

AVIVA plc

## RULES OF THE AVIVA ANNUAL BONUS PLAN

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# Rules of the Aviva Annual Bonus Plan

## Introduction

This Plan operates in conjunction with the Company's annual cash bonus arrangements. It is intended that a proportion of any annual cash bonus payable under such bonus arrangements will be compulsorily applied in the acquisition of Shares under this Plan. This introduction does not form part of the rules of the Plan, but is a brief description and overview of how the rules operate and link in with the annual cash bonus arrangements.

## 1 Granting Deferred Share Awards

### 1.1 Grantor

The Grantor of a Deferred Share Award must be:

- 1.1.1 the Company;
- 1.1.2 any other Member of the Group; or
- 1.1.3 a trustee of any trust set up for the benefit of Employees.

A Deferred Share Award granted under the Plan, and the terms of that Deferred Share Award, must be approved in advance by the Directors.

### 1.2 Eligibility

The Grantor may grant a Deferred Share Award to anyone who is an Employee on the Award Date in accordance with any selection criteria that the Directors in their discretion may set. However, unless the Directors consider that special circumstances exist, a Deferred Share Award may not be granted to an Employee who on the Award Date has given or received notice of termination of employment, whether or not such termination is lawful.

### 1.3 Timing of Deferred Share Awards

Deferred Share Awards may not be granted at any time after the Expiry Date.

Deferred Share Awards may only be granted within 42 days starting on any of the following:

- 1.3.1 the date of shareholder approval;
- 1.3.2 the day after the announcement of the Company's results for any period;
- 1.3.3 any day on which the Directors resolve that exceptional circumstances exist which justify the grant of Deferred Share Awards;
- 1.3.4 any day on which changes to the legislation or regulations affecting share plans are announced, effected or made; or
- 1.3.5 the lifting of Dealing Restrictions which prevented the granting of Deferred Share Awards during any period specified above,

unless the Directors determine otherwise, except for Awards to executive directors, which can only be granted in accordance with the above provisions of this rule 1.3 (Timing of Deferred Share Awards).

## **1.4 Terms of Deferred Share Awards**

Deferred Share Awards are subject to the rules of the Plan and must be granted by deed. The terms of the Deferred Share Award must be determined by the Grantor and approved by the Directors. The terms must be set out in the deed or other document (which may be in electronic form), including:

1.4.1 whether the Deferred Share Award is:

- (i) a Conditional Award;
- (ii) an Option;

or a combination of these;

1.4.2 the number of Shares subject to the Deferred Share Award or the basis on which the number of Shares subject to the Deferred Share Award will be calculated;

1.4.3 any condition specified under rule 1.5 (Conditions);

1.4.4 the expected date or dates of Vesting, which will normally be the first, second and third anniversary of the Award Date (with the Deferred Share Award Vesting in three equal tranches);

1.4.5 whether the Participant is entitled to receive any Dividend Equivalent;

1.4.6 the Award Date;

1.4.7 the Option Price (if relevant);

1.4.8 the period in which rule 6 (Post-retirement activity restrictions) will apply, if different to the period specified in that rule; and

1.4.9 that the Malus and Clawback Policy will apply.

## **1.5 Conditions**

The Grantor may impose conditions when granting a Deferred Share Award. Any condition must be objective, specified at the Award Date and may provide that a Deferred Share Award will lapse if it is not satisfied. The Grantor, with the consent of the Directors, may waive or change a condition imposed under this rule 1.5 (Conditions).

## **1.6 Malus and Clawback**

Deferred Share Awards will be subject to the Malus and Clawback Policy. If there is any discrepancy between the Malus and Clawback Policy and the Plan, the Malus and Clawback Policy will prevail.

## **1.7 Award certificates**

Each Participant will receive a certificate setting out the terms of the Deferred Share Award as soon as practicable after the Award Date. The certificate may be the deed referred to in rule 1.4 (Terms of Deferred Share Awards) or any other document (which may be in electronic form), including a statement. If any certificate is lost or damaged the Company may replace it on such terms as it decides.

## **1.8 No payment**

A Participant is not required to pay for the grant of any Deferred Share Award.

## **1.9 Administrative errors**

If the Grantor grants a Deferred Share Award:

- 1.9.1 in error or which is inconsistent with rule 1.2 (Eligibility), it will be deemed never to have been granted and/or will immediately lapse; and/or
- 1.9.2 which is inconsistent with any of the provisions in this Plan, it will take effect only if and to the extent permissible under the Plan.

## **1.10 Individual limit for Deferred Share Awards**

The maximum amount of the cash bonus which can be deferred and subject to a Deferred Share Award is two thirds of any annual cash bonus.

## **1.11 Plan limits – 10 per cent**

A Grantor must not grant a Deferred Share Award if the number of Shares committed to be issued under that Deferred Share Award exceeds 10 per cent of the ordinary share capital of the Company in issue immediately before that day, when added to the number of Shares which have been issued, or committed to be issued, to satisfy Deferred Share Awards under the Plan, or options or awards under any other employee share plan operated by the Company, granted in the previous 10 years.

## **1.12 Scope of Plan limits**

Where the right to acquire Shares is released or lapses, the Shares concerned are ignored when calculating the limit in rule 1.11 (Plan limits – 10 per cent).

As long as so required by the Investment Association, Shares transferred from treasury are counted as part of the ordinary share capital of the Company, and as Shares issued by the Company.

## **2 Before Vesting**

### **2.1 Rights**

A Participant is not entitled to vote, to receive dividends or to have any other rights of a shareholder in respect of Shares subject to a Deferred Share Award until the Shares are issued or transferred to the Participant.

### **2.2 Transfer**

A Participant may not transfer, assign or otherwise dispose of a Deferred Share Award or any rights in respect of it. If the Participant does, whether voluntarily or involuntarily, then it will immediately lapse. This rule 2.2 (Transfer) does not apply:

- 2.2.1 to the transmission of a Deferred Share Award on the death of a Participant to any personal representatives; or
- 2.2.2 to the assignment of a Deferred Share Award, with the prior consent of the Directors, subject to any terms and conditions the Directors impose.

### **2.3 Adjustment of Deferred Share Awards**

If there is:

- 2.3.1 a variation in the equity share capital of the Company, including a capitalisation or rights issue, sub-division, consolidation or reduction of share capital;
- 2.3.2 a demerger (in whatever form) or exempt distribution by virtue of Section 1075 of the Income and Corporation Taxes Act 2010;
- 2.3.3 a special dividend or distribution; or
- 2.3.4 any other corporate event which might affect the current or future value of any Deferred Share Award,

the Directors may adjust the number or class of Shares or securities subject to the Deferred Share Award and, in the case of an Option, the Option Price.

