

AVIVA plc

## RULES OF THE AVIVA LONG TERM INCENTIVE PLAN

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# Rules of the Aviva Long Term Incentive Plan

## 1 Granting Awards

### 1.1 Grantor

The Grantor of an 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.

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

### 1.2 Eligibility

The Grantor may grant an 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, an 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 Award

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

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 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 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 Award).

### 1.4 Terms of Awards

Awards are subject to the rules of the Plan, any Performance Condition and any other condition imposed under rule 1.6 (Other conditions) and must be granted by deed. The terms of the 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 Award is:

- (i) a Conditional Award;
  - (ii) an Option;
- or a combination of these;
- 1.4.2 the number of Shares subject to the Award or the basis on which the number of Shares subject to the Award will be calculated;
  - 1.4.3 any Performance Condition;
  - 1.4.4 any other condition specified under rule 1.6 (Other conditions);
  - 1.4.5 the expected date or dates of Vesting (the Award may Vest in portions), which will normally be the third anniversary of the Award Date or otherwise specified in a Performance Condition;
  - 1.4.6 whether the Participant is entitled to receive any Dividend Equivalent;
  - 1.4.7 the Award Date;
  - 1.4.8 the Option Price (if relevant);
  - 1.4.9 details of any Holding Period that will apply to the Award;
  - 1.4.10 the period in which rule 7 (Post-retirement activity restrictions) will apply, if different to the period specified in that rule;
  - 1.4.11 that the Malus and Clawback Policy will apply; and
  - 1.4.12 whether the Participant may be required to enter into any Tax Election, and the consequences of failing to enter into it (if there are any).

## **1.5 Performance Conditions**

When granting an Award, the Grantor may, and must in the case of executive directors, make its Vesting conditional on the satisfaction of one or more conditions linked to the performance of the Company. A Performance Condition must be objective and specified at the Award Date. The Grantor, with the consent of the Directors, may waive or change a Performance Condition in accordance with its terms or if anything happens which causes the Grantor reasonably to consider it appropriate to do so.

## **1.6 Other conditions**

The Grantor may impose other conditions when granting an Award. Any condition must be objective, specified at the Award Date and may provide that an 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 1.6 (Other conditions).

## **1.7 Malus and Clawback**

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.

## **1.8 Award certificates**

Each Participant will receive a certificate setting out the terms of the Award as soon as practicable after the Award Date. The certificate may be the deed referred to in rule 1.4

(Terms of 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.

## **1.9 No payment**

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

## **1.10 Administrative errors**

If the Grantor grants an Award:

**1.10.1** 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

**1.10.2** 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.

## **1.11 Individual limit for Awards**

Awards to executive directors may only be granted in accordance with the limits set out in the Directors' Remuneration Policy.

Awards to any other Employee will be capped at the maximum limit applicable to any executive director set out in the Directors' Remuneration Policy, unless the Directors determine that exceptional circumstances exist and that such limit should be exceeded.

## **1.12 Plan limits – 10 per cent**

A Grantor must not grant an Award if the number of Shares committed to be issued under that 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 Awards under the Plan, or options or awards under any other employee share plan operated by the Company, granted in the previous 10 years.

## **1.13 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 1.12 (Plan limits – 10 per cent).

As long as so required by the guidelines of 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 an Option or a Conditional Award until the Shares are issued or transferred to the Participant.

## **2.2 Transfer**

A Participant may not transfer, assign or otherwise dispose of an 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 an Award on the death of a Participant to any personal representatives; or
- 2.2.2 to the assignment of an Award, with the prior consent of the Directors, subject to any terms and conditions the Directors impose.

## **2.3 Adjustment of 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 Corporation Tax 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 Award,
- the Directors may adjust the number or class of Shares or securities subject to the Award and, in the case of an Option, the Option Price.

## **3 Vesting of Awards**

### **3.1 Determination of Performance Condition**

As soon as reasonably practicable after the end of the Performance Period, the Directors will determine how many Shares Vest for each Award on the basis of whether and to what extent any Performance Condition or other condition imposed under rule 1.6 (Other conditions) has been satisfied or waived and if any adjustments are to be made under rule 3.4 (Performance adjustment).

