

# STENPROP

## **RULES OF STENPROP LIMITED**

### **LONG TERM INCENTIVE PLAN**

The definitions commencing on page 1 of this plan have, to the extent appropriate, been used on the cover page.

Approved by ordinary resolution passed by a 75% majority of the votes of shareholders present or represented by proxy at the extraordinary general meeting of Stenprop Limited held at 9.30 am BST on 24 January 2018

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1 **DEFINITIONS AND INTERPRETATION**

1.1 In this Plan:

“**Auditors**” means the auditors of the Company from time to time;

“**Award**” means a Market Value Option or a Nil-Cost Option.

“**Board**” means the board of the Company or any duly authorised committee of the board.

“**Clawback Amount**” means the total value (as reasonably determined by the Board) of the Shares acquired under the Award and/or the cash payable to the Participant in respect of the Award or such lesser amount as the Board may, in its absolute discretion, determine and the Clawback Amount shall be reduced to take into account the amount of tax and social security contributions actually paid (or due to be paid) by the Participant in respect of the acquisition of Shares and/or payment of cash in respect of an Award except where the Participant can claim relief arising from the making of payments or transfer of Shares under Rule 8 (*Reduction for malus and clawback*).

“**Company**” means Stenprop Limited, a company currently incorporated in Bermuda under registration No. 47031.

“**Control**” has the meaning given by section 995 of the Income Tax Act 2007.

“**Dealing Day**” means any day on which the stock exchange(s) on which the Company’s Shares are traded is open for business.

“**Dealing Restrictions**” means restrictions imposed by the Company’s share dealing code, the Listing Rules or any applicable laws or regulations which impose restrictions on share dealing.

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

“**Employer**” means, in relation to a Participant, such Group Member as is the Participant’s employer, or if he has ceased to hold office or employment with the Group, was his employer or such other Group Member, or such other person (including the Trustee) as under any statutory or regulatory enactment (in any jurisdiction) is obliged to account for any Tax Liability.

“**Exercise Price**” means

- (a) in respect of a Market Value Option, the VWAP on the Grant Date provided that in respect of Market Value Options granted prior to 31 March 2018 the Exercise Price shall be calculated as if the Grant Date were 8 June 2017;
- (b) in respect of a Nil-Cost Option an amount specified in the award certificate which shall either be nil or the nominal value of a share.

“**Financial Year**” means a financial year of the Company.

“**Grant Date**” means the date on which an Award is granted or deemed to be granted.

**“Grant Period”** means the period of 42 days commencing on:

- (a) the Dealing Day after the day on which the Plan is adopted by the Board;
- (b) the Dealing Day after the day on which the Company makes an announcement of its results for any period;
- (c) the Dealing Day after the day on which any changes to relevant legislation are proposed or made;
- (d) the Dealing Day after the date on which an individual becomes an Eligible Employee; or
- (e) any day on which the Board resolves that exceptional circumstances exist which justify the grant of Awards,

unless the Company is restricted from granting Awards under the Plan during the periods specified above as a result of any Dealing Restrictions, in which case the relevant Grant Period will be 42 days commencing on the Dealing Day after such Dealing Restrictions are lifted.

**“Group Member”** means the Company, or any Subsidiary of the Company, any company which is (within the meaning of section 1159 of the Companies Act 2006) the Company’s holding company or a Subsidiary of the Company’s holding company and **“Group”** will be construed accordingly.

**“Internal Reorganisation”** means where immediately after a change of Control of the Company, all or substantially all of the issued share capital of the acquiring company is owned directly or indirectly by the persons who were shareholders in the Company immediately before the change of Control.

**“JSE”** means the Johannesburg Stock Exchange.

**“Listing Rules”** means the relevant applicable rules governing the listing or trading of shares of the Company on any stock exchange on which its shares are listed or traded, as amended from time to time.

**“Market Value Option”** means a right (designated as a Market Value Option) to acquire Shares in accordance with the terms of the Plan upon payment of the Exercise Price per Share.

**“Nil-Cost Option”** means a right (designated as a Nil-Cost Option) to acquire Shares in accordance with the terms of the Plan upon payment of the Exercise Price (if any) per Share.

**“Normal Vesting Date”** means the date on which an Award (or part thereof) will normally Vest, which will be as set out below (or such other date determined by the Board and specified in the grant documentation):

- (a) in respect of Market Value Options the date the Award normally Vests is:

<i>Proportion of Award which Vests</i>	<i>Date of Vesting</i>
One third	1 <sup>st</sup> anniversary of the Relevant Year End
One third	2nd anniversary of the Relevant Year

	End
One third	3rd anniversary of the Relevant Year End

(b) in respect of Nil-Cost Options the date the Award normally Vests is the third anniversary of the Grant Date save that in respect of Nil-Cost Options granted prior to 31 March 2018 the Grant Date shall be deemed to be 8 June 2017.