### **3 Vesting of Deferred Share Awards**

#### **3.1 Timing of Vesting**

Subject to rules 1.5 (Conditions), 3.2 (Impact of investigation), 5 (Vesting in other circumstances – personal events) and 7 (Vesting in other circumstances – corporate events), a Deferred Share Award Vests on the date set by the Directors on the grant of the Deferred Share Award or, if on that date a Dealing Restriction applies, a date determined by the Directors which is on or after the first date on which Vesting is not prohibited by a Dealing Restriction.

#### **3.2 Impact of investigation**

If an investigation is ongoing which might lead to Malus and/or Clawback being triggered then, unless otherwise determined by the Directors, the Deferred Share Award will not Vest, if at all, until the investigation is concluded and, if the Deferred Share Award is an Option, rule 4.2.2 will apply.

#### **3.3 Performance adjustment**

The Directors may adjust upward or downward (including to nil) the number of Shares in respect of which a Deferred Share Award Vests if, in their discretion, they determine that:

- 3.3.1 the outcome does not reflect the underlying financial or non-financial performance of the Participant or the Group over the period between the Award Date and the date of Vesting;
- 3.3.2 the outcome is not appropriate in the context of circumstances that were unexpected or unforeseen at the Award Date;
- 3.3.3 there exists any other reason why an adjustment is appropriate; and/or
- 3.3.4 it is appropriate to do so, taking into account a range of factors, including the management of risk and good governance and, in all cases, the experience of shareholders.

#### **3.4 Lapse**

To the extent that any condition imposed under rule 1.5 (Conditions) is not satisfied, the Deferred Share Award will lapse if so specified in the terms of that condition. To the extent a Deferred Share Award is adjusted downwards under rule 3.3 (Performance adjustment), the

Deferred Share Award will lapse. If a Deferred Share Award lapses under the Plan it cannot Vest and a Participant has no rights in respect of it.

## **4 Consequences of Vesting**

### **4.1 Conditional Award**

Within 30 days of a Conditional Award Vesting, or as soon as practicable, the Grantor will arrange (subject to rules 4.4 (Alternative ways to satisfy Deferred Share Awards), 4.5 (Withholding) and 9.9 (Consents)) for the transfer (including a transfer out of treasury) or issue, to, or to the order of, the Participant, of the number of Shares in respect of which the Conditional Award has Vested.

### **4.2 Options**

**4.2.1** A Participant may exercise an Option on any day after Vesting on which no Dealing Restriction applies by giving notice in the prescribed form to the Grantor or any person nominated by the Grantor and paying the Option Price (if any). The Option will lapse six months after Vesting (unless the reason for Vesting is the Participant's death, in which case the Option will lapse 12 months after Vesting) or, if earlier, on the earliest of:

- (i) the date the Participant ceases to be an Employee by reason of dismissal for misconduct; or
- (ii) six months after an event which gives rise to Vesting under rule 5.2 ("Good leavers"), 5.4 (Overseas transfer), 7 (Vesting in other circumstances – corporate events) or, if earlier, the date six weeks after the date on which a notice to acquire Shares under Section 979 of the Companies Act 2006 is first served.

**4.2.2** If an investigation is ongoing which might lead to Malus and/or Clawback being triggered then, unless otherwise determined by the Directors:

- (i) exercise (if any) will take effect after the investigation is concluded; and
- (ii) if the Option Period would otherwise have ended, it will be extended as determined by the Directors and "**Option Period**" will be understood accordingly.

**4.2.3** Subject to rules 4.4 (Alternative ways to satisfy Deferred Share Awards), 4.5 (Withholding), and 9.9 (Consents), the Grantor will arrange for Shares to be transferred to or issued to, or to the order of, the Participant within 30 days of the date on which the Option is exercised, or as soon as practicable.

**4.2.4** If an Option Vests under more than one provision of the rules of the Plan, the provision resulting in the shortest exercise period will prevail.

### **4.3 Dividend Equivalent**

Awards will not include any rights in respect of dividends on the Shares comprised in the Deferred Share Award before Vesting, unless the Grantor, in its discretion, decides otherwise at the Award Date. The Grantor may determine that a Deferred Share Award includes the right to receive a Dividend Equivalent. Dividend Equivalents will be paid to any relevant Participant as soon as practicable after Vesting.

The Grantor will exercise the discretions in this rule 4.3 (Dividend Equivalent) subject to the consent of the Directors.

#### **4.4 Alternative ways to satisfy Deferred Share Awards**

The Grantor may, subject to the approval of the Directors, decide to satisfy an Option or a Conditional Award by paying an equivalent amount in cash (subject to rule 4.5 (Withholding)). For Options, the cash amount must be equal to the amount by which the market value of the Shares in respect of which the Option is exercised exceeds the Option Price. Alternatively, the Grantor may decide to satisfy an Option by procuring the issue or transfer of Shares to the value of the cash amount specified above.

The Company may determine that a Deferred Share Award will be satisfied in cash at the Award Date or at any time before satisfaction of the Deferred Share Award, including after Vesting for Conditional Awards or, in the case of an Option, after exercise.

In respect of Awards which consist of a right to receive a cash amount, the Directors may decide instead to satisfy such Awards (and any Dividend Equivalents) by the delivery of Shares (subject to rule 4.5 (Withholding)). The number of Shares will be calculated by reference to the market value of the Shares on the date of Vesting for Conditional Awards and the date of exercise for Options.

For the purpose of this rule 4.4 (Alternative ways to satisfy Deferred Share Awards) and unless the Directors determine otherwise, "market value" means the closing middle market quotation for a Share taken from the Daily Official List of the London Stock Exchange (or, in the case of an ADR, the closing price on the New York Stock Exchange as reported in the *Wall Street Journal*) on the date of Vesting for Conditional Awards or, in the case of an Option, the date of exercise.

#### **4.5 Withholding**

The Company, the Grantor, any employing company or trustee of any employee benefit trust may withhold such amount and make such arrangements as it considers necessary to meet any liability to taxation or social security contributions in respect of Deferred Share Awards. These arrangements may include the sale or reduction in number of any Shares on behalf of the Participant.

#### **4.6 Participant indemnity**

Each Participant indemnifies the Group for that Participant's liability for Tax.

#### **4.7 Investigation**

If an investigation is ongoing which might lead to Malus and/or Clawback being triggered then, unless otherwise determined by the Directors, the Deferred Share Award will only be settled (if at all) after such investigation has been concluded.

### **5 Vesting in other circumstances – personal events**

#### **5.1 General rule on leaving employment**

Subject to rule 5.2 ("Good leavers"), a Deferred Share Award which has not Vested will cease to be capable of Vesting on the date on which the Participant gives or receives notice of

termination of employment with any Member of the Group (whether or not such termination is lawful), unless the Directors decide otherwise.

A Deferred Share Award will lapse on the date the Participant ceases to be an Employee unless one of the reasons in rule 5.2 applies.