### **3.2 Timing of Vesting**

Subject to rules 1.6 (Other conditions), 3.3 (Impact of investigation), 6 (Vesting in other circumstances – personal events) and 8 (Vesting in other circumstances – corporate events), an Award Vests, to the extent determined under rule 3.1 (Determination of Performance Condition), on latest of:

- 3.2.1 the expected date of Vesting under rule 1.4.5;
- 3.2.2 if relevant, the date on which the Directors make their determination under rule 3.1 (Determination of Performance Condition); and
- 3.2.3 if relevant, a date determined by the Directors which is on or after the first date on which Vesting is not prohibited by a Dealing Restriction.

### **3.3 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 Award will not Vest, if at all, until the investigation is concluded and, if the Award is an Option, rule 4.2.2 will apply.

### **3.4 Performance adjustment**

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

- 3.4.1 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;
- 3.4.2 the outcome is not appropriate in the context of circumstances that were unexpected or unforeseen at the Award Date;
- 3.4.3 there exists any other reason why an adjustment is appropriate; and/or
- 3.4.4 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.

### **3.5 Lapse**

To the extent that any Performance Condition is not satisfied at the end of the Performance Period, the Award lapses unless otherwise specified in the Performance Condition. To the extent that any other condition imposed under rule 1.6 (Other conditions) is not satisfied, the Award will lapse if so specified in the terms of that condition. To the extent an Award is adjusted downwards under rule 3.4 (Performance adjustment), the Award will lapse. If an 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 Awards), 4.5 (Withholding) and 10.9 (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). Vested and unvested Options will lapse:
  - (i) for Options granted with a market value Option Price, on the tenth anniversary of grant of the Option (unless the reason for Vesting is the Participant's death, in which case the Option will lapse 12 months after Vesting); and

- (ii) for Options granted with a zero, or less than market value Option Price, 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, in either case if earlier, on the earliest of:

- (iii) the date the Participant ceases to be an Employee by reason of dismissal for misconduct; or
- (iv) six months after an event which gives rise to a Vesting under rules 6.2 ("Good leavers"), 6.5 (Overseas transfer), 8 (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 Awards), 4.5 (Withholding), and 10.9 (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 Award before Vesting, unless the Grantor, in its discretion, decides otherwise at the Award Date. The Grantor may determine that an 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 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 an Award will be satisfied in cash at the Award Date or at any time before satisfaction of the 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 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 an Award and/or any Shares acquired pursuant to it. 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 Award will only be settled (if at all) after such investigation has been concluded.

### **5 Holding Period**

#### **5.1 Application of Holding Period**

A Conditional Award may be granted subject to a Holding Period of such duration, following Vesting of the Award, as the Directors determine.

For the remainder of this rule 5 (Holding Period), references to an "Award" means a Conditional Award which has been granted subject to a Holding Period.

#### **5.2 Nature of Holding Period**

During a Holding Period, the Shares (or any interest in them) acquired on satisfaction of the related Award may not be transferred, assigned or otherwise disposed of, save for:

- 5.2.1** a transfer to the Participant's personal representative(s) on death;
- 5.2.2** a transfer to a nominee on behalf of the Participant;
- 5.2.3** a sale in accordance with rule 4.5 (Withholding) or, with the prior agreement of the Company, to fund any liability to tax and/or social security charges;
- 5.2.4** a transfer in accordance with the Malus and Clawback Policy;

5.2.5 a transfer in connection with an event described in rule 8 (Vesting in other circumstances – corporate events); or

5.2.6 a transfer otherwise with the agreement of the Directors,

and any such attempted action will be invalid and ineffective.

### **5.3 Nominee**

The Directors may determine that the Shares will be delivered to and held by a nominee on behalf of the Participant until the expiry of the Holding Period on such terms as the Directors may determine.

At the end of the Holding Period, the Participant may take the Shares out of the nominee arrangement.

### **5.4 Awards of cash**

The Directors will decide if and how any Holding Period will operate in relation to cash and will communicate this to the Participant.

### **5.5 Proof of ownership**

A Participant must provide such proof of continued beneficial ownership of the Shares as the Directors request, during and at the end of the Holding Period.

### **5.6 Leaving employment**

Where a Participant ceases to be an Employee:

5.6.1 in circumstances where rules 6.2.1(i) or 6.2.1(ii) apply (whether before or after Vesting), any Holding Period will cease to apply; and

5.6.2 in any other circumstances (whether before or after Vesting) than provided for in rule 5.6.1, any Holding Period will continue to apply until its expiry in accordance with the Plan unless the Directors determine otherwise.