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

**“Performance Target”** means a condition or conditions of the Vesting of Awards, relating to performance and imposed under Rule 3.1 as varied or substituted in accordance with Rule 3.3

**“Plan”** means the Stenprop Limited Long Term Incentive Plan in its present form or as from time to time amended.

**“Relevant Year End”** means the end of the Financial Year immediately preceding the Grant Date of the Award.

**“Retention Period”** means in respect of any Shares the period of two years commencing from the date the Award Vests during which the restrictions set out in Rule 14 (*Retention period*) apply.

**“Retention Shares”** means Shares to which a Retention Period applies and in respect of which the Retention Period has not expired.

**“Salary”** means on any day an Eligible Employee’s annual gross basic salary in respect of his employment with the Group.

**“Share”** means a fully paid ordinary share in the capital of the Company.

**“Subsidiary”** has the meaning given by section 1159 of the Companies Act 2006.

**“Tax Liability”** means any tax or social security contributions liability (but excluding for the avoidance of doubt secondary class 1 national insurance contributions (employer’s national insurance contributions)) in connection with an Award for which the Participant is liable and for which the Employer is obliged to account to any relevant authority.

**“Trustee”** means the trustee or trustees for the time being of any employee benefit trust, the beneficiaries of which include Eligible Employees.

**“Vest”** means in relation to an Award, the point at which it becomes capable of exercise, and **“Vesting”** and **“Vested”** will be construed accordingly.

**“VWAP”** means the volume weighed average trading price of the Shares listed on the exchange operated by the JSE (or any other relevant stock exchange determined by the Board) for the 10 (ten) trading days immediately preceding the relevant date.

1.2 References in the Plan to:

- (a) any statutory provisions are to those provisions as amended or re-enacted from time to time and references to statutes are to statutes of the United Kingdom;
- (b) the singular include the plural and vice versa; and
- (c) the masculine include the feminine and vice versa.

1.3 Headings do not form part of the Plan.

## 2 **GRANT OF AWARDS**

2.1 Subject to Rule 2.2, during a Grant Period, the Board may grant an Award to an Eligible Employee in its absolute discretion but following a recommendation from the Company's Remuneration Committee subject to the Rules of the Plan and upon such additional terms as the Board may determine (provided such additional terms are not inconsistent with the Rules of the Plan).

2.2 The grant of an Award will be subject to obtaining any approval or consent required by any relevant stock exchange (or other relevant authority), any Dealing Restrictions and any other applicable laws or regulations (whether in the UK or overseas).

2.3 An Award will be granted over such number of Shares as determined by the Board subject to the limits set out in Rule 4 (*Individual limits*).

2.4 Awards must be granted by deed. If required by the Board, a Participant must on exercise pay up the nominal value of the Shares comprised in an Award to the extent that the Exercise Price is less than the nominal value of the Shares.

2.5 No Award may be granted under the Plan after the tenth anniversary of its adoption by the Board.

## 3 **PERFORMANCE TARGETS**

3.1 At the Grant Date, the Board may impose a Performance Target and such other conditions on the Vesting of a Nil-Cost Option as it may determine. The Board may determine that a Nil-Cost Option should be subject to multiple Performance Targets or that a Nil-Cost Option should be sub-divided and that each part be subject to a different Performance Target. The Performance Target or other conditions must be objective.

3.2 A Nil-Cost Option will Vest as to the quantum of Shares determined in accordance with the Performance Target.

3.3 The Board may amend or substitute the Performance Target or any other condition imposed under Rule 3.1 provided that any amendment is in accordance with the terms of the Performance Target or an event or transaction occurs which causes the Board, acting fairly and reasonably, to consider that a substituted or amended Performance Target or other condition would be appropriate (taking into account the interests of the shareholders of the Company) and that the substituted or amended Performance Target or other condition would continue to achieve its original purpose and be not materially less or more difficult to satisfy than the unaltered Performance Target or other condition would have been but for the event in question.

