

Allegro.eu
Société anonyme
Registered office: at 1, rue Hildegard von Bingen, L-1282 Luxembourg
Grand Duchy of Luxembourg
R.C.S. Luxembourg: B214.830
(the "**Company**")

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| <p>DRAFT RESOLUTIONS PROPOSED TO THE ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF THE COMPANY TO BE HELD ON 22 JUNE 2022</p> |
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Dear Shareholders,

Please find below draft resolutions that will be proposed to the shareholders at the annual general meeting of the shareholders of the Company (the "**General Meeting**") to be held at the registered office of the Company at 1, rue Hildegard von Bingen, L-1282 Luxembourg, Grand Duchy of Luxembourg, on **22 June 2022 at 13:00 CET**, in order to vote on the agenda indicated below.

Pursuant to the corporate governance principles contained in Best Practice for Warsaw Stock Exchange Listed Companies 2021, the board of directors of the Company (the "**Board**") hereby presents justification of the draft resolutions proposed to the General Meeting.

AGENDA

1. **Presentation of (a) the annual accounts (consisting in the balance sheet, the profit and loss account and the notes to the accounts) for the Company's financial year ended on 31 December 2021 (the "Annual Accounts"), (b) the report of the board of directors of the Company with respect to the Annual Accounts, including the declaration concerning the Company's corporate governance (the "Annual Accounts Board Report") and (c) the report prepared by PricewaterhouseCoopers Société coopérative with its registered office in Luxembourg, R.C.S. Luxembourg B65477 ("PwC"), the certified auditor of the Company, concerning the Annual Accounts (the "Annual Accounts Auditor Report").**
2. **Approval of the Annual Accounts.**
3. **Presentation of (a) the consolidated financial statements (consisting in the consolidated statement of comprehensive income, the consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows, and the notes to the consolidated financial statements) for the Company and its subsidiary undertakings as of 31 December 2021 (the "Consolidated Financial Statements"), (b) the report of the board of directors of the Company in relation to the Consolidated Financial Statements (the "Consolidated Financial Statements Board Report"), (c) the report prepared by PwC concerning the Consolidated Financial Statements (the "Consolidated Financial Statements Auditor Report") and (d) the remuneration allocated to the directors of the Company during the financial year ended on 31 December 2021 (the "Remuneration Report").**
4. **Approval of the Consolidated Financial Statements.**
5. **Allocation of the results of the Company for the financial year ended on 31 December 2021.**
6. **Acknowledgement and approval of the Remuneration Report prepared by the Remuneration and Nomination Committee of the Company.**

7. Discharge to Francois NUYTS, for the exercise of his mandate as director of the Company until 31 December 2021.
8. Discharge to Jonathan EASTICK, for the exercise of his mandate as director of the Company until 31 December 2021.
9. Discharge to Darren Richard HUSTON, for the exercise of his mandate as director of the Company until 31 December 2021.
10. Discharge to David BARKER, for the exercise of his mandate as director of the Company until 31 December 2021.
11. Discharge to Carla SMITS-NUSTELING, for the exercise of her mandate as director of the Company until 31 December 2021.
12. Discharge to Pawel PADUSINSKI, for the exercise of his mandate as director of the Company until 31 December 2021.
13. Discharge to Nancy CRUICKSHANK, for the exercise of her mandate as director of the Company until 31 December 2021.
14. Discharge to Richard SANDERS, for the exercise of his mandate as director of the Company until 31 December 2021.
15. Appoint Pedro ARNT, born on 4 May 1973 in London and whose professional address is located at World Trade Center Free Zone II, Luis Bonavita 1284 oficina 1733, 11300 Montevideo, Uruguay, as director of the Company for 6 years with effect from 22 June 2022.
16. Discharge to PwC, for the exercise of its mandate as certified auditor (*réviseur d'entreprises agréé*) of the Company until 31 December 2021.
17. Renewal of the mandate of PwC as certified auditor of the Company (*réviseur d'entreprises agréé*) until the annual general meeting of the shareholders of the Company to be held in 2023.
18. Approve the amendments to the rules of the Allegro incentive plan ("AIP").
19. Miscellaneous.

PROPOSED
RESOLUTIONS

1. Presentation of (a) the annual accounts (consisting in the balance sheet, the profit and loss account and the notes to the accounts) for the Company's financial year ended on 31 December 2021 (the "**Annual Accounts**"), (b) the report of the board of directors of the Company with respect to the Annual Accounts, including the declaration concerning the Company's corporate governance (the "**Annual Accounts Board Report**") and (c) the report prepared by PricewaterhouseCoopers Société coopérative with its registered office in Luxembourg, R.C.S. Luxembourg B65477 ("**PwC**"), the certified auditor of the Company, concerning the Annual Accounts (the "**Annual Accounts Auditor Report**").

No resolution is required on this item.

2. Approval of the Annual Accounts.

Proposed resolution No. 1:

The General Meeting, after having reviewed the Annual Accounts Board Report and the Annual Accounts Auditor Report, approves the Annual Accounts for the financial year 2021, in their entirety, showing a loss of PLN 16,559,196.98.

Justification of the resolution No. 1:

The annual accounts (consisting in the balance sheet, the profit and loss account and the notes to the accounts) for the Company's financial year ended on 31 December 2021 (the "**Annual Accounts**") were reviewed by the Company's audit committee and audited by the certified auditor (*réviseur d'entreprises agréé*), issuing an unmodified opinion. The Annual Accounts are subject to approval by the General Meeting in accordance with the Luxembourg law of 10 August 1915 on commercial companies (as amended) (the "**Law of 10 August 1915**"). Therefore, it is necessary to submit the draft of this resolution and the Annual Accounts to the General Meeting for approval.

The Board unanimously expresses its positive opinion on the resolution No. 1 and recommends its adoption in the proposed wording.

3. Presentation of (a) the consolidated financial statements (consisting in the consolidated statement of comprehensive income, the consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows, and the notes to the consolidated financial statements) for the Company and its subsidiary undertakings as of 31 December 2021 (the "**Consolidated Financial Statements**"), (b) the report of the board of directors of the Company in relation to the Consolidated Financial Statements (the "**Consolidated Financial Statements Board Report**"), (c) the report prepared by PwC concerning the Consolidated Financial Statements (the "**Consolidated Financial Statements Auditor Report**") and (d) the remuneration allocated to the directors of the Company during the financial year ended on 31 December 2021 (the "**Remuneration Report**").

No resolution is required on this item.

4. Approval of the Consolidated Financial Statements.

Proposed resolution No. 2:

The General Meeting, after having reviewed the Consolidated Financial Statements Board Report, approves the Consolidated Financial Statements for the financial year 2021, in their entirety, showing a net profit of PLN 1,089,618,366.40.

Justification of the resolution No. 2:

The consolidated financial statements (consisting in the consolidated statement of comprehensive income, the consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows, and the notes to the consolidated financial statements) for the Company's financial year ended on 31 December 2021 (the "**Consolidated Financial Statements**") were reviewed by the Company's audit committee and audited by the certified auditor (*réviseur d'entreprises agréé*), issuing an unmodified opinion. The Consolidated Financial Statements are subject to approval by the General Meeting. Therefore, it is necessary to submit the draft of this resolution and the Consolidated Financial Statements to the General Meeting for approval.

The Board unanimously expresses its positive opinion on the resolution No. 2 and recommends its adoption in the proposed wording.

5. Allocation of the results of the Company for the financial year ended on 31 December 2021.

Proposed resolution No. 3:

The General Meeting acknowledges that the result for the financial year ending on 31 December 2021 was a loss amounting to PLN 16,559,196.98 and resolves to carry forward such loss.