### **5.7 Corporate events**

The Directors will determine whether a Holding Period will continue to apply if an event occurs as described in rule 8 (Vesting in other circumstances – corporate events).

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

### **6.1 General rule on leaving employment**

Subject to rule 6.2 (“Good leavers”), an 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.

An Award will lapse on the date the Participant ceases to be an Employee unless one of the reasons in rule 6.2 (“Good leavers”) applies.

This rule 6.1 (General rule on leaving employment) will not apply where the Vesting of an Award is delayed due to a Dealing Restriction, unless the Participant ceases to be an Employee by reason of dismissal for misconduct.

## **6.2 “Good leavers”**

**6.2.1** If a Participant ceases to be an Employee for any of the reasons set out below, then the Awards will Vest as described in rules 6.3 (Vesting – Award subject to Performance Condition) and 6.4 (Vesting – Award not subject to Performance Condition) and lapse as to the balance. 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.

**6.2.2** The Directors must exercise the discretion provided for in rule 6.2.1(iii) within 30 days after cessation of the relevant Participant’s employment.

## **6.3 Vesting – Award subject to Performance Condition**

Where rule 6.2 (“Good leavers”) applies, the Award does not lapse, and the extent to which it will Vest is measured in accordance with rule 3.1 (Determination of Performance Condition) at the end of the Performance Period, and subject to any other condition imposed under rule 1.6 (Other conditions). However, the Performance Period in respect of an Award may be treated as ending on the date of the termination of employment.

To the extent that the Performance Condition has been or is likely to be satisfied (as determined by the Directors in the manner specified in the Performance Condition or in such manner as they consider reasonable), the Award will Vest on the expected date of Vesting under rule 1.4.5, or immediately in the case of death or where the Directors so decide in their discretion.

Unless the Directors decide otherwise, the Award is reduced pro rata to reflect the period from the Award Date until cessation of the Participant’s employment as a proportion of the period from the Award Date until the expected date of Vesting under rule 1.4.5.

## **6.4 Vesting – Award not subject to Performance Condition**

Where rule 6.2 (“Good leavers”) applies and the Award is not subject to a Performance Condition, the Award does not lapse but will Vest, subject to any other condition imposed under rule 1.6 (Other conditions), on the expected date of Vesting under rule 1.4.5, or immediately in the case of death or where the Directors so decide in their discretion.

Unless the Directors decide otherwise, the Award is reduced pro rata to reflect the period from the Award Date until cessation of the Participant’s employment as a proportion of the period from the Award Date until the expected date of Vesting under rule 1.4.5.

## **6.5 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:

- 6.5.1 suffer a tax disadvantage in relation to the Awards (this being shown to the satisfaction of the Directors); or
- 6.5.2 become subject to restrictions on the ability to exercise the 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 Awards will Vest on a date they choose before or after the transfer takes effect and/or may amend or disapply any applicable Holding Period. The Award will Vest to the extent they permit and the Directors will decide whether any balance of the Award will lapse.

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

For the purposes of rules 4.2 (Options), 5.6 (Leaving employment), 6 (Vesting in other circumstances – personal events), and 7 (Post-retirement activity restrictions), a Participant will not be treated as ceasing to be an Employee:

- 6.6.1 until the Participant is no longer an Employee of any Member of the Group; or
- 6.6.2 where 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.

## **7 Post-retirement activity restrictions**

### **7.1 Application of rule**

Where:

- 7.1.1 a Participant falls within rule 6.2 (“Good leavers”) and the reason for leaving is retirement; and
- 7.1.2 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 other such period as determined by the Directors at the time the Award is granted,

this rule 7 (Post-retirement activity restrictions) will apply to that Award.

### **7.2 Breach of restriction before settlement of the Award**

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

### **7.3 Breach of restriction after settlement of the Award**

If the 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 Award, including any benefits received such as Dividend Equivalents or dividends as a consequence of the Award or the underlying Shares) by using any of the methods set out in the Malus and Clawback Policy to effect Clawback.

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

### **8.1 Time of Vesting**

- 8.1.1** In the event of a Change of Control, an Award will Vest on such Change of Control subject to rules 8.1.2 and 8.3 (Exchange). The Award lapses as to the balance except to the extent exchanged under rule 8.3 (Exchange).
- 8.1.2** 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 Award, the Directors may allow an Award to Vest. The Award will Vest to the extent specified in rule 8.2 (Extent of Vesting) and will lapse as to the balance unless exchanged under rule 8.3 (Exchange). The Directors may impose other conditions on Vesting.