3.4 The Board shall, as soon as reasonably practicable, notify a Participant of any determination made under Rule 3.3 .

**4 INDIVIDUAL LIMITS**

4.1 Subject to the rest of this Rule 4 (*Individual limits*), no Eligible Employee shall be granted Market Value Options which would, at the time they are granted, cause the aggregate of:

- (a) the VWAP of Shares which he may acquire on the Vesting of that Market Value Option (as determined at the proposed Grant Date); and
- (b) the aggregate of the VWAP of the Shares which he may acquire under all other subsisting Market Value Options granted under the Plan in the Financial Year of the Company during which the proposed Grant Date would fall (such VWAP to be determined as at the respective Grant Dates of the relevant Market Value Options),

to exceed 100% of his Salary as at the end of the Financial Year immediately preceding the proposed Grant Date or such greater amount as the Board may determine to be justified in the circumstances.

4.2 Subject to the rest of this Rule 4 (*Individual limits*) no Eligible Employee shall be granted Nil-Cost Options which would, at the time they are granted, cause the aggregate of:

- (a) the VWAP of Shares which he may acquire on the Vesting of that Nil-Cost Option (as determined at the proposed Grant Date); and
- (b) the aggregate of the VWAP of the Shares which he may acquire on Vesting of all other subsisting Nil-Cost Options granted under the Plan in the Financial Year of the Company during which the proposed Grant Date would fall (such VWAP to be determined as at the respective Grant Dates of the relevant Nil-Cost Options),

to exceed 200% of his Salary as at the Grant Date or such greater amount as the Board may determine to be justified in the circumstances.

4.3 For the purposes of Rule 4.1 and Rule 4.2 the VWAP of Shares comprised in Awards made prior to 31 March 2018 shall be calculated as if the Grant Date were 8 June 2017.

4.4 In calculating the individual limits under Rule 4.1 or Rule 4.2 no account shall be taken of any additional Shares which may be acquired under Rule 7 (*Dividend equivalents*).

4.5 In addition to Rule 4.1 and Rule 4.2, but subject to rule 4.6, the aggregate maximum number of Shares which any one Participant shall be entitled to acquire under the Plan shall not exceed 5,834,369 (five million eight hundred and thirty four thousand three hundred and sixty nine) Shares.

4.6 Subject to Rule 5.4, the limit in Rule 4.5 and the Exercise Price shall be adjusted in such manner as the Auditors certify to be in their opinion fair and reasonable as a result of:

- (a) the issue of additional Shares by way of a capitalisation of the company's profits and/or reserves (including the unit premium account and the capital redemption reserve fund); and/or
- (b) a rights issue; and/or
- (c) a reduction of capital.

4.7 If the grant of an Award would have the result of breaching the limits in Rule 4 (*Individual limits*) that Award shall be treated as taking effect over the maximum number of Shares over which it could have been granted without breaching such limits. Where more than one Award is granted on the same day each Award will suffer a pro-rata reduction.

**5 PLAN LIMITS**

5.1 Subject to Rule 5.2, at the proposed Grant Date, the aggregate number of Shares which may be utilised for the purposes of the Plan shall not exceed the lower of –

- (a) 20,420,293 (twenty million four hundred and twenty thousand two hundred and ninety three) Shares; and
- (b) such number of Shares which, when added to the total number of Shares utilised under the Plan and the Company's Deferred Share Bonus Plan during the previous ten years, does not exceed 5% of the ordinary share capital of the Company in issue at the time.

5.2 In determining the above limit:

- (a) Shares are treated as utilised if they have been issued or may be issued for the purposes of satisfying an award;
- (b) the number of Shares utilised includes:
  - (i) Shares which have been issued or may be issued to the Trustee to satisfy awards; and
  - (ii) treasury shares which have been or may be transferred out of treasury to satisfy awards (unless the Board determines that it is no longer best practice to include these);
- (c) the number of Shares utilised does not include:
  - (i) any Shares purchased through the JSE or any other stock exchange or off-market; or
  - (ii) any Shares where the right to acquire such Shares is released or lapses in part or in whole.

5.3 The limit in Rule 5.1(a) and the Exercise Price shall be adjusted in such manner as the Auditors certify to be in their opinion fair and reasonable as a result of any sub-division or consolidation of the Shares.

5.4 Any adjustment in terms of Rule 4.6 and Rule 5.3 should give a Participant entitlement to the same proportion of Shares as that to which he was entitled before the event in Rule 4.6 and Rule 5.3 which gave rise to the adjustment.