This rule 5 (Vesting in other circumstances – personal events) will not apply where the Vesting of a Deferred Share Award is delayed due to a Dealing Restriction, unless the Participant ceases to be an Employee by reason of dismissal for misconduct.

## **5.2 “Good leavers”**

If a Participant ceases to be an Employee for any of the reasons set out below, then the Deferred Share Award will Vest as described below. The reasons are:

**5.2.1** disability, as established to the satisfaction of the Company;

**5.2.2** death; and

**5.2.3** any other reason, if the Directors so decide in any particular case.

Where rules 5.2.1 and 5.2.3 applies, then the Shares under the Deferred Share Award will Vest on the date of Vesting under rule 1.4.4, unless the Directors decide that the Deferred Share Award should Vest on the cessation date (or, if on that date a Dealing Restriction applies, a date determined by the Directors which is on or after the first date on which any Dealing Restriction ceases to apply). Where rule 5.2.2 applies, then the Shares under the Deferred Share Award will Vest immediately. The Vesting of any Deferred Share Award is subject to any conditions imposed under rule 1.5 (Conditions).

## **5.3 Exercise of discretion**

The Directors must exercise the discretion provided for in rule 5.2.3 within 30 days after cessation of the relevant Participant’s employment. The Deferred Share Award will lapse or Vest (as appropriate) on the earlier of the date on which the discretion is exercised and the end of the 30 day period.

## **5.4 Overseas transfer**

If a Participant remains an Employee but is transferred to work in another country or changes tax residence status and, as a result the Participant would:

**5.4.1** suffer a tax disadvantage in relation to the Deferred Share Awards (this being shown to the satisfaction of the Directors); or

**5.4.2** become subject to restrictions on the ability to exercise the Deferred Share Awards or to hold or deal in the Shares or the proceeds of the sale of the Shares acquired on exercise because of the security laws or exchange control laws of the country to which the Participant is transferred,

then the Directors may decide that the Deferred Awards will Vest on a date they choose before or after the transfer takes effect. The Deferred Share Award will Vest to the extent they permit and the Directors will decide whether any balance of the Deferred Share Award will lapse.

## **5.5 Meaning of “ceasing to be an Employee”**

For the purposes of rules 4.2 (Options), 5 (Vesting in other circumstances – personal events) and 6 (Post-retirement activity restrictions), a Participant will not be treated as ceasing to be an Employee until the Participant is no longer an Employee of any Member of the Group or if the Participant recommences employment with a Member of the Group within 14 days or such other period and on such other basis as the Directors decide.

## **6 Post-retirement activity restrictions**

### **6.1 Application of rule**

Where:

- 6.1.1 a Participant falls within rule 5.2 (“Good Leavers”) and the reason for leaving is retirement; and
- 6.1.2 the Participant becomes directly or indirectly employed or engaged by another business in a capacity as an executive director (which means a statutory director other than a non-executive director, or such equivalent role as the Directors determine appropriate) within a period of 12 months from cessation of the Participant’s employment, or such other period as determined by the Directors at the time the Deferred Share Award is granted,

this rule 6 (Post-retirement activity restrictions) will apply to that Deferred Share Award.

### **6.2 Breach of restriction before settlement of the Deferred Share Award**

If the Deferred Share Award has not yet been satisfied under rule 4 (Consequences of Vesting), the Directors may determine that the Deferred Share Award will immediately lapse in full.

### **6.3 Breach of restriction after settlement of the Deferred Share Award**

If the Deferred Share Award has already been satisfied under rule 4 (Consequences of Vesting), the Directors may recover such amount relating to it as the Directors determine appropriate (not exceeding the gross value of the Deferred Share Award, including any benefits received such as Dividend Equivalents or dividends as a consequence of the Deferred Share Award or the underlying Shares) by using any of the methods set out in the Malus and Clawback Policy to effect Clawback.

## **7 Vesting in other circumstances – corporate events**

### **7.1 Time of Vesting**

- 7.1.1 In the event of a Change of Control, to the extent that a Deferred Share Award is not exchanged under rule 7.2 (Exchange) and subject to any condition imposed under rule 1.5 (Conditions), it will Vest on the date of the Change of Control.
- 7.1.2 If the Company is or may be affected by any demerger, delisting, distribution (other than an ordinary dividend) or other transaction, which, in the opinion of the Directors, might affect the current or future value of any Deferred Share Award, the Directors may allow a Deferred Share Award to Vest. The Directors may impose other conditions on Vesting.

## **7.2 Exchange**

A Deferred Share Award will not Vest under rule 7.1 (Time of Vesting) but will be exchanged under rule 7.5 (Exchange terms) to the extent that:

- 7.2.1 an offer to exchange the Deferred Share Award is made and accepted by a Participant; or
- 7.2.2 the Directors, with the consent of the Acquiring Company, decide before Change of Control that the Deferred Share Award will be automatically exchanged.

## **7.3 Directors**

In this rule 7 (Vesting in other circumstances – corporate events), “**Directors**” means those people who were members of the remuneration committee of the Company immediately before the Change of Control.

## **7.4 Timing of exchange**

Where a Deferred Share Award is to be exchanged under rule 7.2 (Exchange), the exchange is effective immediately following the relevant event.

## **7.5 Exchange terms**

Where a Participant is granted a new award in exchange for an existing Deferred Share Award, the new Deferred Share Award:

- 7.5.1 must confer a right to acquire shares in the Acquiring Company or another body corporate determined by the Acquiring Company;
- 7.5.2 must be equivalent to the existing Deferred Share Award;
- 7.5.3 is treated as having been acquired at the same time as the existing Deferred Share Award and Vests in the same manner and at the same time;
- 7.5.4 must be subject to a condition which is, so far as possible, equivalent to any condition imposed under rule 1.5 (Conditions); and
- 7.5.5 is governed by the Plan, excluding rule 8.2 (Shareholder approval), as if references to Shares were references to the shares over which the new award is granted and references to the Company were references to the Acquiring Company or the body corporate determined under rule 7.5.1 above.

## **7.6 Amendment to Malus and Clawback**

If this rule 7 (Vesting in other circumstances – corporate events) applies to a Deferred Share Award, the Directors may determine that the Malus and Clawback Policy will no longer apply to the Deferred Share Award or may be varied in its application to the Deferred Share Award.

## **8 Changing the Plan and termination**

### **8.1 Directors’ powers**

Except as described in the rest of this rule 8 (Changing the Plan and termination), the Directors may at any time change the Plan in any way.

## **8.2 Shareholder approval**

**8.2.1** Except as described in rule 8.2.2, the Company in general meeting must approve in advance by ordinary resolution any proposed change to the Plan to the advantage of present or future Participants, which relates to:

- (i) the Participants;
- (ii) the limit on the number of Shares which may be issued under the Plan;
- (iii) the individual limit for each Participant under the Plan;
- (iv) the basis for determining a Participant's entitlement to, and the terms of, securities, cash or other benefit to be provided and for the adjustment thereof (if any) if there is a capitalisation issue, rights issue or open offer, sub-division or consolidation of shares or reduction of capital or any other variation of capital; or
- (v) the terms of this rule 8.2.1.