Justification of the resolution No. 3:

The Luxembourg law of 19 December 2002 on the Trade and Company Register and on bookkeeping and annual accounts of companies and amending certain legal dispositions, as amended, (the "**Law of 19 December 2002**") requires the allocation of the results to be published with the annual accounts. In addition, under the Law of 10 August 1915 it is the role of the shareholders to determine how the profits/losses of a company will be allocated. Therefore, it is necessary to submit the draft of this resolution to the General Meeting.

The Board unanimously expresses its positive opinion on the resolution No. 3 and recommends its adoption in the proposed wording.

6. Acknowledgement and approval of the Remuneration Report prepared by the Remuneration and Nomination Committee of the Company.

Proposed resolution No. 4:

The General Meeting resolves to approve the Remuneration Report prepared by the Remuneration and Nomination Committee of the Company for the financial year ended on 31 December 2021.

Justification of the resolution No. 4:

Pursuant to article 7ter of the Luxembourg law of 1 August 2019 modifying the law of 24 May 2011 concerning the exercise of shareholders' rights at the general meetings of listed companies (the "**Shareholders' Rights Law**"), the Company must draw up a remuneration report, providing a comprehensive overview of the remuneration, including all benefits in whatever form, awarded or due during the most recent financial year to individual directors, including to newly recruited and to former directors, in accordance with the Company's remuneration policy. In accordance with article 7ter(4) of the Shareholders' Rights Law, the General Meeting has the right to hold an advisory vote on the remuneration report. Accordingly, this draft resolution has been submitted to the General Meeting.

The Board unanimously expresses its positive opinion on the resolution No. 4 and recommends its adoption in the proposed wording.

7. Discharge to Francois NUYTS, for the exercise of his mandate as director of the Company until 31 December 2021.

Proposed resolution No. 5:

The General Meeting resolves to grant discharge to Francois NUYTS for the performance of his mandate as director of the Company until 31 December 2021.

Justification of the resolution No. 5:

Due to the matter contained in this draft resolution on granting discharge to an individual member of the

Board, the Board limits its justification to stating that this matter falls as per the Law of 10 August 1915 within the exclusive competence of the General Meeting, and the voting result should reflect the assessment of the Board's activities by the General Meeting.

The Board unanimously expresses its positive opinion on the resolution No. 5 and recommends its adoption in the proposed wording.

8. Discharge to Jonathan EASTICK, for the exercise of his mandate as director of the Company until 31 December 2021.

Proposed resolution No. 6:

The General Meeting resolves to grant discharge to Jonathan EASTICK for the performance of his mandate as director of the Company until 31 December 2021.

Justification of the resolution No. 6:

Due to the matter contained in this draft resolution on granting discharge to an individual member of the Board, the Board limits its justification to stating that this matter falls as per the Law of 10 August 1915 within the exclusive competence of the General Meeting, and the voting result should reflect the assessment of the Board's activities by the General Meeting.

The Board unanimously expresses its positive opinion on the resolution No. 6 and recommends its adoption in the proposed wording.

9. Discharge to Darren Richard HUSTON, for the exercise of his mandate as director of the Company until 31 December 2021.

Proposed resolution No. 7:

The General Meeting resolves to grant discharge to Darren Richard HUSTON for the performance of his mandate as director of the Company until 31 December 2021.

Justification of the resolution No. 7:

Due to the matter contained in this draft resolution on granting discharge to an individual member of the Board, the Board limits its justification to stating that this matter falls as per the Law of 10 August 1915 within the exclusive competence of the General Meeting, and the voting result should reflect the assessment of the Board's activities by the General Meeting.

The Board unanimously expresses its positive opinion on the resolution No. 7 and recommends its adoption in the proposed wording.

10. Discharge to David BARKER, for the exercise of his mandate as director of the Company until 31 December 2021.

Proposed resolution No. 8:

The General Meeting resolves to grant discharge to David BARKER for the performance of his mandate as director of the Company until 31 December 2021.

Justification of the resolution No. 8:

Due to the matter contained in this draft resolution on granting discharge to an individual member of the Board, the Board limits its justification to stating that this matter falls as per the Law of 10 August 1915 within the exclusive competence of the General Meeting, and the voting result should reflect the assessment of the Board's activities by the General Meeting.

The Board unanimously expresses its positive opinion on the resolution No. 8 and recommends its adoption in the proposed wording.

11. Discharge to Carla SMITS-NUSTELING, for the exercise of her mandate as director of the Company until 31 December 2021.

Proposed resolution No. 9:

The General Meeting resolves to grant discharge to Carla SMITS-NUSTELING for the performance of her mandate as director of the Company until 31 December 2021.

Justification of the resolution No. 9:

Due to the matter contained in this draft resolution on granting discharge to an individual member of the Board, the Board limits its justification to stating that this matter falls as per the Law of 10 August 1915 within the exclusive competence of the General Meeting, and the voting result should reflect the assessment of the Board's activities by the General Meeting.

The Board unanimously expresses its positive opinion on the resolution No. 9 and recommends its adoption in the proposed wording.

12. Discharge to Pawel PADUSINSKI, for the exercise of his mandate as director of the Company until 31 December 2021.

Proposed resolution No. 10:

The General Meeting resolves to grant discharge to Pawel PADUSINSKI for the performance of his mandate as director of the Company until 31 December 2021.

Justification of the resolution No. 10:

Due to the matter contained in this draft resolution on granting discharge to an individual member of the Board, the Board limits its justification to stating that this matter falls as per the Law of 10 August 1915 within the exclusive competence of the General Meeting, and the voting result should reflect the assessment of the Board's activities by the General Meeting.

The Board unanimously expresses its positive opinion on the resolution No. 10 and recommends its adoption in the proposed wording.

13. Discharge to Nancy CRUICKSHANK, for the exercise of her mandate as director of the Company until 31 December 2021.

Proposed resolution No. 11:

The General Meeting resolves to grant discharge to Nancy CRUICKSHANK for the performance of her mandate as director of the Company until 31 December 2021.

Justification of the resolution No. 11:

Due to the matter contained in this draft resolution on granting discharge to an individual member of the Board, the Board limits its justification to stating that this matter falls as per the Law of 10 August 1915 within the exclusive competence of the General Meeting, and the voting result should reflect the assessment of the Board's activities by the General Meeting.

The Board unanimously expresses its positive opinion on the resolution No. 11 and recommends its adoption in the proposed wording.

14. Discharge to Richard SANDERS, for the exercise of his mandate as director of the Company until 31 December 2021.

Proposed resolution No. 12:

The General Meeting resolves to grant discharge to Richard SANDERS for the performance of his mandate as director of the Company until 31 December 2021.

Justification of the resolution No. 12:

Due to the matter contained in this draft resolution on granting discharge to an individual member of the Board, the Board limits its justification to stating that this matter falls as per the Law of 10 August 1915 within the exclusive competence of the General Meeting, and the voting result should reflect the assessment of the Board's activities by the General Meeting.

The Board unanimously expresses its positive opinion on the resolution No. 12 and recommends its adoption in the proposed wording.

15. Appoint Pedro ARNT, born on 4 May 1973 in London, England, and whose professional address is located at World Trade Center Free Zone II, Luis Bonavita 1284 oficina 1733, 11300 Montevideo, Uruguay, as director of the Company for 6 years with effect from 22 June 2022.

Proposed resolution No. 13:

The General Meeting resolves to appoint Pedro ARNT, born on 4 May 1973 in London, England, and professionally residing at World Trade Center Free Zone II, Luis Bonavita 1284 oficina 1733, 11300 Montevideo, Uruguay, as director of the Company for 6 years with effect from 22 June 2022.

Justification of the resolution No. 13:

Pursuant to the articles of association of the Company, the directors of the Company are appointed by a general meeting of the Company. The Board is of the opinion that the appointment of Mr Arnt as an independent director would be in the best interests of the Company, being a step towards the announced target of a majority of Board members being independent. This appointment also serves to increase e-commerce expertise amongst the Board members. Therefore, it is necessary to submit the draft of this resolution to the General Meeting.