### **8.2 Extent of Vesting**

- 8.2.1** Where an Award vests under rule 8.1 (Time of Vesting), the Directors will determine the extent to which any Performance Condition and any other condition imposed under rule 1.6 (Other conditions) has been satisfied as at the date of Change of Control (as determined by the Directors in the manner specified in the Performance Condition or other condition imposed under rule 1.6 (Other conditions)) or in such manner as they consider reasonable) and the proportion of the Award which will Vest.
- 8.2.2** In addition, unless the Directors decide otherwise, the Award is reduced pro rata to reflect the period from the Award Date until the date of the Change of Control as a proportion of the period from the Award Date until the expected date of Vesting under rule 1.4.5.

### **8.3 Exchange**

An Award will not Vest under rule 8.1 (Time of Vesting) but will be exchanged under rule 8.6 (Exchange terms) to the extent that:

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

### **8.4 Directors**

In this rule 8 (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.

### **8.5 Timing of exchange**

Where an Award is to be exchanged under rule 8.3 (Exchange), the exchange is effective immediately following the relevant event.

### **8.6 Exchange terms**

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

- 8.6.1** must confer a right to acquire shares in the Acquiring Company or another body corporate determined by the Acquiring Company;
- 8.6.2** must be equivalent to the existing Award, subject to rule 8.6.4;
- 8.6.3** is treated as having been acquired at the same time as the existing Award and, subject to rule 8.6.4, Vests in the same manner and at the same time;
- 8.6.4** must:
- (i) be subject to a Performance Condition and other condition which is, so far as possible, equivalent to any Performance Condition and any other condition imposed under rule 1.6 (Other conditions) applying to the existing Award; or
  - (ii) not be subject to any Performance Condition or any other condition, but be in respect of the number of shares which is equivalent to the number of Shares comprised in the existing Award which would have Vested under rule 8.2.1 and Vest at the end of the original Performance Period; or
  - (iii) be subject to such other terms as the Directors consider appropriate in all the circumstances;
- 8.6.5** is governed by the Plan, excluding rule 9.2 (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 8.6.1 above.

## **8.7 Amendment to Malus and Clawback**

If this rule 8 (Vesting in other circumstances – corporate events) applies to an Award, the Directors may determine that the Malus and Clawback Policy will no longer apply to the Award or may be varied in its application to the Award.

## **9 Changing the Plan and termination**

### **9.1 Directors' powers**

Except as described in the rest of this rule 9 (Changing the Plan and termination), the Directors may at any time change the Plan in any way.

### **9.2 Shareholder approval**

**9.2.1** Except as described in rule 9.2.2, 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 9.2.1.

**9.2.2** 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.

**9.2.3** 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.

### **9.3 Notice**

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

### **9.4 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.

## **10 General**

### **10.1 Terms of employment**

**10.1.1** This rule 10.1 (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.

**10.1.2** 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.

**10.1.3** 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.

**10.1.4** The terms of the Plan do not entitle the Employee to the exercise of any discretion in the Employee's favour.

**10.1.5** 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.

**10.1.6** 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 an 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.

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

The decision of the Directors on the interpretation of the Plan or in any dispute relating to an 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 Award.

## **10.3 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:

**10.3.1** such rule will be treated as severed; and

**10.3.2** 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.

## **10.4 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.

## **10.5 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.

## **10.6 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 an Award to that Participant.

## **10.7 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.

## **10.8 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.

## **10.9 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.

## **10.10 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.

## **10.11 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.

## **10.12 Notices**

**10.12.1** 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.

**10.12.2** 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.

**10.12.3** 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.

## **10.13 Governing law and jurisdiction**

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

## **11 Definitions and interpretation**

### **11.1 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”** means a Conditional Award or an Option;

**“Award Date”** means the date on which an Award is granted by deed under rule 1.4 (Terms of 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;

**“Directors”** means, subject to rule 8.4 (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 an Award, the entity which grants that Award under the Plan;

**“Holding Period”** will be interpreted in accordance with rule 5 (Holding Period);

**“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 1.4.8;

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

**“Performance Condition”** means any performance condition imposed under rule 1.4 (Terms of Awards);

**“Performance Period”** means the period in respect of which a Performance Condition is to be satisfied;

**“Plan”** means these rules known as “The Aviva Long Term Incentive 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;

**“Tax Election”** means an election for a particular tax and/or social security treatment in respect of an Award and/or any Shares acquired pursuant to it (which may include a joint election under section 431(1) or section 431(2) of the Income Tax (Earnings and Pensions) Act 2003 or an overseas equivalent); 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.

