6 Internal reorganisation

In the event that:

- 7.6.1 a company (the “**Acquiring Company**”) is expected to obtain Control of the Company as a result of a Corporate Event other than a Corporate Event to which rule 7.1.1(vi) applies;
- 7.6.2 at least 75 per cent. of the shares in the Acquiring Company are expected to be held by the same persons who immediately before the obtaining of Control of the Company were shareholders in the Company; and
- 7.6.3 Participants are to be offered substitute options under rule 8,

then Options which would become exercisable under this rule 7 (but for this rule 7.6) may not be exercised and, if they are not exchanged in accordance with rule 8 within the Rule 7 Period, will lapse at the end of that period.

8 Exchange of Options

8.1 Ability to exchange

Notwithstanding the provisions of rule 7, if a Corporate Event (other than a Corporate Event to which rule 7.1.1(vi) applies) occurs, any Participant may at any time within the Rule 7 Period, by agreement with the Acquiring Company, release their Option (the “**Old Option**”) in consideration of the grant to the Participant of a new option (the “**New Option**”) which is equivalent to the Old Option (by virtue of satisfying the requirements of paragraph 39 of Schedule 3) but relates to shares in a different company (whether the Acquiring Company itself or some other company falling within paragraph (b) or (c) of paragraph 18 of Schedule 3).

8.2 Terms of exchange

Where the New Options are granted in accordance with rule 8.1 they will be regarded for the purposes of the subsequent application of the rules of the Plan as having been granted at the time when the corresponding Old Options were granted and, with effect from the date on which the New Options are granted:

- 8.2.1 save for the definitions of “**Participating Company**” and “**Group Member**” in rule 1, references to the “**Company**” (including the definition in rule 1) will be construed as being references to the Acquiring Company or such other company to whose shares the New Option relates;
- 8.2.2 references to “**Shares**” (including the definition in rule 1) will be construed as being references to shares in the Acquiring Company or shares in such other company to which the New Options relate but references to “**Participating Company**” will continue to be construed as if references to the Company were references to Close Brothers Group plc (registered no 00520241);
- 8.2.3 the Savings Contract made in connection with the Old Option will be treated as having been made in connection with the New Option; and

8.2.4 the Bonus Date in relation to the New Option will be treated as the same as in relation to the Old Option.

9 Limit

9.1 Dilution limit

The nominal amount of Shares over which the Board may grant Options on any date will be limited so that it does not exceed the limit specified in rule 9.2. The limit specified in rule 9.2 only applies to Options which are to be satisfied (directly or indirectly) by the issue of new Shares or the transfer of treasury Shares.

9.2 10% in ten years

The limit is ten per cent. of the nominal amount of the Company's equity share capital on the Grant Date less the aggregate of the nominal amounts of:

- 9.2.1 Shares allocated in respect of awards granted within the previous ten years under any employee share scheme;
- 9.2.2 Shares remaining to be allocated in respect of awards granted on the same date or within the previous ten years under any employee share scheme; and
- 9.2.3 Shares allocated on the same date or within the previous ten years under any employee share scheme otherwise than in respect of an award.

9.3 Interpretation

For the purposes of this rule 9:

- 9.3.1 "**allocate**" means the issue of new Shares or the transfer of treasury Shares in satisfaction (directly or indirectly) of a person's right under an award;
- 9.3.2 an "**award**" means any right to acquire or receive Shares whether conditional or unconditional and whether or not for payment;
- 9.3.3 an "**employee share scheme**" means any employees' share scheme for employees of the Group which has been adopted by the Company;
- 9.3.4 "**equity share capital**" has the meaning given to it by section 548 of the Companies Act 2006;
- 9.3.5 "**treasury Shares**" has the same meaning as in Chapter 6 of the Companies Act 2006;
- 9.3.6 no account will be taken of Shares acquired by an employee or former employee (or the personal representatives of such a person) where the Shares are acquired for a price equal to their market value at or about the date of acquisition and the cost of those Shares is borne by (or by the estate of) the employee or former employee;
- 9.3.7 no account will be taken of awards which are relinquished or lapse;
- 9.3.8 subject to rule 9.3.9, no account will be taken of an award if and to the extent to which the Board considers that it will be satisfied by the transfer of existing Shares other than treasury Shares or cash;
- 9.3.9 any Shares allocated or remaining to be allocated to the trustee of any trust which were used or which are to be used to satisfy awards granted under an

employee share scheme must be treated as having been allocated or as remaining to be allocated in respect of those awards unless the Shares were acquired by the trustee pursuant to a rights issue or other opportunity offered to the trustee in respect of Shares;