The Board unanimously expresses its positive opinion on the resolution No.13 and recommends its adoption in the proposed wording.

16. Discharge to PwC, for the exercise of its mandate as certified auditor (*réviseur d'entreprises agréé*) of the Company until 31 December 2021.

Proposed resolution No. 14:

The General Meeting resolves to grant discharge to PwC for the exercise of its mandate as certified auditor (réviseur d'entreprises agréé) of the Company until 31 December 2021.

Justification of the resolution No. 14:

This matter falls within the exclusive competence of the General Meeting as per the as per the Law of 10 August 1915, therefore it is necessary to submit the draft of this resolution to the General Meeting.

The Board unanimously expresses its positive opinion on the resolution No. 14 and recommends its adoption in the proposed wording.

17. Renewal of the mandate of PwC as certified auditor of the Company (*réviseur d'entreprises agréé*) until the annual general meeting of the shareholders of the Company to be held in 2023.

Proposed resolution No. 15:

The General Meeting resolves to approve the renewal of the mandate of PwC as certified auditor of the Company (réviseur d'entreprises agréé) until the annual general meeting of the shareholders of the Company to be held in 2023.

Justification of the resolution No. 15:

This matter falls within the exclusive competence of the General Meeting, therefore, it is necessary to submit the draft of this resolution to the General Meeting.

The Board unanimously expresses its positive opinion on the resolution No. 15 and recommends its adoption in the proposed wording.

18. Approve the amendments to the rules of the Allegro incentive plan ("**AIP**").

Proposed resolution No. 16:

The General Meeting resolves to approve the amendments to the rules of the AIP as set out on page 9 to take immediate effect and be applicable to all awards granted under the AIP during the 2022 financial year and thereafter.

Justification of the resolution No. 16:

The Allegro Incentive Plan ("**AIP**") was approved by the shareholders of the Company on 20 September 2020 and adopted by the board of directors of the Company (the "**Board**") on 7 October 2020. The rules of the AIP (the "**Rules**") were subsequently amended by the remuneration and nomination committee of the Board ("**Remco**") on 22 September 2021 and 28 March 2022 respectively in accordance with the Rules.

Having operated the AIP since the admission and listing of the Company's shares on the Warsaw Stock Exchange ("**IPO**") in October 2020, the Company proposes the changes to the Rules which are summarised below so as to align the Rules with international market practice and enhance the use of the AIP as a means of incentivising employees of the Company's group (the "**Group**") and aligning their interests to those of the Company's shareholders. The Company proposes to make the following changes to the Rules subject to obtaining shareholder approval. A copy of the draft revised Rules is set out on pages 10 to 29.

Summary of changes

1. Individual Limits – new provisions added to separate annual AIP awards from additional one-off awards to new joiners or, in limited and extraordinary circumstances, in connection with a special business need (such as an M&A integration incentive program). In these circumstances, the Remco may grant an award in excess of the individual limits:

1.1 to a new employee or executive director of the Group in general to compensate them for any losses (as evidenced by the new joiner to the satisfaction of Remco) resulting from their departure from their previous employer; or

1.2 to any employee or director in connection with a special business need where Remco considers an exceptional award is appropriate, for example, to effectively incentivize the integration success of an M&A project. The vesting of any such award will be subject to the achievement of performance criteria linked to the long-term success of the relevant project. These awards will typically be made to employees below director level. If such an award were granted to an executive director of the Board, the Remuneration Report for the year in which the award was granted would set out the reasons for the award. The maximum total value of Shares over which such awards may be granted will be 100% of base salary for an award to an executive director of the Board or a member of the management board of Allegro.pl and 150% of base salary for any other employee of the Group.

2. Leavers – So as to treat participants fairly and in line with market practice, new provisions added to allow for:

2.1 the acceleration in full of vesting of all awards (i.e. 100%) held by a participant who dies; and

2.2 participants who cease employment by reason of retirement (at the statutory retirement age for the relevant jurisdiction, if applicable) or serious incapacity to retain their awards on leaving. Any such awards shall not be pro-rated for time, but shall otherwise remain subject to the Rules and will vest on the normal vesting date(s), subject to the extent to which any performance conditions have been satisfied, unless the Remco decides otherwise.

The Company has consulted an international HR consultancy (the "**Consultants**") in relation to the proposed amendments to the Rules. The Consultants have confirmed that the proposed amendments to the Rules would make the AIP competitive and consistent with international market practice.

The Board unanimously expresses its positive opinion on the resolution No. 16 and recommends its adoption in the proposed wording.

AMENDED RULES
ALLEGRO.EU

ALLEGRO INCENTIVE PLAN

Approved by shareholders of the Company on 20 September 2020

Adopted by the board of the Company on 7 October 2020

*Amended by the remuneration and nomination committee of the board of the Company on
22.09.2021*

*Amended by the remuneration and nomination committee of the board of the Company on [●]
2022*

Amendments approved by shareholders of the Company on [●] 2022

*Amendments adopted by the remuneration and nomination committee of the board of the
Company on [●] 2022*

The Plan is a discretionary benefit offered by Allegro.eu S.A (the "Company") for the benefit of its employees and the employees of its subsidiaries (the "employees"). The main purpose of the Plan is to increase the interest of the employees in the Company's long term business goals and performance through share ownership. The Plan is an incentive for the employees' future performance and commitment to the goals of the Group.

Shares received under the Plan and any gains obtained under the Plan are not part of salary for any purpose (except to any extent required by statute).

The detailed rules of the Plan are set out in this document.

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1. DEFINITIONS AND INTERPRETATION

1.1 In the Plan, unless the context otherwise requires:

"**Admission Date**" means the date on which the Shares are admitted to be traded on the WSE;

"**AIP**" or the "**Plan**" means the Allegro Incentive Plan as amended from time to time;

"**Award**" means a Restricted Stock Unit Award, an Option, Performance Share Unit Award, a Free Share Award, or any other form of award as determined by the Committee from time to time at its discretion;

"**Board**" means the board of directors of the Company or a duly authorised committee of the Board or a duly authorised person, or any successor entity;

"**Committee**" means the remuneration and nomination committee of the Board (or its duly authorised sub-committee), or, on and after the occurrence of a corporate event described in Rule 10 (*Takeovers and other corporate events*), the remuneration committee of the Board as constituted immediately before such event occurs;

"**Companies Act 2006**" means the UK's Companies Act 2006, as amended from time to time;

"**Company**" means *Allegro.eu S.A., a public limited liability company (Société anonyme) incorporated and existing under the laws of Luxembourg and registered with the Luxembourg Trade and Companies' Register (Registre de Commerce et des Sociétés, Luxembourg) under number B214830;*

"**Competitor**" means *such entity or entities as the Committee may, from time to time, determine to be a real threat to the business interests of the Company and its group or to potentially pose such a threat in the near future, as notified to the Participants in their non-compete agreements with a Group Member or otherwise;*

"**Control**" means a person (or group of persons acting in concert) acquiring more than 33.33% of the issued share capital of the Company;

"**Early Vesting Date**" means either:

- (a) the date of cessation of employment of a Participant in the circumstances referred to in Rule 9.1 (*Good leavers*); or
- (b) a date of notification referred to in Rule 10.1 (*General offers*) or the date of the relevant event referred to in Rule 10.2 (*Winding up*);

"**Exercise Period**" means the period referred to in Rule 6.2 (*Vesting of options*) during which an Option may be exercised;

"**Financial Year**" means the financial year of the Company;

"**Free Share Award**" means a conditional right to acquire free Shares granted under the Plan;

"**Good Leaver**" means a Participant who ceases to be a director or employee of a Group Member before the Normal Vesting Date for any reason other than those specified in [Rule 9.2.9.4 \(Cessation of employment in other circumstances\)](#); and [9.1 \(Death of a Participant\)](#) and is not a [Special Leaver](#);