- 5.5 Upon finalisation of any adjustment in terms of Rule 4.6 and Rule 5.3 the Auditors shall confirm to the JSE, in writing, that such adjustment was made in accordance with the terms of the Plan.
- 5.6 The Company shall report any adjustment in terms of Rule 4.6 and Rule 5.3 in its annual financial statements for the year during which the adjustments were made.
- 5.7 The rolling over of Shares (including the arrangement which assumes that Shares which have already vested and been issued to Participants in terms of the Plan, and which then revert back to the limit in rule 5.1(a)) is prohibited.
- 5.8 If the grant of an Award would have the result of breaching the limit in Rule 5.1, the Award shall be treated as taking effect over the maximum number of Shares over which it could have been granted without breaching such limit. Where more than one Award is granted on the same day each Award will suffer a pro-rata reduction

**6 RESTRICTIONS ON TRANSFER AND BANKRUPTCY**

- 6.1 An Award must not be transferred, assigned, charged or otherwise disposed of in any way (except in the event of the Participant’s death, to his personal representatives) and will lapse immediately on any attempt to do so.
- 6.2 An Award will lapse immediately if the Participant is declared bankrupt.

**7 DIVIDEND EQUIVALENTS**

The Board may:

- (a) grant an Award on the basis that the number of Shares to which the Award relates will be increased by deeming some or all dividends (excluding special dividends, unless the Board determines otherwise) paid on Shares in respect of which the Award Vests from the Grant Date until the date of exercise to have been reinvested in the purchase of additional Shares on such terms (including the deemed purchase price(s) and whether the dividend tax credit is included or excluded) as the Board will determine; or
- (b) determine at any time that a Participant will be entitled to a benefit calculated by reference to the value of some or all of the dividends (excluding special dividends, unless the Board determines otherwise) that would have been paid on Shares in respect of which the Award Vests from the Grant Date until the date of exercise and the Board will determine if the benefit will be delivered in the form of cash or Shares.

**8 REDUCTION FOR MALUS AND CLAWBACK**

- 8.1 Notwithstanding any other rule of the Plan, the Board may, in its absolute discretion, determine at any time prior to the date on which the Shares comprised in an Award are issued or transferred to a Participant (but in the case of a Nil-Cost Option, no later than five years after the Grant Date) to reduce the number of Shares to which an Award relates or cancel an Award, where the Board determines that there has been:
  - (a) a material misstatement of the results of the Company, any Group Member or business unit; or
  - (b) any act or omission by the Participant which, in the opinion of the Board:

- (i) has contributed to serious reputational damage to the Company, any Group Member or any relevant business unit; and/or
  - (ii) has amounted to serious misconduct, fraud or misstatement, so as to undermine the effective risk management or accuracy of the financial reporting of the Company, any Group Member or business unit.
  
- 8.2 Subject to Rule 8.4 but otherwise notwithstanding any other rule of the Plan, if any of the circumstances set out in Rule 8.1(a) or Rule 8.1(b) apply the Board may where a Nil-Cost Option has been exercised, in its absolute discretion, prior to the expiry of the Retention Period require the relevant Participant:
  - (a) to transfer to the Company (or the Trustee, if required by the Company) all or some of the Shares acquired by the Participant (or his nominee) pursuant to that Nil-Cost Option; and/or
  - (b) to pay to the Company (or the Trustee, if required by the Company) the proceeds of sale of all or some of the Shares acquired pursuant to that Nil-Cost Option; and/or
  - (c) to pay to the Company or at its direction any Group Member an amount on such terms as the Board may reasonably direct (including, but without limitation to, terms that the relevant amount is to be deducted from the Participant's salary or from any other payment to be made to the Participant by any Group Member).
  
- 8.3 In addition to or in substitution for the actions that the Board may take under Rule 8.2, the Board may subject to Rule 8.4:
  - (a) reduce the amount of any future bonus payable to the Participant; and/or
  - (b) determine that the number of Shares over which an award or right to acquire Shares is to be granted to the Participant under any employee share plan operated by any Group Member shall be reduced by such number as the Board may determine; and/or
  - (c) reduce the number of Shares (including, for the avoidance of doubt, to nil) subject to any award or right to acquire Shares which has been granted to the Participant under any employee share plan operated by any Group Member including the Plan (other than any deferred bonus plan which has not been approved by the Company's shareholder and which is adopted by the Board at any time after the Company has obtained a premium listing on the London Stock Exchange and any tax-advantaged employee share plan that complies with the requirements of Schedules 2 to 4 of the Income Tax (Earnings and Pensions) Act 2003) before the date on which the relevant award or right vests or has been exercised in full by such number as the Board may determine.
  
- 8.4 The total amount represented by any payments and transfers under Rule 8.2 and any reductions Rule 8.3 shall not, in the Board's reasonable opinion exceed the Clawback Amount. Rule 8.2 and Rule 8.3 shall not apply in respect of a Market Value Option.
  