9.3.10 account will only be taken of treasury Shares for so long as this is required under institutional shareholder guidelines; and

9.3.11 where an award was granted in consideration of the release by the holder of an award previously granted to them under an employee share scheme, then the earlier award will be ignored and the later award will be deemed to have been granted at the same time as the earlier award.

9.4 **Multiple related awards**

Where an individual is granted two awards on terms that the exercise, vesting or release of one will automatically result in a reduction to the extent to which the other may be exercised, vest or be released and vice versa, then for the purposes of this rule 9 it will only be necessary to take into account that number of Shares which could be acquired in respect of those awards having regard to those terms.

9.5 **Adjustments for variation of share capital**

The Board may adjust the limit specified in rule 9.2 in the event of a variation of the equity share capital of the Company.

10 **Terms of employment**

10.1 **Scope**

For the purposes of this rule 10, “**Employee**” means any employee of a Group Member. This rule 10 applies during an Employee’s employment and after the termination of an Employee’s employment, whether or not the termination is lawful.

10.2 **Options separate from employment contract**

Nothing in the rules or the operation of the Plan forms part of the contract of employment of an Employee. The rights and obligations arising from the employment relationship between the Employee and the Employee’s employer are separate from, and are not affected by, the Plan. Participation in the Plan does not create any right to, or expectation of, continued employment.

10.3 **Employee rights**

No Employee has a right to participate in the Plan. Participation in the Plan or the grant of Options on a particular basis in any year does not create any right to or expectation of participation in the Plan or the grant of Options on the same basis, or at all, in any future year.

10.4 **Rights to compensation**

No Employee has any right to compensation for any loss in relation to the Plan, including any loss in relation to:

10.4.1 any loss or reduction of rights or expectations under the Plan in any circumstances (including lawful or unlawful termination of employment);

10.4.2 any exercise of a discretion or a decision taken in relation to an Option or to the Plan, or any failure to exercise a discretion or take a decision; or

10.4.3 the operation, suspension, termination or amendment of the Plan.

10.5 **Plan participation**

Participation in the Plan is permitted only on the basis that the Participant accepts all the provisions of the rules, including this rule 10.5. By participating in the Plan, an Employee waives all rights under or in connection with the Plan, other than the right to acquire Shares subject to and in accordance with the express terms of the Plan and any conditions applicable to their Option, in consideration for, and as a condition of, the grant of the Option.

10.6 **Third party rights**

Nothing in the Plan confers any benefit, right or expectation on a person who is not an Employee. No such third party has any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Plan. This does not affect any other right or remedy of a third party which may exist.

11 **General**

11.1 **Rights**

A Participant will not be entitled to vote, to receive dividends or to have any other rights of a shareholder in respect of Shares subject to an Option until the Participant has received the underlying Shares as a result of the exercise of the Option.

11.2 **Transfer**

A Participant may not transfer, assign or otherwise dispose of an Option or any rights in respect of it. If the Participant does, whether voluntarily or involuntarily, then it will immediately lapse. This rule 11.2 does not apply to the transmission of an Option on the death of a Participant to a Participant's personal representatives.

11.3 **Not pensionable**

None of the benefits received under the Plan is pensionable.

11.4 **Board's decisions final and binding**

The decision of the Board on the interpretation of the Plan or in any dispute relating to an Option or matter relating to the Plan will be final and conclusive.

11.5 **Documents sent to shareholders**

The Company may (but is not obliged to) send to Participants copies of any documents or notices normally sent to the holders of its Shares.

11.6 **Regulations**

The Board has the power from time to time to make or vary regulations for the administration and operation of the Plan but these must be consistent with its rules.