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

"**Group Member**" means:

- (a) a Participating Company; and
- (b) a body corporate which is a subsidiary undertaking (within the meaning of section 1162 of the Companies Act 2006) of a Participating Company and has been designated by the Board for this purpose;

"**Listing**" means the admission of all or any of the share capital of the Company to the WSE;

"**New Award**" has the meaning given to it in Rule 10.3 (*Rollover of Awards*);

"**New Joiner**" means any person who on the relevant Grant Date is eligible to be granted an Award under Rule 2 (*Eligibility*) by reason of their having commenced employment with a Participating Company in the six months (or such period as determined by the Committee) preceding the Grant Date and who is determined to be a New Joiner by the Committee

"**Non-Compete Period**" means the period of 12 months beginning from the date on which a Participant ceases to be a director or employee of a Group Member;

"**Normal Vesting Date**" means the date on which an Award vests under Rule 5.1 (*Timing of Vesting: Normal Vesting Date*);

"**Notional Vesting**" means in relation to a Performance Share Unit Award and any Option that is subject to a Performance Condition, a Participant becoming notionally entitled to have Shares transferred to them (or their nominee) in the event of them becoming a Good Leaver, subject to the satisfaction of any Performance Conditions and any other applicable Rules;

"**Old Award**" has the meaning given to it in Rule 10.3 (*Rollover of Awards*);

"**Option**" means a right to acquire Shares granted under the Plan which is designated as an option by the Committee under Rule 3.2 (*Type of Award*);

"**Option Price**" means the amount, if any, payable on the exercise of an Option;

"**Participant**" means a person who holds an Award including their personal representatives;

"**Participating Company**" means the Company or any Subsidiary of the Company;

"**Performance Condition**" means a condition related to performance which is specified by the Committee under Rule 3.1 (*Terms of grant*);

"**Performance Share Unit Award**" means a right to acquire Shares granted under the Plan which is subject to the satisfaction of a Performance Condition as determined by the Committee;

"**Restricted Stock Unit Award**" means a conditional right to acquire Shares granted under the Plan;

"**Rule**" means a rule of the Plan;

"**Senior Executive**" means an executive director of the Board or a member of the management board of Allegro.pl sp. z.o.o.;

"**Shares**" means fully paid ordinary shares in the capital of the Company;

"**Special Leaver**" means a Participant who ceases to be a director or employee of a Group Member before the Normal Vesting Date by reason of retirement at the statutory retirement age

[for the relevant jurisdiction \(if applicable\) or serious incapacity, as evidenced to the reasonable satisfaction of the Committee during the Vesting Period;](#)

"**Subsidiary**" means a body corporate which is a subsidiary (within the meaning of section 1159 of the Companies Act 2006, or its equivalent in any applicable jurisdiction);

"**Tax Liability**" means any amount of tax or social security contributions for which a Participant would or may be liable and for which any Group Member or former Group Member would or may be obliged to (or would or may suffer a disadvantage if it were not to) account to any relevant authority;

"**Vest**" means:

- (c) in relation to a Performance Share Unit Award, a Restricted Stock Unit Award and a Free Share Award, a Participant becoming entitled to have Shares transferred to them (or their nominee) subject to the Rules and the satisfaction of any Performance Conditions; and
- (d) in relation to an Option, it becoming exercisable;

"**Vested Shares**" means those Shares in respect of which an Award Vests;

"**Vesting Period**" means the period between the Grant Date and the date of Vesting; and

"**WSE**" means the Warsaw Stock Exchange.

1.2 Any reference in the Plan to any enactment includes a reference to that enactment as from time to time modified, extended or re-enacted.

1.3 Expressions in italics and headings are for guidance only and do not form part of the Plan.

2. **ELIGIBILITY**

An individual is eligible to be granted an Award only if they are an employee (including an executive director) of a Participating Company and are not under notice of termination of employment or have not agreed to the termination of their employment with their employer at the Grant Date.

3. **GRANT OF AWARDS**

3.1 **Terms of grant**

Subject to Rule 3.6 (*Timing of grant*), Rule 3.8 (*Approvals and consents*) and Rule 4 (*Limits*), the Committee may resolve to grant an Award on:

- (a) the terms set out in the Plan; and
- (b) such additional terms (whether a Performance Condition and/or any other terms) as the Committee may specify

to any person who is eligible to be granted an Award under Rule 2 (*Eligibility*).

3.2 **Type of Award**

On or before the Grant Date, the Committee shall determine whether an Award shall be a Restricted Stock Unit Award, a Performance Share Unit Award, an Option, a Free Share Award or any other form of award as it may determine in its discretion from time to time.

3.3 Method of grant

An Award shall be granted as follows:

- (a) a Restricted Stock Unit Award, a Performance Share Unit Award, an Option or a Free Share Award shall be granted by deed executed by the Company; and
- (b) if an Award is an Option, the Committee shall determine the Option Price (if any) on or before the Grant Date provided that the Committee may reduce or waive such Option Price on or prior to the exercise of the Option.

3.4 Treatment of Dividends

Participants will not be entitled to receive dividends in respect of the Shares under an Award before Vesting, nor will they be entitled to any additional benefits calculated by reference to any such dividends.

3.5 Method of satisfying Awards

Unless specified to the contrary by the Committee on the Grant Date, an Award may be satisfied:

- (a) by the issue of new Shares; and/or
- (b) by the transfer of treasury Shares; and/or
- (c) by the transfer of Shares (other than the transfer of treasury Shares).

The Committee may decide to change the way in which it is intended that an Award may be satisfied after it has been granted, having regard to the provisions of Rule 4 (*Limits*).

3.6 Timing of grant

Subject to Rule 3.8 (*Approvals and consents*), an Award may only be granted:

- (a) in the 6-week period beginning with:
 - (i) the date on which the Plan is approved by the shareholders of the Company;
 - (ii) the dealing day after the date on which the Company announces its annual results; or
 - (iii) 1 October of each calendar year; or
- (b) at any other time when the Committee considers that circumstances are sufficiently exceptional to justify its grant,

but an Award may not be granted after 19 September 2030 (that is, the expiry of the period of 10 years beginning with the date on which the Plan is approved by the shareholders of the Company).

3.7 Non-transferability and bankruptcy

An Award granted to any person:

- (a) shall not be transferred, assigned, charged or otherwise disposed of except on their death to their personal representatives or heirs and shall lapse immediately on any attempt to do so; and

- (b) shall lapse immediately if they are declared bankrupt.

3.8 Approvals and consents

The grant of any Award shall be subject to obtaining any approval or consent required under any applicable laws and regulations (including any applicable listing rules) and any relevant share dealing code of the Company.

4. LIMITS

4.1 10 per cent. in 10 years limit

An Award shall not be granted in any calendar year if, at the time of its proposed Grant Date, it would cause the number of Shares allocated in the period of 10 calendar years ending with that calendar year under the Plan and under any other employee share plan adopted by the Company to exceed such number as represents 10 per cent. of the ordinary share capital of the Company in issue at that time. For the purposes of this Rule 4.1: (10 per cent in 10 years limit):

- (a) Shares are "allocated" when an Award or other contractual right to acquire unissued Shares or treasury Shares is granted. Where any Award lapses (whether in whole or in part) the Shares which cease to be subject to that Award shall no longer count as allocated;
- (b) any Shares which have been issued (or any Shares transferred out of treasury or which may be transferred out of treasury) to any trustee to satisfy the Vesting or exercise of any award, option or other contractual right granted under the Plan and any other employee share plan shall count as allocated unless they are already treated as allocated under this Rule; and
- (c) for the avoidance of doubt, existing Shares other than treasury Shares that are transferred or over which options, awards or other contractual rights are granted shall not count as allocated.