- 8.5 In operating Rule 8.1, Rule 8.2 and Rule 8.3, the Board shall act fairly and reasonably but its decision shall be final and binding.
  
- 8.6 For the avoidance of doubt, Rule 8.1, Rule 8.2 and Rule 8.3 may be applied on an individual basis as determined by the Board. Whenever a reduction of an Award is

made under this Rule, the relevant Award shall be treated to that extent as having lapsed.

- 8.7 If the Board exercises its discretion in accordance with this Rule 8 (*Reduction for malus and clawback*), it will confirm this in writing to each affected Participant and, if necessary, the Trustee.

**9 VESTING AND EXERCISE**

- 9.1 Subject to Rule 12 (*Cessation of employment*) and Rule 13 (*Corporate events*) a Market Value Option (or relevant part thereof) will Vest on the Normal Vesting Date and a Market Value Option may then be exercised until the tenth anniversary of the Grant Date, after which time, it will lapse.

- 9.2 As soon as reasonably practicable after the end of the performance period relating to a Nil-Cost Option, the Board shall determine the extent to which the Performance Target and any other condition imposed under Rule 3.1 has been met.

- 9.3 Subject to Rule 12 (*Cessation of employment*) 12 and Rule 13 (*Corporate events*), Nil-Cost Options shall Vest on the later of:

- (a) the Normal Vesting Date; and
- (b) the Board determining that the Performance Target or other condition imposed under Rule 3.1 has been met in accordance with Rule 9.2, but in either case, only to the extent that the Performance Target and any other conditions imposed under Rule 3 (Performance Target) has been met,

and a Nil-Cost Option may then be exercised until the tenth anniversary of the Grant Date, after which time, it will lapse

- 9.4 An Award which is capable of exercise may be exercised in whole or in part and on more than one occasion. Such exercise shall be effected in such form and manner as the Board may determine. Unless the Board acting fairly and reasonably determines otherwise, any notice of exercise shall only take effect when received together with payment of the Exercise Price.

- 9.5 Subject to Rule 10 (*Taxation and regulatory issues*) and Rule 11 (*Cash equivalent*), where an Award has been exercised, the number of Shares in respect of which the Award has been exercised together with any additional Shares or cash to which a Participant becomes entitled under Rule 7 (*Dividend equivalents*) will be issued or transferred (in respect of Shares) or paid (in respect of cash) (as applicable) to the Participant within 30 days thereafter. Upon transfer of the Shares and any additional Shares as aforesaid, ownership and all benefit attaching to the Shares, including the right to dividends, and to exercise all voting rights in respect of the Shares, shall vest in the Participant.

- 9.6 Awards will lapse on the earliest of the dates set out in Rule 9.1, Rule 9.3, Rule 12 (*Cessation of employment*) and Rule 13 (*Corporate events*). All Shares allocated to a Participant for purposes of an Award will revert back to the Plan to the extent that the Award has lapsed.

**10 TAXATION AND REGULATORY ISSUES**

- 10.1 A Participant will be responsible for and indemnifies the Employer against any Tax Liability relating to his Award. Any Group Member and/or the Trustee may withhold an amount equal to such Tax Liability from any amounts due (including

wages or salary) to the Participant (to the extent such withholding is lawful) and/or make any other arrangements as it considers appropriate to ensure recovery of such Tax Liability including, without limitation, the sale of sufficient Shares acquired subject to the Award to realise an amount equal to the Tax Liability.

10.2 The exercise of an Award and the issue or transfer of Shares under the Plan will be subject to obtaining any approval or consent required by any relevant stock exchange (or other relevant authority), any Dealing Restrictions, or any other applicable laws or regulations.

11 **CASH EQUIVALENT**

11.1 Subject to Rule 11.2, at any time prior to the date on which an Award has been exercised, the Board may determine that in substitution for his right to acquire some or all of the Shares to which his Award relates, the Participant will instead receive a cash sum. The cash sum will be equal to the market value (as determined by the Board) of that number of the Shares which would otherwise have been issued or transferred and for these purposes:

- (a) market value will be determined on the date of exercise; and
- (b) the cash sum will be paid to the Participant as soon as practicable after the the exercise of the Award, net of any deductions (including but not limited to any Tax Liability or similar liabilities) as may be required by law.

11.2 The Board may determine that this Rule 11 (*Cash equivalent*) will not apply to an Award, or any part of it.

12 **CESSATION OF EMPLOYMENT**

12.1 Subject to Rule 12.2, Rule 12.3 and Rule 12.4, if a Participant ceases to hold office or employment with a Group Member his Awards which have not Vested will lapse at that time.