**8.2.2** The Directors can change the Plan and need not obtain the approval of the Company in general meeting for any minor changes:

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

**8.2.3** The Directors may, without obtaining the approval of the Company in general meeting, establish further plans based on the Plan but modified to take account of local tax, exchange control or securities laws in non-UK territories.

## **8.3 Notice**

The Directors are not required to give Participants notice of any changes.

## **8.4 Termination**

The Plan will terminate on the Expiry Date, but the Directors may terminate the Plan at any time before that date. The termination of the Plan will not affect existing Awards.

## **9 General**

### **9.1 Terms of employment**

**9.1.1** This rule 9.1 (Terms of employment) applies during an Employee's employment and after the termination of an Employee's employment, whether or not the termination is lawful.

**9.1.2** Nothing in the rules or the operation of the Plan forms part of the contract of employment of an Employee. The rights and obligations arising from the employment relationship between the Employee and employer are separate from, and are not

affected by, the Plan. Participation in the Plan does not create any right to, or expectation of, continued employment.

- 9.1.3** No Employee has a right to participate in the Plan. Participation in the Plan or the grant of Awards on a particular basis in any year does not create any right to or expectation of participation in the Plan or the grant of Awards on the same basis, or at all, in any future year.
- 9.1.4** The rules of the Plan do not entitle the Employee to the exercise of any discretion in the Employee's favour.
- 9.1.5** The Employee will have no claim or right of action in respect of any decision, omission or discretion, which may operate to the disadvantage of the Employee even if it is unreasonable, irrational or might otherwise be regarded as being in breach of the duty of trust and confidence (and/or any other implied duty) between the Employee and employer.
- 9.1.6** No Employee has any right to compensation for any loss in relation to the Plan, including any loss in relation to:
- (i) any loss or reduction of rights or expectations under the Plan in any circumstances (including lawful or unlawful termination of employment);
  - (ii) any exercise of a discretion or a decision taken in relation to a Deferred Share Award or to the Plan, or any failure to exercise a discretion or take a decision;
  - (iii) the operation, suspension, termination or amendment of the Plan.

## **9.2 Directors' decisions final and binding**

The decision of the Directors on the interpretation of the Plan or in any dispute relating to a Deferred Share Award or matter relating to the Plan will be final and conclusive and, the Directors may exercise their discretion to correct any error relating to any Deferred Share Award.

## **9.3 Severance of certain rules**

If any rule of the Plan is held to be invalid, illegal or unenforceable for any reason by any court of competent jurisdiction, for the purposes of that jurisdiction:

- 9.3.1** such rule will be treated as severed; and
- 9.3.2** the remainder of the rules of the Plan will continue in full force and effect as if the Plan had been established without the inclusion of the severed rule,
- unless the Directors determine otherwise.

## **9.4 Third party rights**

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

## **9.5 Documents sent to shareholders**

The Company is not required to send to Participants copies of any documents or notices normally sent to the holders of its Shares.

## **9.6 Costs**

The Company will pay the costs of introducing and administering the Plan. The Company may ask a Participant's employer to bear the costs in respect of a Deferred Share Award to that Participant.

## **9.7 Employee trust**

The Company and any Subsidiary may provide money to the trustee of any trust or any other person to enable them or him to acquire Shares to be held for the purposes of the Plan, or enter into any guarantee or indemnity for those purposes, to the extent permitted by Section 682 of the Companies Act 2006 or any applicable law.

## **9.8 Data protection**

Any data protection policy or data privacy notice of the Group that is applicable to the Employee or Participant will apply to personal data being used under the Plan.

## **9.9 Consents**

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

## **9.10 Share rights**

Shares issued to satisfy Awards under the Plan will rank equally in all respects with the Shares in issue on the date of allotment. They will not rank for any rights attaching to Shares by reference to a record date preceding the date of allotment. Where Shares are transferred to a Participant, including a transfer out of treasury, the Participant will be entitled to all rights attaching to the Shares by reference to a record date on or after the transfer date. The Participant will not be entitled to rights before that date.

## **9.11 Listing**

If and so long as the Shares are listed and traded on a public market, the Company will apply for listing of any Shares issued under the Plan as soon as practicable.

## **9.12 Notices**

**9.12.1** Any information or notice to a person who is or will be eligible to be a Participant under or in connection with the Plan may be posted, or sent by electronic means, in such manner to such address as the Company considers appropriate, including publication on any intranet.

**9.12.2** Any information or notice to the Company or other duly appointed agent under or in connection with the Plan may be sent by post or transmitted to it at its registered office or such other place, and by such other means, as the Directors or duly appointed agent may decide and notify Participants.

**9.12.3** Notices sent by post will be deemed to have been given on the second day after the date of posting. However, notices sent by or to a Participant who is working overseas will be deemed to have been given on the seventh day after the date of posting. Notices sent by electronic means, in the absence of evidence to the contrary, will be deemed to have been received on the day after sending.

### **9.13 Governing law and jurisdiction**

English law governs the Plan and all Deferred Share Awards and their construction. The English courts have exclusive jurisdiction in respect of disputes arising under or in connection with the Plan or any Deferred Share Award.

## **10 Definitions and interpretation**

### **10.1 Definitions**

In these rules:

**“Acquiring Company”** means a person who has or obtains control (within the meaning of Section 995 of the Income Tax Act 2007) of the Company;

**“Award Date”** means the date on which a Deferred Share Award is granted by deed under rule 1.4 (Terms of Deferred Share Awards);

**“Change of Control”** means

- (i) when a general offer to acquire Shares made by a person (or a group of persons acting in concert) becomes wholly unconditional; or
- (ii) when, under Section 895 of the Companies Act 2006 or equivalent procedure under local legislation, a court sanctions a compromise or arrangement in connection with the acquisition of Shares; or
- (iii) a person (or a group of persons acting in concert) obtaining control (within the meaning of Section 995 of the Income Tax Act 2007) of the Company in any other way;

**“Company”** means Aviva plc;

**“Conditional Award”** means a conditional right to acquire Shares granted under the Plan;

**“Dealing Restrictions”** means any internal or external restrictions on dealings or transactions in securities;

**“Deferred Share Award”** means a Conditional Award or an Option;

**“Directors”** means, subject to rule 7.3 (Directors), the board of directors of the Company or a duly authorised person or group of persons;

**“Dividend Equivalent”** means a right to receive cash or Shares in respect of dividends (as determined from time to time by the Grantor), on such basis as the Grantor may, in its discretion, determine;