4.2 Individual limit

- (a) The maximum total market value of Shares (calculated as set out in this Rule) over which Awards may be granted to any employee or director during any ~~financial year of the Company~~ Financial Year is 200% of their salary (as defined in this Rule) unless ~~Rule~~ Rules 4.2(b)-applies, 4.2(c) or 4.2(d) apply.
- (b) If the Committee decides that exceptional circumstances exist in relation to the recruitment or retention of an eligible employee (or director) or otherwise then the maximum total market value of Shares (calculated as set out in this Rule) over which Awards may be granted to that employee or director during a ~~financial year of the Company~~ Financial Year is 300% of their salary (as defined in this Rule).
- (c) Rules 4.2(a) and 4.1(b) shall not apply in respect of any Award granted to a New Joiner that in general relates to compensation for, or buy out from, the New Joiner's contract in their previous employment.
- (d) If the Committee determines that an extraordinary event has occurred, such as the acquisition by a Group Member of a new entity, and it considers it appropriate to grant an Award to an eligible employee (or director) in connection with that event, the Committee may grant an Award which, when taken together with any other Award granted to them in

that Financial Year, exceeds the limits set out in Rules 4.2(a) and (b) provided that any such Award(s) granted in accordance with this Rule 4.2(d):

- (i) will not, in any Financial Year, exceed 100% of the individual's salary (as defined in this Rule) in the case of a Senior Executive, or 150% of their salary (as defined in this Rule) in the case of any other eligible employee; and
- (ii) shall be granted subject to such Performance Conditions as the Committee considers appropriate.

~~(e)~~(e) For the purpose of this Rule 4.2: (Individual limit):

- (i) an employee's or director's **salary** shall be taken to be their annual base salary (excluding benefits in kind and any variable remuneration), expressed as an annual rate payable by the Participating Companies to them on the Grant Date (or such earlier date as the Committee shall determine). Where a payment of salary is made in a currency other than Polish Zloty the payment shall be treated as equal to the equivalent amount of Polish Zloty as calculated based on the average exchange rate of the National Bank of Poland (NBP) prevailing as at the fifth business day before the Grant Date~~determined by using any rate of exchange which the Committee may reasonably select~~; and
- (ii) the **market value** of the Shares over which an Award is to be granted shall be taken to be an amount equal to the average closing price of such Shares (as derived from the WSE, rounded down to two places after the decimal (PLN1/100)) during a period of 60 dealing days ending with the dealing day before the Grant Date, ~~excluding~~excluding any period when dealings in Shares are prohibited under the Company's share dealing code, or any other such period or method of calculation the Committee may at its discretion deem necessary in order to fairly represent the dealing price corrected for exceptional circumstances.

4.3 Effect of limits

Any Award shall be limited and take effect so that the limits in this Rule 4 (Limits) are complied with.

4.4 Restriction on use of unissued Shares and treasury Shares

No Shares may be issued or treasury Shares transferred to satisfy any Restricted Stock Unit Award, Performance Share Unit Award or Free Share Award, or the exercise of any Option to the extent that such issue or transfer would cause the number of Shares allocated to exceed the limits in this Rule 4 (Limits) except where there is a variation of share capital of the Company which results in the number of Shares so allocated exceeding such limits solely by virtue of that variation.

5. VESTING OF AWARDS

5.1 Timing of Vesting: Normal Vesting Date

Subject to Rule 5.3 *(Restrictions on Vesting and exercise: regulatory and tax issues)*, an Award shall Vest:

- (a) in respect of a Performance Share Unit Award subject also to Rule 12 *(Malus and Clawback)*, on the third anniversary of the Grant Date provided that the Committee has determined

that the applicable Performance Condition and any other condition imposed on the Vesting of the Award have been satisfied (in whole or part);

(b) in respect of a Restricted Stock Unit Award, in three tranches as follows:

- (i) 25% on the first anniversary of the Grant Date;
- (ii) 25% on the second anniversary of the Grant Date; and
- (iii) 50% on the third anniversary of the Grant Date,

to the extent that any other condition imposed on the Vesting of the Award has been satisfied (in whole or part);

(c) in respect of a Free Share Award, at the end of the lock-up period, on the 360th day following the Admission Date; and

(d) in respect of an Option, the third anniversary of the Grant Date;

in each case, except where Vesting occurs on an Early Vesting Date under Rule 9 (*Leavers*) or Rule 10 (*Takeovers and other corporate events*) or where the Committee decides otherwise at its discretion.

5.2 Extent of Vesting

An Award shall only Vest to the extent:

- (a) that any Performance Condition is satisfied on the Normal Vesting Date or the Early Vesting Date;
- (b) as permitted by any other term imposed on the Vesting of the Award (including but not limited to the application of Rule 12 (*Malus and Clawback*)); and
- (c) in relation to Vesting before the Normal Vesting Date, [\(other than pursuant to Rules 9.1 \(Death of a Participant\) or 9.3 \(Special Leavers\)\)](#), as permitted by Rules 9.6 ~~and 9.5~~ (*Leavers: Reduction in number of Vested Shares*) ~~;~~ [\(General provision\)](#) and 9.7 (*Leavers: Reduction in number of Vested Shares (Change in Board or Management)*).

Where, under Rule 9 (*Leavers*) or Rule 10 (*Takeovers and other corporate events*), an Award would Vest before the end of the full period over which performance would be measured under the Performance Condition then, unless provided to the contrary by the Performance Condition, the extent to which the Performance Condition has been satisfied in such circumstances shall be determined by the Committee on such reasonable basis as it decides.

5.3 Restrictions on Vesting and exercise: Regulatory and tax issues

An Award shall not Vest, and an Option which has Vested may not be exercised, unless and until the following conditions are satisfied:

- (a) the Vesting of the Award or exercise of the Option, and the issue or transfer of Shares after such Vesting or exercise would be lawful in all relevant jurisdictions and in compliance with any applicable laws and regulations (including any applicable listing rules) and any relevant share dealing code of the Company;

- (b) if, on the Vesting of the Award or exercise of the Option, a Tax Liability would arise by virtue of such Vesting or exercise and the Board decides that such Tax Liability shall not be satisfied by the sale of Shares pursuant to Rule 5.5 (*Payment of Tax Liability*) then the Participant must have entered into arrangements acceptable to the Board that the relevant Group Member will receive the amount of such Tax Liability; and
- (c) where the Committee requires, the Participant has entered into, or agreed to enter into, a valid election to disapply tax charge on restricted securities.

For the purposes of this Rule 5.3, [\(Restrictions on Vesting and exercise: regulatory and tax issues\)](#), references to a Group Member include any former Group Member.

5.4 Tax liability before Vesting

If a Participant will, or is likely to, incur any Tax Liability before the Vesting of an Award then that Participant must enter into arrangements acceptable to any relevant Group Member to ensure that it receives the amount of such Tax Liability. If no such arrangement is made then the Participant shall be deemed to have authorised the Company to sell or procure the sale of sufficient of the Shares subject to their Award on their behalf to ensure that the relevant Group Member receives the amount required to discharge the Tax Liability and the number of Shares subject to their Award shall be reduced accordingly.

For the purposes of this Rule 5.4, [\(Tax liability before Vesting\)](#), references to Group Member include any former Group Member.

5.5 Payment of Tax Liability

The Participant authorises the Company to sell or procure the sale of a sufficient number of Vested Shares (on or following the exercise of their Option in the case of an Option) on their behalf to ensure that any relevant Group Member or former Group Member receives the amount required to discharge the Tax Liability which arises on Vesting or exercise except to the extent that the Board decides that all or part of the Tax Liability shall be funded in a different manner.