12.2 If a Participant ceases to hold office or employment with a Group Member, the Board may in its absolute discretion determine that a Nil-Cost Option which has not Vested shall not lapse (either in whole or part) but may be exercised subject to the satisfaction of such conditions and during such period as the Board may in its absolute discretion determine.

12.3 If a Participant dies a Market Value Option which has not Vested as at the date of his death will Vest in full and may be exercised for a period of twelve months from the date of Vesting, after which it will lapse.

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

- (a) ill-health, injury or disability evidenced to the satisfaction of the Board;
- (b) the Participant's employing company ceasing to be a Group Member or the transfer of an undertaking or part of an undertaking (in which the Participant is employed) to a person who is not a Group Member;
- (c) redundancy (as determined by the Board); or
- (d) any other reason at the Board's absolute discretion, except where a Participant is dismissed for gross misconduct,

a Market Value Option which has not yet Vested as at the date of cessation will Vest in full thereupon and may be exercised for a period of twelve months from the date of Vesting, after which time it will lapse.

- 12.5 If a Participant ceases to hold office or employment with a Group Member otherwise than due to gross misconduct, an Award which has Vested prior to the date of cessation may be exercised during the period of twelve months from the date of cessation, after which time it will lapse.
- 12.6 If a Participant ceases to hold office or employment with a Group Member due to gross misconduct his Awards (whether or not Vested) will lapse at that time.
- 12.7 For the purposes of the Plan, no person will be treated as ceasing to hold office or employment with a Group Member until that person no longer holds:
  - (a) an office or employment with any Group Member; or
  - (b) a right to return to work.

**13 CORPORATE EVENTS**

13.1 Where any of the events described in Rule 13.2 occur, then subject to Rule 13.6, Rule 13.7 and Rule 13.8 all Awards which have not yet Vested will Vest in full at the time of such event (unless they Vest earlier in accordance with Rule 13.3). Awards will be exercisable for one month from the date of the relevant event, after which they will lapse.

13.2 The events referred to in Rule 13.1 are:

- (a) General offer
 

If any person (either alone or together with any person acting in concert with him):

  - (i) obtains Control of the Company as a result of making a general offer to acquire Shares; or
  - (ii) already having Control of the Company, makes an offer to acquire all of the Shares other than those which are already owned by him,

and such offer becomes wholly unconditional.

- (b) Scheme of arrangement
 

A compromise or arrangement in accordance with section 899 of the Companies Act 2006 (or any broadly equivalent overseas legislation) for the purposes of a change of Control of the Company which is sanctioned by a court.

- (c) Acquisition of 50%
 

Any person acquiring 50% or more of the issued Shares.

13.3 If the Board determines that there would be a loss of a tax deduction if Awards were to Vest on or after an event described in Rule 13.2, then the Board may resolve that Awards will (subject to Rule 13.6) Vest on an earlier date.

- 13.4 On the passing of a resolution for the voluntary winding-up or the making of an order for the compulsory winding up of the Company, the Board will determine whether and to what extent Awards which have not yet Vested will Vest (and lapse as to the remainder). The Board will then also determine the period during which any Vested Award may be exercised, after which time it will lapse.
- 13.5 If the Company is or may be affected by a demerger, delisting, special dividend or other event which in the opinion of the Board, may affect the current or future value of Shares, the Board will determine whether Awards which have not yet Vested will Vest (and lapse as to the remainder). The Board will then also determine the period during which any Vested Award may be exercised, after which time it will lapse.
- 13.6 Where any of the corporate events described in this Rule 13 (*Corporate events*) occur before a Nil-Cost Option has Vested in accordance with Rule 9.3 or Rule 12 (*Cessation of employment*), the Board shall determine the proportion of the Nil-Cost Option that Vests under the relevant Rule, taking into account the extent to which the Performance Target or any condition imposed under Rule 3.1 has been satisfied at the date of the relevant corporate event (as determined by the Board). The basis for determining the extent to which the Performance Target or any condition imposed under Rule 3.1 has been satisfied will (unless provided to the contrary by the Performance Target or any condition imposed under Rule 3.1) will be determined by the Board on such fair and reasonable basis as it decides. In addition, the number of Shares which Vest will be reduced pro rata to reflect the period from the Relevant Year End until the date of the relevant corporate event as a proportion of three years unless the Board, in its absolute discretion, determines that a higher amount will Vest.
- 13.7 An Award will not Vest under Rule 13.1 but will be exchanged on the terms set out in Rule 13.8 to the extent that:
- (a) an offer to exchange the Award (the "Existing Award") is made and accepted by a Participant;
  - (b) there is an Internal Reorganisation; or
  - (c) the Board decides (before the event) that an Existing Award will be exchanged automatically.
- 13.8 If this Rule 13.8 applies, the Existing Award will not Vest but will be exchanged in consideration of the grant of a new award which, in the opinion of the Board, is equivalent to the Existing Award, but relates to shares in a different company (whether the acquiring company or a different company).
- 13.9 Any reference to the Board in this Rule 13 (*Corporate events*) means the members of the Board immediately prior to the relevant event.