**“Employee”** means any employee of a Member of the Group (including an executive director);

**“Expiry Date”** means 6 May 2031, the tenth anniversary of shareholder approval;

“**Grantor**” means, in respect of a Deferred Share Award, the entity which grants that Award under the Plan;

“**London Stock Exchange**” means London Stock Exchange plc;

“**Malus and Clawback Policy**” means the Aviva Malus and Clawback Policy (as amended from time to time) and “Malus” and “Clawback” will be understood accordingly;

“**Member of the Group**” means:

- (i) the Company;
- (ii) its Subsidiaries from time to time; or
- (iii) any other company which is associated with the Company and is so designated by the Directors,

and “**Group**” shall be construed accordingly;

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

“**Option Period**” means a period starting on the grant of an Option and ending at the end of the day before the tenth anniversary of the grant, or such shorter period as may be specified under rule 4.2 (Options) on the grant of an Option;

“**Option Price**” means zero, or the amount payable on the exercise of an Option, as specified under rule 1.4.7;

“**Participant**” means a person holding a Deferred Share Award or any personal representatives;

“**Plan**” means these rules known as “The Aviva Annual Bonus Plan”, as changed from time to time;

“**Shares**” means fully paid ordinary shares in the capital of the Company or any American Depositary Share or American Depositary Receipt (ADR) representing ordinary shares;

“**Subsidiary**” means a company which is a subsidiary of the Company within the meaning of Section 1159 of the Companies Act 2006; and

“**Vesting**” in relation to an Option, means an Option becoming exercisable and in relation to a Conditional Award, means a Participant becoming entitled to have the Shares transferred to him subject to the Plan, and the term “**Vested**” shall be construed accordingly.

## 10.2 Interpretation

In this Plan, the singular includes the plural and the plural includes the singular. References to any enactment or statutory requirement will be understood as references to that enactment or requirement as amended or re-enacted and they include any subordinate legislation made under it.

## 10.3 Award tranches

Where a Deferred Share Award is made up of different tranches with different expected dates of Vesting, each tranche will be considered a separate Deferred Share Award for the purposes of interpreting and administering this Plan.

## **Schedule 1 France**

The purpose of this schedule is to make certain variations to the rules of the Plan, in order to satisfy French securities laws, exchange control, corporate law and tax requirements (in particular, the provisions of Articles L. 225-197-1 et seq. of the French *Code de commerce*) so that Conditional Awards may qualify for specific income tax and social security treatment in France.

The grant of Options that would qualify for specific income tax and social security treatment in France is not available pursuant to this Schedule 1.

The rules of the Plan shall apply, subject to the modifications contained in this Schedule 1, whenever the Company decides to grant a Qualified Conditional Award to an Eligible French Employee under this Schedule 1. In all other circumstances, where other forms of Deferred Share Awards (other than Qualified Conditional Awards) are granted to Eligible French Employees, the rules of the Plan, unamended by this Schedule 1, shall apply.

### **1 Rule 1 (Granting Deferred Share Awards)**

#### **1.1 Rule 1.1 (Grantor)**

Rules 1.1.2 and 1.1.3 are deleted.

#### **1.2 Rule 1.2 (Eligibility)**

Rule 1.2 (Eligibility) is supplemented by the following:

“The Grantor may grant a Qualified Conditional Award to anyone who is an Eligible French Employee on the Award Date in accordance with any selection criteria that the Directors in their discretion may set. However, unless the Directors consider that special circumstances exist, a Qualified Conditional Award may not be granted to an Eligible French Employee who on the Award Date has given or received notice of termination of employment, whether or not such termination is lawful.”

#### **1.3 Rule 1.4 (Terms of Deferred Share Awards)**

1.3.1 Rule 1.4.4 is supplemented with the following:

“and the expected date of Vesting for a Qualified Conditional Award must be at least the day after the second anniversary of the Award Date;”.

1.3.2 Rule 1.4.5 is deleted.

#### **1.4 Rule 1.5 (Conditions)**

The following words are added at the end of rule 1.5 (Conditions):

“provided that, where it is intended the Qualified Conditional Award will continue to qualify for French tax and social security advantages:

1.5.1 such amendment does not affect the qualifying status of the Qualified Conditional Award for tax and social security purposes; and

1.5.2 no such amendment shall adversely affect the right of any Participant without such Participant’s consent.”

## **1.5 Rule 1.10 (Individual limit for Deferred Share Awards)**

Rule 1.10 (Individual limit for Deferred Share Awards) is supplemented with the following:

“No Qualified Conditional Award shall be granted to an Eligible French Employee who holds 10 per cent or more (including any outstanding Deferred Share Awards, and outstanding awards under any employee share plan operated by the Company, where such Deferred Share Awards or awards (as applicable) are, or are similar in substance to, a conditional right to acquire shares, other than non-exercised options) of the share capital of the Company, or who may hold, as the result of the grant of the Qualified Conditional Award, 10 per cent or more of the share capital of the Company.”

## **1.6 The following is inserted as new Rule 1.13 (French limit)**

### **“1.13 French limit**

At the Award Date, the total number of Shares granted subject to Qualified Conditional Awards, and subject to awards under any other employee share plan of the Company where such awards are granted subject to and in accordance with the provisions of Articles L.225-197-1 et seq. of the French Commercial Code and are (or are similar in substance to) a conditional right to acquire Shares (other than an option) for no or limited cost (up to 5 percent of the market value of the Shares), shall not exceed 10 percent of the issued ordinary share capital of the Company.

However, this relevant percentage may be increased to 30 percent if Qualified Conditional Awards are granted to all Eligible French Employees. In such a case, Qualified Conditional Awards may only be granted over such number of Shares as does not exceed a ratio of one to five between the smallest and largest awards of Qualified Conditional Awards.

For the purposes of calculating the 10% or (as applicable) 30% limit:

1.13.1 to the extent a conditional right to acquire Shares lapses, the Shares subject to that conditional right do not need to be counted; and

1.13.2 Shares which are subject to a retention period do not need to be counted once the retention period ends.”

## **2 Rule 2 (Before Vesting)**

### **2.1 Rule 2.2 (Transfer)**

Rule 2.2.2 is deleted.

### **2.2 Rule 2.3 (Adjustment of Deferred Share Awards)**

Rule 2.3 (Adjustment of Deferred Share Awards) is deleted and replaced with the following:

“On the occurrence of one of the events specified under Article L.225-181 of the French Code de commerce, the Company may make such adjustments as it considers appropriate to restore the value of the Qualified Conditional Awards.

An adjustment made under this rule shall only be permissible to the extent that it is intended to, and that its sole effect is to, restore the value of the Qualified Conditional Awards and it is made in compliance with the rules set out in the French Code de commerce.”

### **3 Rule 3 (Vesting of Deferred Share Awards)**

Rule 3.1 (Timing of Vesting) is supplemented with the following:

“Notwithstanding any rule other than rule 5.6 (Death or Defined Disability) and rule 7 (Vesting in other circumstances – corporate events), a Qualified Conditional Award shall not Vest on or prior to the second anniversary of the Award Date.