6. CONSEQUENCES OF VESTING

6.1 Free Share Awards, Restricted Stock Unit Awards and Performance Share Unit Awards

For Free Share Awards, Restricted Stock Unit Awards and Performance Share Unit Awards, on or as soon as reasonably practicable after Vesting, the Board shall, subject to Rule 5.5 (*Payment of Tax Liability*), Rule 12 (*Malus and Clawback*) and any arrangement made under Rule 5.3 (*Restrictions on Vesting and exercise: regulatory and tax issues*), transfer or procure the transfer of the Vested Shares to the Participant.

6.2 Vesting of Options

An Option shall, subject to Rule 5.3 (*Restrictions on Vesting and exercise: regulatory and tax issues*), be exercisable in respect of Vested Shares for a period of 12 months beginning with the date on which the Option Vests unless it lapses earlier under [Rule 9.29.4 \(Cessation of employment in other circumstances\)](#), [Rule 9.3 \(Special Leavers\)](#), 9.5 (*Additional conditions for Leavers*) or Rule 10.1 (*General offers*).

If an Option is not exercised during the last 30 days of the Exercise Period because of any regulatory restrictions referred to in Rule 5.3(a), 5.3(a), the Committee may extend the period during which

the Option may be exercised so as to permit the Option to be exercised as soon as those restrictions cease to apply.

7. EXERCISE OF OPTIONS

7.1 Exercise in whole or part

An Option must be exercised to the maximum extent possible at the time of exercise unless the Committee decides that a Participant may exercise the Option in respect of such fewer number of Shares as it decides.

7.2 Method of exercise

The exercise of any Option shall be effected in the form and manner prescribed by the Board. Unless the Board, acting fairly and reasonably determines otherwise, any notice of exercise shall, subject to Rule 5.3 (*Restrictions on Vesting and exercise: regulatory and tax issues*), take effect only when the Company receives it, together with payment of any relevant Option Price (or, if the Board so permits, an undertaking to pay that amount, provided such undertaking is permitted under the laws of the relevant jurisdiction).

7.3 Transfer or allotment timetable

As soon as reasonably practicable after an Option has been exercised, the Company shall, subject to Rule 5.5 (*Payment of Tax Liability*) and any arrangement made under Rules ~~5.3(b) and 5.3(c)~~ 5.3(b) and 5.3(c) (*Restrictions on Vesting and exercise: regulatory and tax issues*), transfer or procure the transfer to them or, if appropriate, allot to them (or their nominee) the number of Shares in respect of which the Option has been exercised.

8. LAPSE OF AWARDS

An Award shall lapse:

- (a) in accordance with the Rules; or
- (b) to the extent it does not Vest under the Rules.

9. LEAVERS

9.1 Death of a Participant

If a Participant ceases to be a director or employee of a Group Member by reason of death, or dies between the date on which they become a Special Leaver and their Award Vests under Rule 9.3 (*Special Leavers*), then unless the Committee determines otherwise and subject to Rules 5.3 (*Restrictions on Vesting: regulatory and tax issues*) and Rule 10 (*Takeovers and Other Corporate Events*), their Award shall Vest in full, and in the case of Options be deemed to have been exercised in full, on the date on which the Committee is notified of, and receives such information as it considers necessary in respect of, their death in accordance with Rules 5 (*Vesting of Awards*) to 7 (*Exercise of Options*).

~~9.1~~ 9.2 Good leavers

If a Participant is a Good Leaver, then, subject to Rule 5.3 (*Restrictions on Vesting and exercise: regulatory and tax issues*), Rule 12 (*Malus and Clawback*) and Rule 10 (*Takeovers and other corporate events*):

- (a) in respect of Performance Share Unit Awards and any Options that are subject to a Performance Condition, the Awards shall Vest subject to Rule 9.7 ([Leavers: reduction in number of Vested Shares \(Change in Board or Management\)](#)) on the Normal Vesting Date and Rules 9.6 ~~and~~ ([Leavers: reduction in number of Vested Shares \(General provision\)](#)) and 9.7 ([Leavers: reduction in number of Vested Shares \(Change in Board or Management\)](#)) shall apply, unless the Committee decides that, subject to Rule 5.3 (*Restrictions on Vesting and exercise: regulatory and tax issues*), an Award shall Vest on the date of cessation of employment or such earlier date as it shall, in its absolute discretion, determine; and
- (b) in respect of Restricted Stock Unit Awards and any Options that are not subject to a Performance Condition, any portion of the Awards that are not Vested shall lapse on the date of cessation of employment, unless the Committee determines otherwise in its absolute discretion.

9.3 Special Leavers

If a Participant is a Special Leaver, then the Awards shall Vest, subject to Rule 9.1 (*Death of a Participant*), Rule 10 (*Takeovers and Other Corporate Events*) and Rule 12 (*Malus and Clawback*), on the Normal Vesting Date in accordance with Rule 5 (*Vesting of Awards*) and any Options shall be exercisable in accordance with Rule 7 (*Exercise of Options*), unless the Committee decides that, subject to Rule 5.3 (*Restrictions on Vesting and exercise: regulatory and tax issues*), an Award shall Vest on the date of cessation of employment or such earlier date as it shall, in its absolute discretion, determine.

9.29.4 Cessation of employment in other circumstances

If a Participant ceases to be a director or employee of a Group Member by reason of gross misconduct or resignation to join a Competitor within the Non-Compete Period:

- (a) any Award (whether Notionally Vested or otherwise) shall lapse immediately on the date of such cessation of employment; and
- (b) any Vested Shares acquired by the Participant during the 12 month period immediately before the date of cessation of employment and/or in the period from the date of cessation of employment to the date on which they joined a Competitor (net of any applicable taxes) shall be repayable to the Company, either as a payment of cash or a transfer of Shares, on such terms as it may determine.

For the purposes of this Rule ~~9.2~~9.4 ([Cessation of employment in other circumstances](#)), a Participant will be deemed to have joined a Competitor on:

- (i) becoming an employee or director of, or otherwise performing work or providing services on any basis to, a Competitor;
- (ii) them commencing a position pursuant to which they sit on the founding, supervisory or executive bodies of a Competitor; or
- (iii) them holding a direct or indirect financial interest (as shareholder or otherwise) in a Competitor (disregarding any financial interest in securities of a company listed

or dealt in on any recognised investment exchange which amounts to less than 3 per cent of the issued securities of that class of securities).

9.39.5 Additional conditions for Leavers

Where a Participant ceases to be a director or employee of a Group Member for any reason, the Committee at its absolute discretion, acting fairly and reasonably, may, in circumstances where a Participant is determined by the Committee to have breached any restrictive covenant provisions as set out in any agreement between the Participant and any Group Member:

- (a) require that some or all of any Vested Shares under a Performance Share Unit Award and/or Restricted Stock Unit Award and/or Option received during the 12 month period immediately before the breach of the covenant takes place (net of any applicable taxes) be repayable to the Company, either as a payment of cash or transfer of Shares, on any terms as it may determine; and
- (b) determine that any portion of any Awards that are not yet Vested (or, in the case of an Option, has not yet been exercised) shall lapse with immediate effect.