14 **RETENTION PERIOD**

- 14.1 This Rule 14 (*Retention period*) only applies to Shares issued or transferred on exercise of a Nil-Cost Option prior to the expiry of the Retention Period.
- 14.2 Instead of arranging for the issue or transfer of the Retention Shares to the Participant on exercise of a Nil-Cost Option, the Board may arrange for the Retention Shares to be issued or transferred to a trustee or nominee (the "Nominee"), as designated by the Board, to be held for the benefit of the Participant.

- 14.3 Subject to Rule 14.4 the Participant may not transfer, assign or otherwise dispose of any of the Retention Shares or any interest in them or agree to do so (or, if the Retention Shares are held by the Nominee, instruct the Nominee to do so) during the Retention Period except in the case of the sale of sufficient entitlements nil-paid in relation to a Share to take up the balance of the entitlements under a rights issue.
- 14.4 The Participant may sell sufficient Retention Shares to satisfy any liability to tax or social security contributions arising in relation to exercise of his Nil-Cost Option.
- 14.5 Unless the Board decides otherwise, the restrictions in this Rule 14 (*Retention period*) will apply to any cash or assets (other than ordinary dividends) received in respect of the Retention Shares. During the Retention Period, the Participant will be entitled to receive dividends in respect of the Retention Shares and the Participant will be entitled to vote and have all other rights of a shareholder in respect of the Retention Shares.
- 14.6 The Retention Period will continue to apply notwithstanding that the Participant has ceased to be in employment with a Group Member save where this occurs due to death in which case the Retention Period shall immediately be deemed to have ended.
- 14.7 The Participant will provide such evidence as the Board may reasonably require to ensure that the Participant has complied with this Rule 14 (*Retention period*).
- 14.8 Subject to the provisions of this Rule 14 (*Retention period*), the Retention Period will end on the earliest of the following:
  - (a) the expiry of the Retention Period;
  - (a) the relevant date on which an Award would have Vested under Rule 13 (*Corporate events*); and
  - (b) any other circumstances at the absolute discretion of the Board.

15 **ADJUSTMENTS**

- 15.1 The number of Shares subject to an Award and the Exercise Price may be adjusted by the Board in such manner as the as the Auditors, acting as experts and not as arbitrators, certify as being fair and reasonable in the circumstances if the Company:
  - (a) is put into liquidation for the purpose of reorganisation; or
  - (b) is a party to a scheme of arrangement affecting the structure of its share capital; or
  - (c) makes a distribution, whether by way of the declaration of a distribution or by way of a disposal at less than fair value, of a capital asset of the company; or
  - (d) reduces its share capital or undertakes a rights issue; or
  - (e) splits or consolidates its shares; or
  - (f) is a party to a reorganisation.

15.2 The adjustment in Rule 15.1(d) and Rule 15.1(e) should give the Participant entitlement to the same proportion of the equity to which the Participant was entitled prior to the event contemplated by Rule 15.1(d) and Rule 15.1(e).

15.3 Upon finalisation of the adjustment in terms of Rule 15.1, the Auditors shall confirm to the JSE, in writing, that such adjustment was made in accordance with the terms of the Plan.

16 **AMENDMENTS**

16.1 Provided that all amendments are, where necessary, approved by the primary stock exchange(s) on which the Shares are listed or traded, these Rules may be amended from time to time by the Board, but

- (a) no amendment to the material disadvantage of existing rights of Participants will be made under Rule 16.1 unless:
  - (i) every Participant who may be affected by such amendment has been invited to indicate whether or not he approves the amendment; and
  - (ii) the amendment is approved by a majority of those Participants who have so indicated;
- (b) no amendment in respect of the following matters shall operate unless such amendment has been approved by shareholders passing an ordinary resolution (requiring a 75% (seventy five percent) majority of the votes cast in favour of such resolution by all shareholders present or represented by proxy at the general meeting to approve such resolution):
  - (i) the basis upon which Awards are made;
  - (ii) the persons who may become Participants under the Plan;
  - (iii) the voting, distribution, transfer and other rights (including those arising on the liquidation of the Company) attaching to Shares under the Plan;
  - (iv) the total number of the securities which may be utilised for purposes of the Plan;
  - (v) a fixed maximum entitlement for any one Participant;
  - (vi) the basis for determining the price payable by the Participant for the Shares under and Award which must be a fixed mechanism for all Participants under the Plan;
  - (vii) the treatment of Awards (vested and unvested) in instances of mergers, takeovers or corporate actions
  - (viii) the procedure to be adopted on termination of employment, retirement or death of a Participant.