If a Qualified Conditional Award would otherwise Vest in accordance with any rule of the Plan other than rule 5.6 (Death or Defined Disability) or rule 7 (Vesting in other circumstances – corporate events) on or prior to the second anniversary of the Award Date, the Qualified Conditional Award will not so Vest but will continue until the day after the second anniversary of the Award Date and at such time only, it will Vest.”

### **4 Rule 4 (Consequences of Vesting)**

#### **4.1 Rule 4.1 (Conditional Award)**

Rule 4.1 (Conditional Award) is deleted and replaced with the following:

“4.1.1 Within 30 days of a Qualified Conditional Award Vesting, the Grantor will arrange (subject to rules 4.5 (Withholding) and 9.9 (Consents)) for the transfer (including a transfer out of treasury) or issue, to, or to the order of, the Participant, of the number of Shares in respect of which the Qualified Conditional Award has Vested.

4.1.2 The Shares delivered to a Participant pursuant to a Qualified Conditional Award may not be sold or transferred by or on behalf of the Participant during a Closed Period.”

#### **4.2 Rule 4.3 (Dividend Equivalent)**

Rule 4.3 (Dividend Equivalent) is deleted. Any reference to rule 4.3 (Dividend Equivalent), or to a Dividend Equivalent, is deleted accordingly.

#### **4.3 Rule 4.4 (Alternative ways to satisfy Deferred Share Awards)**

Rule 4.4 (Alternative ways to satisfy Deferred Share Awards) is deleted. Any reference to rule 4.4 (Alternative ways to satisfy Deferred Share Awards) is deleted accordingly.

#### **4.4 Rule 4.5 (Withholding)**

Rule 4.5 (Withholding) is supplemented with the following:

“In respect of a Qualified Conditional Award, the Participant (or any heirs, if applicable) is responsible for reporting the receipt of any income under the Plan, however made, to the appropriate tax authorities.

The employing company with whom a Participant is or was in employment on the date the Shares are transferred will communicate the name of the Participant and the number of Shares being transferred to the social security authorities competent for that Member of the Group, in accordance with the provisions of Articles L133-5-3 and L. 242-1 of the French *Code de la sécurité sociale*, Articles 39 of Annexe III of the French *Code Général des Impôts* and Article 87 of the French *Code Général des Impôts*.

In the event the Qualified Conditional Award does not qualify for specific income tax and social security in France, or in the event that tax or social security (or equivalent charges) arise outside of France, the Company, any employing company or trustee of any employee

benefit trust may withhold and make arrangements in line with the other provisions of this rule 4.5 (Withholding), and the Participant is ultimately liable and responsible for all taxes and/or social security contributions they are required to pay.”

## **5 Rule 5 (Vesting in other circumstances – personal events)**

### **5.1 Rule 5.1 (General rule on leaving employment)**

Rule 5.1 (General rule on leaving employment) shall be interpreted subject to rule 5.6 (Death or Defined Disability).

### **5.2 Rule 5.2 (“Good leavers”)**

In rule 5.2 (“Good leavers”):

**5.2.1** the words “This provision is subject to rule 5.6 (Death or Defined Disability).” are inserted at the beginning of rule 5.2 (“Good leavers”);

**5.2.2** rule 5.2.2 is deleted; and

**5.2.3** the words “unless the Directors decide that the Deferred Share Award should Vest on the cessation date (or, if on that date a Dealing Restriction applies, a date determined by the Directors which is on or after the first date on which any Dealing Restriction ceases to apply). Where rule 5.2.2 applies, then the Shares under the Deferred Share Award will Vest immediately. The Vesting of any Deferred Share Award is subject to any conditions imposed under rule 1.5 (Conditions).” is replaced with the following:

“unless the Directors decide that the Qualified Conditional Award should Vest on an earlier date (or, if on that earlier date a Dealing Restriction applies, a date determined by the Directors which is on or after the first date on which any Dealing Restriction ceases to apply). The Shares under the Qualified Conditional Award will then Vest on that earlier date, subject to any conditions imposed under rule 1.5 (Conditions) and subject to the application of rule 3.1 (Timing of Vesting).”

### **5.3 Rules 5.3 (Exercise of discretion) and 5.4 (Overseas transfer)**

Rule 5.3 (Exercise of discretion) is interpreted subject to the application of rule 3.1 (Timing of Vesting) and rule 5.4 (Overseas transfer) is deleted.

### **5.4 The following is inserted as rule 5.6 (Death or Defined Disability)**

#### **“5.6 Death or Defined Disability**

Notwithstanding any other rule of the Plan, where a Participant ceases to be an Employee:

**5.6.1** for reason of death, any personal representatives may require, within six (6) months from the date of death, Vesting of the deceased’s Qualified Conditional Award and the transfer of the underlying Shares. The Vesting of the Qualified Conditional Award is subject to any conditions imposed under rule 1.5 (Conditions), but this may only be the case to the extent the condition relates to performance (and must be measured at the time of death). The Shares will be transferred to the personal representatives of the Participant as soon as practicably possible following their request; and

5.6.2 for reason of Defined Disability, the Participant can request at any time the Vesting of the Qualified Conditional Award and the transfer of the underlying Shares, subject to any conditions imposed under rule 1.5 (Conditions) as measured at that time. The Shares shall be transferred to the Participant suffering from a Defined Disability as soon as practicably possible following the Participant's request."

## **6 Rule 7 (Vesting in other circumstances – corporate events)**

Rule 7 (Vesting in other circumstances – corporate events) shall apply in accordance with Articles L. 225-197-1-III of the French *Code de commerce* and 80 *quaterdecies* of the French *Code général des impôts* to the extent that the Directors intend the Qualified Conditional Awards to maintain specific tax treatment under this Schedule 1. However, in the event the Directors do not intend the Qualified Conditional Awards to maintain such specific tax treatment, rule 7 (Vesting in other circumstances – corporate events) will prevail notwithstanding any potential detrimental tax or social security consequences for the Participant.

## **7 Rule 8 (Changing the Plan and termination)**

Rule 8.1 (Directors' powers) shall be supplemented with the following:

"Except as provided in rule 7 (Vesting in other circumstances – corporate events), changes may affect Qualified Conditional Awards already granted provided that (i) the changes do not affect the qualifying status of the Qualified Conditional Awards for French tax and social security purposes and provided that (ii) no such changes shall adversely affect the rights of any Participant without such Participant's prior consent."

## **8 Rule 9 (General)**

A new rule 9.14 (Interpretation of Qualified Conditional Awards) will be inserted as follows:

### **"9.14 Interpretation of Qualified Conditional Awards**

It is intended that Qualified Conditional Awards shall qualify for the French specific tax and social security treatment applicable to Qualified Conditional Awards under Sections L. 225-197-1 et seq. of the French *Code de commerce*, as amended, and in accordance with the relevant provisions set forth by French tax and social security laws, but the Company does not undertake to maintain this status.