9.49.6 Leavers: Reduction in Number of Vested Shares (General provision)

Save as set out in Rule 9.7; [\(Leavers: reduction in number of Vested Shares \(Change in Board or Management\)\)](#), where a Participant is a Good Leaver, the Committee shall determine the number of Vested Shares in respect of any Performance Share Unit Award and any Option that is subject to a Performance Condition by the following steps:

- (a) any portion of any Awards that are Notionally Vested shall be capable of Vesting, subject to the requirements of Rule 9.6(c);
- (b) unless otherwise determined by the Committee, an Award shall be considered to be Notionally Vested as follows:
 - (i) 25% of Shares under Award on the first anniversary of the Grant Date;
 - (ii) 25% of Shares under Award on the second anniversary of the Grant Date; and
 - (iii) 50% of Shares under Award on the third anniversary of the Grant Date; and
- (c) the Committee shall apply any Performance Condition and any other applicable condition to the Shares that have Notionally Vested, in accordance with Rule 5.2 [\(Extent of Vesting\)](#) on the Normal Vesting Date provided that, at all times such application of any Performance Condition and/or any other applicable condition shall not result in a higher percentage than is set out in Rule 9.6(b) from being considered Notionally Vested, unless the Committee, acting fairly and reasonably, decides that the:
 - (i) reduction in the number of Vested Shares under Rule 9.6(c) is inappropriate in any particular case when it shall increase the number of Vested Shares to such higher number as it decides provided that number does not exceed the number of Shares that could have Vested absent the Participant's cessation of employment or office; and/or

- (ii) Award should Vest on the Early Vesting Date. For the avoidance of doubt, any proportion of any Award that is not Notionally Vested at the time of cessation of employment shall lapse.

If an Award Vests under any of Rules 10.1 ([General offers](#)) to 10.2 ([Winding up](#)) when the holder of that Award has ceased to be a director or employee of a Group Member for the reasons set out in this Rule 9.6 ([Leavers: reduction in number of Vested Shares \(General provision\)](#)) then this Rule 9.6 ([Leavers: reduction in number of Vested Shares \(General provision\)](#)) shall take precedence over Rule 10.5- ([Corporate events: number of Vested Shares](#)).

9.59.7 Leavers: Reduction in Number of Vested Shares (Change in Board or Management)

Notwithstanding the provisions of Rule 9.6, ([Leavers: reduction in number of Vested Shares \(General provision\)](#)), where a Participant is a Good Leaver by reason of having been served notice of termination of employment by the Company within 6 months following a change to the majority of either: (i) the members of the Board of the Company; or (ii) the management board of Allegro.pl sp. z.o.o., in each case, within a 12 month period, then the Committee shall determine the number of Vested Shares in respect of any Performance Share Unit Award and any Option that is subject to a Performance Condition by the following steps:

- (a) any portion of any Awards that are Notionally Vested shall be capable of Vesting, subject to the requirements of Rule 9.7(c);
- (b) an Award shall be considered to be Notionally Vested as to such amount that is determined by applying a pro rata straight line Notional Vesting based on the completed months of service from the Grant Date and ending on the date of cessation relative to the period of 3 years; and
- (c) the Committee shall apply any Performance Condition and any other applicable condition to the Shares that have Notionally Vested, in accordance with Rule 5.2 ([Extent of vesting](#)) on the Early Vesting Date (or Normal Vesting Date where the Company has received the confirmation from a relevant tax authority specified below) provided that, at all times such application of any Performance Condition and/or any other applicable condition shall not result in a higher percentage than is set out in Rule 9.7(b) from being considered Notionally Vested.

Unless the Company has received confirmation from a relevant tax authority that there would be no adverse tax consequences for Participants receiving Vested Shares on the Normal Vesting Date, the Award shall Vest on the Early Vesting Date or such earlier date as the Committee shall, in its absolute discretion, determine.

If an Award Vests under any of Rules 10.1 ([General offers](#)) to 10.2 ([Winding up](#)) when the holder of that Award has ceased to be a director or employee of a Group Member for the reasons as set out in this Rule 9.7 ([Leavers: reduction in number of Vested Shares \(Change in Board or Management\)](#)) then this Rule 9.7 ([Leavers: reduction in number of Vested Shares \(Change in Board or Management\)](#)) shall take precedence over Rule 10.5- ([Corporate events: number of Vested Shares](#)).

9.69.8 Meaning of ceasing employment

- (a) A Participant shall not be treated for the purposes of this Rule 9 ([Leavers](#)) as ceasing to be a director or employee of a Group Member until such time as they are no longer a director or employee of any Group Member.

- (b) If any Participant ceases to be such a director or employee of a Group Member before the Vesting of their Award in circumstances where they retain a statutory right to return to work then they shall be treated as not having ceased to be such a director or employee until such time (if at all) as they cease to have such a right to return to work while not acting as an employee **save that** the Board may, at any time during this period, determine in its absolute discretion that such a director or employee should be treated as ceasing to be a director or employee of a Group Member, in which case Rule 9.6 (Leavers: reduction in number of Vested Shares (General provision)) shall apply.
- (c) Where a Participant's Award(s) lapse pursuant to ~~9.2~~9.4 *(Cessation of employment in other circumstances)* and a court of competent jurisdiction does not uphold the dismissal for gross misconduct, the Participant shall be granted replacement Award(s) on the same terms as the Award(s) that lapsed on their cessation of employment or office and, unless they are reinstated as employees or officers of a Group Company, shall be treated as a Good Leaver in respect of those replacement Award(s).

~~9.7~~9.9 **Death following cessation of employment**

If a Participant dies following cessation of employment in circumstances where their Award did not lapse but it has not Vested by the time of their death, (other than where they ceased employment as a Special Leaver), it shall Vest on the Normal Vesting Date unless the Committee decides that their Award shall Vest as soon as practicable following their death to the extent determined by reference to the time of cessation of employment in accordance with Rule ~~9.1~~9.2 (Good Leavers).

~~9.8~~9.10 **Leavers: Free Share Awards**

Rules 9.1 ~~to~~ (Death of a Participant) to 9.9 (Death following cessation of employment) above shall not apply to any Free Share Award which shall continue to Vest on the Normal Vesting Date in the event a Participant ceases to be a director or an employee of a Group Member before the Normal Vesting date unless the Committee, in its absolute discretion, determines that the Free Share Award may Vest early.

10. TAKEOVERS AND OTHER CORPORATE EVENTS

10.1 **General offers**

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

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

the Board shall within 7 days of becoming aware of that event notify every Participant of it and, subject to Rule 10.3 *(Internal reorganisations)*, the following provisions shall apply:

- (i) subject to Rule 5.3 *(Restrictions on Vesting and exercise: regulatory and tax issues)*, all Awards shall Vest on the date of such notification if they have not then Vested and Rule 10.5 *(Corporate events: number of Vested Shares)* shall apply;
- (ii) any Option may, subject to Rule 5.3 *(Restrictions on Vesting and exercise: regulatory and tax issues)* be exercised within one month of the date of such notification, but to the extent that an Option is not exercised within that period,

that Option shall (regardless of any other provision of the Plan) lapse at the end of that period.

10.2 Winding up

In the event that:

- (a) the Company passes a resolution for a voluntary winding up of the Company; or
- (b) an order is made for the compulsory winding up of the Company,

the Committee may, in its absolute discretion determine subject to Rule 5.3 (*Restrictions on Vesting and exercise: regulatory and tax issues*), and Rule 10.4 (*Internal reorganisations*) the extent to which, if at all, an Award shall Vest and the timing of such Vesting and Rule 10.5 (*Corporate events: number of Vested Shares*) shall apply.

10.3 Rollover of Awards

If any company (the "**Acquiring Company**") is expected to acquire or acquires more than 50% of the Shares in the Company as a result of an offer referred to in Rule 10.1 (*General offers*), any Participant may, by agreement with the Acquiring Company, surrender their Award ("**Old Award**") in consideration of the grant to them of an equivalent award over shares in the Acquiring Company or a company related to the Acquiring Company ("**New Award**").

The Rules will apply to any New Award granted under this Rule 10.3 ([Rollover of Awards](#)) as if references to Shares were to shares over which the New Award is granted and references to the Company were references to the company whose shares are subject to the New Award.

10.4 Internal reorganisations

In the event that:

- (a) an Acquiring Company is expected to obtain Control of the Company as a result of an offer referred to in Rule 10.1 (*General offers*); and
- (b) at least 50% of the shares in the Acquiring Company are expected to be held by substantially the same persons who immediately before the obtaining of Control of the Company were shareholders in the Company,

then the Committee, with the consent of the Acquiring Company, may decide before the obtaining of such Control that an Award shall not Vest under Rule 10.1 (*General offers*) but shall be automatically surrendered in consideration for the grant of a new award which the Committee determines is equivalent to the Award it replaces except that it will be over shares in the Acquiring Company or some other company.