## **11.2 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.

## **11.3 Award portions**

The Board may decide to grant an Award that Vests in portions based on an estimate of achievement of a Performance Condition or any other condition imposed under rule 1.6 (Other conditions). Such an Award will be considered as one Award with one Performance Period, or one other period for the purposes of any other condition imposed under rule 1.6 (Other conditions), but with multiple dates of Vesting, for the purposes of interpreting and administering the 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 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 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 Awards)**

1.3.1 Rule 1.4.5 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 1.4.6 is deleted.

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

The words “in accordance with its terms or if anything happens which causes the Grantor reasonably to consider it appropriate to do so” in the last sentence of rule 1.5 (Performance Conditions) are deleted and replaced by the following:

“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 1.6 (Other Conditions)**

The following words are added at the end of rule 1.6 (Other conditions):

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

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

1.6.2 no such amendment shall adversely affect the right of any Participant without such Participant's consent."

## **1.6 Rule 1.11 (Individual limit for Awards)**

Rule 1.11 (Individual limit for 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 Awards, and outstanding awards under any employee share plan operated by the Company, where such 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."

## **1.7 The following is inserted as new Rule 1.14 (French limit)**

### **"1.14 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:

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

1.14.2 Shares which are subject to a Holding Period or other retention period do not need to be counted once the Holding Period or other 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 Awards)**

Rule 2.3 (Adjustment of 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 Awards)**

Rule 3.2 (Timing of Vesting) is supplemented with the following:

“Notwithstanding any rule other than rule 6.7 (Death or Defined Disability) and rule 8 (Vesting in other circumstances – corporate events), a Qualified Conditional Award shall not Vest:

3.2.4 on or prior to the first anniversary of the Award Date; and

3.2.5 unless a Holding Period shall apply until the second anniversary of the Award Date, 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 6.7 (Death or Defined Disability) or rule 8 (Vesting in other circumstances – corporate events):

3.2.6 in circumstances where a Holding Period will apply until at least the day after the second anniversary of the Award Date, on or prior to the first anniversary of the Award Date; or

3.2.7 in any other circumstances, on or prior to the second anniversary of the Award Date, the Qualified Conditional Award will not so Vest but will continue until:

3.2.8 if a Holding Period will apply until at least the day after the second anniversary of the Award Date, the day after the first anniversary of the Award Date; or

3.2.9 in any other circumstances, 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 10.8 (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 Awards)**

Rule 4.4 (Alternative ways to satisfy Awards) is deleted. Any reference to rule 4.4 (Alternative ways to satisfy 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 (Holding Period)**

#### **5.1 Rule 5.1 (Application of Holding Period)**

Rule 5.1 (Application of Holding Period) is supplemented by the following:

“Subject to rule 6.7 (Death or Defined Disability) and rule 8 (Vesting in other circumstances – corporate events), the expiry of a Holding Period (if any) applicable to a Qualified Conditional Award may not occur prior to the second anniversary of the Award Date to the extent this is needed for the Qualified Conditional Award to qualify for tax advantages in France.”

#### **5.2 Rule 5.4 (Awards of cash)**

Rule 5.4 (Awards of cash) is deleted.

#### **5.3 Rule 5.6 (Leaving employment)**

Rule 5.6 (Leaving employment) is supplemented with the following:

“Notwithstanding the remaining provisions of this rule 5.6 (Leaving employment):

5.6.3 where a Participant ceases to be an Employee for reason of death or Defined Disability (whether before or after Vesting), any Holding Period will cease to apply; and

5.6.4 where a Participant ceases to be an Employee in any circumstances other than due to death or Defined Disability, the Holding Period may not cease to apply under this rule 5.6 (Leaving employment) until the day after the second anniversary of the Award Date.”

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

### **6.1 Rule 6.1 (General rule on leaving employment)**

Rule 6.1 (General rule on leaving employment) shall be interpreted subject to rule 6.7 (Death or Defined Disability).