The Plan, the terms of this Schedule 1 and the terms upon which a Qualified Conditional Award have been granted shall be interpreted (and, where necessary, deemed to be modified) accordingly and in accordance with the relevant provisions set forth by French tax and social security laws and relevant guidelines published by French tax and social security administrations and subject to the fulfilment of certain legal, tax and reporting obligations, if applicable.

In the event of any conflict between the provisions of this Schedule 1 and the Plan, the provisions of this Schedule 1 shall control for grants of Qualified Conditional Awards.

If for any reason a Conditional Award does not, but was originally intended to, satisfy the requirements of the French tax authorities for specific tax and social security treatment, the Company or the Directors can take such actions, including changing

the expected date of Vesting under rule 1.4.4, as it considers reasonably necessary to achieve such treatment, and the Plan, the terms of this Schedule 1 and the terms of the Conditional Award shall be interpreted and, where necessary, modified accordingly.

The Company and any Member of the Group shall not be liable for any adverse consequences, legal, tax or otherwise, if and to the extent that the French tax and social security treatment is unavailable.”

## **9 Rule 10 (Definitions and interpretation)**

### **9.1 Meanings**

Capitalised terms used and not defined in this Schedule 1 will have the meanings given to them under rule 10 (Definitions and interpretation) of the Plan.

The terms of Qualified Conditional Awards will be the same as those for Conditional Awards under the Plan, except to the extent that this Schedule 1 provides to the contrary.

For the avoidance of doubt, references to:

**9.1.1** Conditional Awards in the Plan shall apply to, and include, Qualified Conditional Awards;

**9.1.2** Employees in the Plan shall apply to, and include, Eligible French Employees;

**9.1.3** Members of the Group in the Plan shall apply to, and include, French Members of the Group; and

**9.1.4** the Plan in the Plan and this Schedule 1, shall include this Schedule 1, save where expressed not to apply, or save where modified by the terms of this Schedule 1 (in which case, the terms shall apply as modified).

### **9.2 Specific definitions**

The following definitions apply to Qualified Conditional Awards granted in accordance with this Schedule 1:

“**Closed Period**” means the closed periods required by Section L.22-10-59 of the French Code *de commerce* and applicable to Qualified Conditional Awards, as amended from time to time and as interpreted by French administrative guidelines, and which are currently as follows:

- (i) 30 calendar days preceding the announcement of an intermediary, half-year or annual financial report that the Company has to publish; or
- (ii) any period where there is material information (as defined under article 7 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (Market Abuse Regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC) which could, if disclosed to the public, significantly impact on the value of Shares, where the Participant is either:

- (a) a member of the corporate management of the Company; or
- (b) an employee,

who has knowledge of this information, until its disclosure to the public.

**“Defined Disability”** means the circumstance where a Participant is recognised as a disabled employee of the second or third category under the meaning of Article L.341-4 of the French *Code de la sécurité sociale*.

**“Eligible French Employee”** means an Employee of any French Member of the Group who is taxable in France for French tax purposes and/or subject to the French social security regime.

**“French Member of the Group”** means a Member of the Group (excluding the Company) which is:

- (i) a company in which the Company holds, directly or indirectly, at least 10 per cent of the share capital or voting rights;
- (ii) a company holding directly or indirectly at least 10 per cent of the share capital or voting rights of the Company; or
- (iii) a company for which at least 50 per cent of the share capital or voting rights are held by a company which holds at least 50 per cent of the share capital of the Company.

**“Qualified Conditional Award”** means a Conditional Award granted to an Eligible French Employee which is intended to satisfy French tax requirements (especially the provisions of Articles L. 225-197-1 et seq. of the French Commercial Code) in order to qualify for specific income tax and social security treatment in France as set out in article 135 of the Macron Law (loi n° 2015-990 du 6 août 2015 pour la croissance, l'activité et l'égalité des chances économiques) and which, for the avoidance of doubt, has no price.

## **Schedule 2 Canada**

The purpose of this Schedule 2 is to make certain variations to the rules of the Plan, in the case of its operation for Employees resident in Canada, to take into account Canadian tax rules. The grant of Options under the Plan is not available to Employees in Canada pursuant to this Schedule 2.

The rules of the Plan will apply to grants made under this Schedule 2, subject to the following:

### **1 Rule 1.4 (Terms of Deferred Share Awards)**

Rule 1.4.1 is deleted and replaced by the following:

“any Deferred Share Award granted to Employees in Canada will take the form of a Conditional Award;”

### **2 Rule 4.1 (Conditional Award)**

The following paragraphs are added to the end of rule 4.1 (Conditional Award):

“Notwithstanding the foregoing or any other rule in this Plan, Deferred Share Awards (including any Dividend Equivalents, as applicable) shall only be satisfied with newly issued Shares or Shares transferred out of treasury. No Deferred Share Awards shall be satisfied with Shares acquired on the open market or sourced directly or indirectly, in any manner whatever, from any trust.

### **3 Rule 4.4 (Alternative ways to satisfy Deferred Share Awards)**

Rule 4.4 is deleted and replaced by the following:

“Any Deferred Share Award granted to Employees in Canada may not be satisfied in cash”.

### **4 Rule 9.7 (Employee trust)**

The following paragraph is added to the end of rule 9.7 (Employee trust):

“Notwithstanding the foregoing, or any other provision in this Plan, Deferred Share Awards shall only be satisfied with newly issued Shares or Shares transferred out of treasury that are not funded, directly or indirectly, in any manner whatever, from or through any trust”

## Schedule 3 USA

The purpose of this schedule is to make certain variations to the terms of the Plan in the case of its operation for Participants who are US Taxpayers (as defined below). In the event that a Participant becomes a US Taxpayer after the Award Date, then such Deferred Share Award shall immediately be modified in a manner consistent with the provisions of this Schedule 3.

### 1 Additional Definitions

In this Schedule 3:

**“Section 409A”** means Section 409A of the US Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated and other official guidance issued thereunder, collectively;

**“Short-Term Deferral Period”** means the period commencing on the date that a Conditional Award first is no longer subject to a “substantial risk of forfeiture” for the purposes of Section 409A and ending upon the 15th day of the third month following the end of the Taxable Year in which such Conditional Award first is no longer subject to the substantial risk of forfeiture;

**“Taxable Year”** means the calendar year, or, if later, the end of the taxable year of the Member of the Group that employs the US Taxpayer; and

**“US Taxpayer”** means an Employee or Participant who is subject to US federal income taxation on the Award Date, or who is expected to become subject to US federal income taxation following the Award Date, or who does become subject to US federal income taxation following the Award Date but prior to the date upon which any part of the Award Vests.