16.2 Notwithstanding the provisions of Rule 16.1, but subject to the listing rules of the primary stock exchange/s on which the Company's securities are listed, if it should become necessary or desirable by reason of the enactment of any new Act or regulation at any time after the signing of these Rules, to amend the provisions of

these Rules so as to preserve the substance of the provisions contained in these Rules but to amend the form so as to achieve the objectives embodied in these Rules in the best manner having regard to such new legislation and without prejudice to the Participants concerned, then the Board may amend these Rules accordingly.

17 **LEGAL ENTITLEMENT**

17.1 This Rule 17 (*Legal entitlement*) applies during a Participant’s employment with any Group Member and after the termination of such employment, whether or not the termination is lawful.

17.2 Nothing in the Plan or its operation forms part of the terms of employment of a Participant and the rights and obligations arising from a Participant’s employment with any Group Member are separate from, and are not affected by, his participation in the Plan. Participation in the Plan does not create any right to continued employment for any Participant.

17.3 The grant of any Award to a Participant does not create any right for that Participant to be granted any further Awards or to be granted Awards on any particular terms, including the number of Shares to which Awards relate.

17.4 By participating in the Plan, a Participant waives all rights to compensation for any loss in relation to the Plan, including:

- (a) any loss or reduction of any rights or expectations under the Plan in any circumstances or for any reason (including lawful or unlawful termination of the Participant’s employment);
- (b) any exercise of a discretion or a decision taken in relation to an Award or to the Plan, or any failure to exercise a discretion or take a decision;
- (c) the operation, suspension, termination or amendment of the Plan.

18 **DISCLOSURE BY THE COMPANY IN ITS ANNUAL FINANCIAL STATEMENTS**

The company shall disclose in its annual financial statements such disclosures as may be required in terms of the Listings Requirements of the JSE and such other securities exchange on which the company’s shares are listed from time to time.

19 **VOTING OF SHARES WHICH ARE SUBJECT TO THE PLAN**

Until Shares which are subject to Awards have been transferred to a Participant in terms of Rule 9.5, such Shares will not have their votes taken into account at annual general meetings or general meetings of the Company for purposes of resolutions proposed in terms of the Listings Requirements of the JSE, nor for purposes of determining categorisations in terms of section 9 of the Listings Requirements of the JSE.

20 **GENERAL**

20.1 The Plan will terminate upon the date stated in Rule 2.5, or at any earlier time by the passing of a resolution by the Board or an ordinary resolution of the Company in general meeting. Termination of the Plan will be without prejudice to the existing rights of Participants.

- 20.2 By participating in the Plan, a Participant consents to the collection, holding and processing of his personal data by any Group Member or any third party for all purposes relating to the operation of the Plan, including but not limited to, the administration and maintenance of Participant records, providing information to future purchasers of the Company or any business in which the Participant works and to the transfer of information about the Participant to a country or territory outside the European Economic Area or elsewhere.
- 20.3 The Plan will be administered by the Board. The Board will have full authority, consistent with the Plan, to administer the Plan, including authority to interpret and construe any provision of the Plan and to adopt regulations for administering the Plan. Decisions of the Board will be final and binding on all parties.
- 20.4 Any notice or other communication in connection with the Plan may be delivered personally or sent by electronic means or post, in the case of a company to its registered office (for the attention of the company secretary), and in the case of an individual to his last known address, or, where he is a director or employee of a Group Member, either to his last known address or to the address of the place of business at which he performs the whole or substantially the whole of the duties of his office or employment. Where a notice or other communication is given by post, it will be deemed to have been received 72 hours after it was put into the post properly addressed and stamped, and if by electronic means, when the sender receives electronic confirmation of delivery or if not available, 24 hours after sending the notice.
- 20.5 No third party other than a member of the Group, the Employer and the Trustee will have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Plan (without prejudice to any right of a third party which exists other than under that Act).
- 20.6 These rules will be governed by and construed in accordance with the laws of England. Any person referred to in the Plan submits to the non-exclusive jurisdiction of the Courts of England.