The Rules will apply to any new award granted under this Rule 10.4 ([Internal reorganisations](#)) as if references to Shares were references to shares over which the new award is granted and references to the Company were references to the company whose shares are subject to the new award.

10.5 Corporate events: number of Vested Shares

If an Award Vests under any of Rules 10.1 (*General offers*) to 10.2 (*Winding up*), the Committee shall determine the number of Vested Shares of that Award by applying any Performance Condition and any other condition imposed on the Vesting of the Award. No pro rata reduction based on

service period will be applied to the number of Shares determined under this Rule 10.5. [\(Corporate events: number of Vested Shares\)](#).

If an Award Vests under any of Rules 10.1 [\(General offers\)](#) to 10.2 [\(Winding up\)](#) after the holder of that Award has ceased to be a director or employee of a Group Member then Rule 9 [\(Leavers\)](#) shall take precedence over this Rule 10.5. [\(Corporate events: number of Vested Shares\)](#).

11. ADJUSTMENT OF AWARDS

11.1 General rule

In the event of:

- (a) any variation of the share capital of the Company; or
- (b) a demerger, special dividend or other similar event which affects the market price of a Share to a material extent,

the Committee may make such adjustments as it considers appropriate under Rule 11.2 [\(Method of adjustment\)](#) so that, as far as possible, the value of the Shares under an Award immediately after such an event is the same as immediately prior to the event.

11.2 Method of adjustment

An adjustment made under this Rule shall be to one or more of the following:

- (a) the number of Shares comprised in an Award;
- (b) the Option Price; and
- (c) where any Award has Vested or Option has been exercised but no Shares have been transferred or allotted after such Vesting or exercise, the number of Shares which may be so transferred or allotted and (if relevant) the price at which they may be acquired.

12. MALUS AND CLAWBACK

12.1 Notwithstanding any other provision of the Plan, the Committee may decide at any time at its discretion that a Participant shall in respect of their Performance Share Unit Award(s) and/or Option(s) subject to a Performance Condition and/or, provided this is notified to the Participant on or around the Grant Date, Restricted Stock Unit Award(s) be subject to:

- (a) a malus adjustment before an Award Vests; and/or
- (b) the clawback of any amount after an Award Vests,

in accordance with the Company's applicable Malus and Clawback Policy and procedures, as amended from time to time.

13. ALTERATIONS

13.1 General rule on alterations

Except as described in Rule 13.2 [\(Shareholder approval\)](#), and Rule 13.4 [\(Alterations to disadvantage of Participants\)](#) the Committee may at any time alter the Plan or the terms of any Award.

13.2 Shareholder approval

Except as described in Rule 13.3 (*Exceptions to shareholder approval*), no alteration to the advantage of an individual to whom an Award has been or may be granted shall be made under Rule 13.1 (*General rule on alterations*) to the provisions concerning:

- (a) eligibility;
- (b) the individual limits on participation;
- (c) the overall limits on the issue of Shares or the transfer of treasury Shares;
- (d) the basis for determining a Participant's entitlement to, and the terms of, Shares or cash provided under the Plan;
- (e) the adjustments that may be made in the event of any variation of capital; and
- (f) the terms of this Rule 13.2- ([Shareholder approval](#)).

without the prior approval by ordinary resolution of the members of the Company in general meeting.

13.3 Exceptions to shareholder approval

Rule 13.2 (*Shareholder approval*) shall not apply to:

- (a) any minor alteration 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 Participants or any Group Member; or
- (b) any alteration relating to the Performance Condition made under Rule 13.5 (*Alterations to a Performance Condition*).

13.4 Alterations to disadvantage of Participants

No alteration to the material disadvantage of Participants shall be made under Rule 13.1 (*General rule on alterations*) unless:

- (a) the Board shall have invited every relevant Participant holding Awards that may be impacted to indicate whether or not they approve the alteration; and
- (b) the alteration is approved by a majority of those Participants who have given such an indication.

13.5 Alterations to a Performance Condition

The Committee may amend any Performance Condition without prior shareholder approval if:

- (a) an event has occurred which causes the Committee reasonably to consider that it would be appropriate to amend the Performance Condition;
- (b) the altered Performance Condition will, in the reasonable opinion of the Committee, be not materially less or more difficult to satisfy than the unaltered Performance Condition would have been but for the event in question; and
- (c) the Committee shall act fairly and reasonably in making the alteration.

14. MISCELLANEOUS

14.1 Employment

- (a) The rights and obligations of any individual under the terms of their office or employment with any Group Member shall not be affected by their participation in the Plan or any right which they may have to participate in it.
- (b) An individual who participates in the Plan waives any and all rights to compensation or damages in consequence of the termination of their office or employment for any reason whatsoever (and regardless of whether such termination is lawful or unlawful) insofar as those rights arise or may arise from them ceasing to have rights under an Award as a result of such termination.
- (c) Participation in the Plan shall not confer a right to continued employment upon any individual who participates in it.
- (d) The grant of any Award does not imply that any further Award will be granted nor that a Participant has any right to receive any further Award.

14.2 Employee Benefit Trust

At any time during the life of the Plan, the Committee may establish and operate an employee benefit trust in conjunction with the Plan and the Committee may alter the Plan or the terms of any Award to effect the operation of the employee benefit trust in accordance with Rule 13 (*Alterations*).

14.3 Disputes

- (a) In the event of any dispute or disagreement as to the interpretation of the Plan, or as to any question or right arising from or relating to the Plan, the decision of the Committee shall be final and binding upon all persons.
- (b) The exercise of any power or discretion by the Committee shall not be open to question by any person and a Participant or former Participant shall have no rights in relation to the exercise of or omission to exercise any such power or discretion.

14.4 Share rights

- (a) All Shares allotted under the Plan shall rank equally in all respects with Shares then in issue except for any rights attaching to such Shares by reference to a record date before the date of the allotment.
- (b) Where Vested Shares are transferred to Participants, Participants will be entitled to all rights attaching to such Shares by reference to a record date on or after the date of such transfer or release of such restrictions.

14.5 Notices

- (a) Any notice or other communication under or in connection with the Plan may be given in such manner as the Committee consider to be appropriate, which may include communication by email or intranet or by personal delivery or by sending the same by post, in the case of a company to its registered office, and in the case of an individual to their last known address, or, where they are a director or employee of a Group Member, either to

their last known address or to the address of the place of business at which they perform the whole or substantially the whole of the duties of their office or employment.

- (b) Where any such notice or other communication is given by a Participant to the Company, it shall be effective only on receipt by the Company.

14.6 **Third parties**

No third party has any rights whether under the Contracts (Rights of Third Parties) Act 1999 or any equivalent in any applicable jurisdiction to enforce any term of the Plan.

14.7 **Benefits not pensionable**

Benefits provided under the Plan shall not be pensionable.

14.8 **Compliance with share dealing requirements**

Participants shall comply with their obligations under all applicable laws and regulations relating to dealing in Shares and any relevant share dealing code of the Company.

14.9 **Data protection**

- (a) If a Participant is employed outside the European Economic Area and consent is needed for the collection, processing or transfer of their personal data under applicable local law, by participating in the Plan, the Participant gives their consent for the purposes of the Plan.
- (b) For the purposes of compliance with the General Data Protection Regulation (EU) 2016/679, the Company will separately provide a Participant with information on the collection, processing and transfer of their personal data, including the grounds for processing.

14.10 **Governing law**

The Plan and all Awards shall be governed by and construed in accordance with the law of England and Wales and the Courts of England and Wales have exclusive jurisdiction to hear any dispute.