### 2 Amendments to the Plan for Section 409A purposes – Conditional Awards

For the purpose of Deferred Share Awards subject to this Schedule 3, all of the rules of the Plan shall apply subject to the following amendments:

#### 2.1 Rule 5.2 (Good leavers) is deleted and replaced by the following:

##### **“Rule 5.2 Good leavers**

If a Participant ceases to be an Employee for any of the reasons set out below, then the Deferred Share Awards will Vest immediately. The reasons are:

- (i) disability, as established to the satisfaction of the Company;
- (ii) death; and
- (iii) any other reason, if the Directors so decide in any particular case.

The Vesting of any Deferred Share Award is subject to any conditions imposed under rule 1.5 (Conditions).”

#### 2.2 A new rule 4.7 (Consequences of Vesting for Section 409A purposes) is included as follows:

##### **“Rule 4.7 Consequences of Vesting for Section 409A purposes**

4.7.1 Notwithstanding any of the rules of the Plan, a Conditional Award, and any Dividend Equivalents in respect of a Conditional Award, granted to a US Taxpayer must be

paid no later than the end of the Short-Term Deferral Period.

- 4.7.2 In the event that the payment of a Conditional Award (or any Dividend Equivalents in respect thereof) granted to a US Taxpayer has not been made by the end of the Short-Term Deferral Period because satisfaction would have violated applicable law, then to the extent permissible under Section 1.409A-1(b)(4)(ii) of the US Proposed Treasury Regulations, such settlement or payment may be delayed so long as the Conditional Award (or any Dividend Equivalents in respect thereof) is then satisfied at the earliest date at which it is reasonably anticipated that such law no longer prevents such satisfaction.
- 4.7.3 For the avoidance of doubt, the possible application of rule 3.2 (Impact of investigation) or rule 4.7 (Investigation) to a Conditional Award granted to a US Taxpayer will not impose an additional or extend the existing substantial risk of forfeiture applicable to such Conditional Award for purposes of Section 409A.

### **3 Amendments to the Plan for Section 409A purposes – Options**

- 3.1 The definition of “Option Price” in rule 10 (Definitions and interpretation) is deleted and replaced by the following:

“**Option Price**” means the fair market value of the Shares subject to the Option on the Award Date (as determined in a manner consistent with Section 409A);”.

- 3.2 A new paragraph shall be added to the end of rule 4.3 (Dividend Equivalent):

“An Option granted to a US Taxpayer shall not include the right to receive a Dividend Equivalent. “

### **4 Changes to Awards**

- 4.1 Other than to waive it, any condition imposed pursuant to rule 1.5 (Conditions) applicable to an outstanding Conditional Award granted to a US Taxpayer may not be altered pursuant to such rule if and to the extent that the alteration of the condition would result in the earlier ending of the applicable Short-Term Deferral Period.
- 4.2 Where there is to be an adjustment of a Deferred Share Award granted to a US Taxpayer pursuant to rule 2.3 (Adjustment of Deferred Share Awards), the Directors shall attempt to structure the terms of the adjustment of the Deferred Share Award such that the adjustment does not violate Section 409A.
- 4.3 Notwithstanding the provisions of rule 8 (Changing the Plan and termination), any amendment to the Plan (including this Schedule 3) or a Deferred Share Award shall only be effective with respect to a Deferred Share Award granted to a US Taxpayer to the extent that it does not cause the Award to violate Section 409A.
- 4.4 Where there is to be an exchange of a Deferred Share Award granted to a US Taxpayer pursuant to rule 7.2 (Exchange), the Directors shall attempt to structure the terms of the exchange and the new award under rule 7.5 (Exchange terms) such that neither the exchange nor the new award violate Section 409A.

### **5 Section 409A**

- 5.1 Conditional Awards granted to US Taxpayers, and any Dividend Equivalents in respect of

such Conditional Awards, are intended to be exempt from the requirements of Section 409A under the short-term deferral exemption described in Section 1.409A-1(b)(4) of the Treasury Regulations, and Options granted to US Taxpayers are intended to be exempt from the requirements of Section 409A under the stock rights exemption described in Section 1.409A-1(b)(5)(i)(A) of the Treasury Regulations, and the Plan (including this Schedule 3) shall be interpreted and administered consistent with such intention with respect to the Deferred Share Awards granted to US Taxpayers and any Dividend Equivalents in respect of such Deferred Share Awards. Notwithstanding the foregoing, each US Taxpayer is solely responsible and liable for the satisfaction of all taxes, penalties and interest that may be imposed on the US Taxpayer in connection with the Plan and/or this Schedule 3 or any Deferred Share Award, including any taxes, penalty or interest under Section 409A. No Member of the Group shall have any obligation to indemnify or otherwise hold a US Taxpayer harmless from any or all of such taxes, penalty or interest.

- 5.2** In the event of any conflict between an applicable provision of the Plan and an applicable provision of this Schedule 3 with respect to a Deferred Share Award granted to a US Taxpayer, the provision of this Schedule 3 shall apply.

## **Schedule 4 Former Employees**

The purpose of this Schedule 4 is to make certain variations to the rules of the Plan, to allow Deferred Share Awards to be granted to former Employees to comply with certain applicable remuneration regulations.

Except as set out in this Schedule 4, the rules of the Plan will apply to grants of Deferred Share Awards made under this Schedule 4 with any necessary changes. To the extent there is any conflict between the provisions of this Schedule 4 and Schedules 1, 2 or 3, Schedules 1, 2 or 3 (as applicable) will prevail.

### **1 Rule 1.2 (Eligibility)**

Rule 1.2 (Eligibility) is deleted and replaced by the following:

“The Grantor may grant a Deferred Share Award to anyone who is a former Employee, or who has given or received notice of termination of employment, on the Award Date, in accordance with any selection criteria that the Directors in their discretion may set.”

### **2 Rule 4.2 (Options)**

Rule 4.2.1(i) is deleted.

The words “5.4 (Overseas transfer),” are deleted from rule 4.2.1(ii).

The words “rule 5.2 (“Good leavers”)” in rule 4.2.1(ii) are replaced by “rule 5 (Vesting in other circumstances – personal events)”.

### **3 Rule 5 (Vesting in other circumstances – personal events)**

All clauses within rule 5 (Vesting in other circumstances – personal events) are deleted and replaced by the following:

#### **“5.1 Death**

If the Participant dies, then the Shares under the Deferred Share Award will Vest on the date of death, unless the Directors decide otherwise.

#### **5.2 Other discretion**

If the Directors so decide in any particular case, a Deferred Share Award may Vest on any date (as determined by the directors) which is earlier than the date of Vesting determined under rule 1.4 (Terms of Deferred Share Awards).”

### **4 Rule 6 Post-retirement activity restrictions**

Rule 6.1.1. is deleted and replaced by the following:

“a Participant has been granted a Deferred Share Award following retirement; and”