11.7 **Data protection**

11.7.1 During the Participant's participation in the Plan, the Company will have access to and process, or authorise the processing of, personal data (as defined in the

Data Protection Act 2018, the EU General Data Protection Regulation 5419/16 and/or any implementing legislation (together, the “**Data Protection Laws**”)) held and controlled by any Group Member and relating to employees or customers of any Group Member, or other individuals. Each Group Member will comply with the terms of the Data Protection Laws, and the Company’s data protection policies issued from time to time, in relation to such data.

11.7.2 Any Group Member and its employees and agents may from time to time hold, process and disclose Participants’ personal data in accordance with the terms of the employee share plan privacy notice, the employee privacy notice and the data protection policy in force from time to time. The current versions of the applicable policies are available on the Company’s intranet page and on the online employee share plan portal (as applicable).

11.8 **Consents**

All allotments, issues and transfers of Shares will be subject to any necessary consents under any relevant enactments or regulations for the time being in force in the United Kingdom or elsewhere. The Participant will be responsible for complying with any requirements the Participant needs to fulfil in order to obtain or avoid the necessity for any such consent.

11.9 **Listing**

If and so long as the Shares are listed on the Official List and traded on the London Stock Exchange, the Company will apply for listing of any Shares issued under the Plan as soon as reasonably practicable.

11.10 **Notices**

11.10.1 Except as otherwise specified in these rules any notice or communication to be given to any person who is or will be eligible to be a Participant may be:

- (i) delivered by electronic mail and it will be deemed to have been received upon electronic confirmation of such delivery; or
- (ii) personally delivered or sent by ordinary post to the Participant’s last known address and where a notice or communication is sent by post it will be deemed to have been received 48 hours after the same was put into the post properly addressed and stamped.

11.10.2 Share certificates and other communications sent by post will be sent at the risk of the recipient concerned and neither the Company nor any of its Subsidiaries will have any liability whatsoever to any such person in respect of any notification, document, share certificate or other communication so given, sent or made.

11.10.3 Any notice to be given to the Company or the trustee of any trust will be delivered or sent to the Company at its registered office, marked for the attention of the Company Secretary, and will be effective upon receipt. The Board may make other arrangements to receive notices.

12 **Amending the Plan and termination**

12.1 **Board’s powers**

Subject to the rest of this rule 12, the Board may at any time amend the Plan and the terms of any Option in any way.

12.2 Shareholder approval

12.2.1 Subject to rule 12.2.2, the Company in general meeting must approve in advance by ordinary resolution any proposed amendment to the Plan or the terms of an Option to the advantage of present or future Participants, which relates to the following:

- (i) the persons to or for whom Shares may be provided under the Plan;
- (ii) the limitations on the number of Shares which may be issued or transferred from treasury under the Plan;
- (iii) the maximum entitlement for any Participant;
- (iv) the basis for determining a Participant's entitlement to, and the terms of, Shares provided under the Plan;
- (v) the rights of a Participant in the event of a capitalisation issue, rights issue or open offer, sub-division or consolidation of shares or reduction of capital or any other variation of the equity share capital of the Company; or
- (vi) the terms of this rule 12.2.

12.2.2 The Board can amend the Plan or the terms of any Option and need not obtain the approval of the Company in general meeting for any minor amendments:

- (i) to benefit the administration of the Plan;
- (ii) to comply with or take account of the provisions of any proposed or existing legislation; or
- (iii) to obtain or maintain favourable tax, exchange control or regulatory treatment of any Group Member or any present or future Participant.

12.3 Participant consent

If the Board proposes an amendment to the Plan or the terms of any Option which would be to the material disadvantage of Participants in respect of subsisting rights under the Plan, then:

12.3.1 the Board will invite each so disadvantaged Participant to indicate whether or not they approve the amendment; and

12.3.2 such amendment will only take effect if the majority (assessed by reference to the size of affected Options) of the Participants who respond to an invitation made in accordance with rule 12.3.1 consent to the amendment.

12.4 Notice

The Board may (but is not obliged to) give written notice of any amendments made to any Participant affected.

13 Governing law and jurisdiction

English law governs the Plan and all Options and their construction. The courts of England and Wales will have exclusive jurisdiction in respect of disputes arising under or in connection with the Plan or any Option.