### **6.2 Rule 6.2 (“Good leavers”)**

In rule 6.2 (“Good leavers”):

6.2.1 a new rule 6.2.1 is inserted at the beginning of rule 6.2 (“Good leavers”) (and the other provisions of rule 6.2 (“Good leavers”) are renumbered accordingly):

“This rule 6.2 (“Good leavers”) is subject to rule 6.7 (Death or Defined Disability).”; and

6.2.2 rule 6.2.1(ii) is deleted.

### **6.3 Rules 6.3 (Vesting – Award subject to Performance Condition) and 6.4 (Vesting – Award not subject to Performance Condition)**

In each of rules 6.3 (Vesting – Award subject to Performance Condition) and 6.4 (Vesting – Award not subject to Performance Condition), the words “or immediately in the case of death or where the Directors so decide in their discretion” are deleted and replaced by “or such earlier date that the Directors so decide in their discretion, subject to compliance with rule 3.2 (Timing of Vesting)”.

### **6.4 Rule 6.5 (Overseas transfer)**

Rule 6.5 (Overseas transfer) is deleted.

### **6.5 The following is inserted as rule 6.7 (Death or Defined Disability)**

#### **“6.7 Death or Defined Disability**

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

6.7.1 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. In these circumstances, the Qualified Conditional Award may not be reduced pro rata

under rules 6.3 (Vesting – Award subject to Performance Condition) and/or 6.4 (Vesting – Award not subject to Performance Condition) or for any other reason save for due to the application of:

(i) a Performance Condition; or

(ii) any other condition imposed under rule 1.6 (Other conditions), but only where it relates to performance (measured at the time of death),

and these may still be required under, and on the terms of, rules 6.3 (Vesting – Award subject to Performance Condition) and/or 6.4 (Vesting – Award not subject to Performance Condition), as applicable. The Shares will be transferred to the personal representatives of the Participant as soon as practicably possible following their request; and

6.7.2 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. In these circumstances, the Qualified Conditional Award will Vest in accordance with the provisions of the Plan and may, for the avoidance of doubt, include the application of the Performance Condition and any other condition imposed under rule 1.6 (Other conditions), and the terms of rules 6.3 (Vesting – Award subject to Performance Condition) and/or 6.4 (Vesting – Award not subject to Performance Condition) will apply. The Shares shall be transferred to the Participant suffering from a Defined Disability as soon as practicably possible following the Participant's request."

## **7 Rule 8 (Vesting in other circumstances – corporate events)**

Rule 8 (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 8 (Vesting in other circumstances – corporate events) will prevail notwithstanding any potential detrimental tax or social security consequences for the Participant.

## **8 Rule 9 (Changing the Plan and termination)**

Rule 9.1 (Directors' powers) shall be supplemented with the following:

"Except as provided in rule 8 (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."

## **9 Rule 10 (General)**

A new rule 10.13 (Interpretation of Qualified Conditional Awards) will be inserted as follows:

**"10.13 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 1.4.5 and/or applying or amending a Holding Period, 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.”

## **10 Rule 11 (Definitions and interpretation)**

### **10.1 Meanings**

Capitalised terms used and not defined in this Schedule 1 will have the meanings given to them under rule 11 (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:

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

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

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

**10.1.4** 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).

## 10.2 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.

**“Holding Period”** means such period (applicable under Article L. 225-197-1 of the French Commercial Code) following the Vesting of a Qualified Conditional Award as the Directors shall determine, and will be interpreted in accordance with rule 5 (Holding Periods).

**“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.

## **11 Severability**

The terms and conditions provided in the Plan as amended by this Schedule 1 are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable under French law, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable in respect of Qualified Conditional Awards.

## **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 and Participants 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 Awards)**

Rule 1.4.1 is deleted and replaced by the following:

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

### **2 Rule 3.2 (Timing of Vesting)**

The following paragraph is added to the end of rule 3.2 (Timing of Vesting):

“Notwithstanding the foregoing or any other provision in this Plan, a Conditional Award (including any Dividend Equivalents, as applicable) shall Vest no later than the 31 December of the third calendar year following the year in which the services were performed in respect of which such Award has been granted, and will be fully settled and satisfied in cash or Shares on or before such date.”

### **3 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 provision in this Plan, any transfer or issue of Shares pursuant to this rule 4.1 shall be effected prior to 31 December of the third calendar year following the year in which the services were performed in respect of which a Conditional Award has been granted.”

“Notwithstanding the foregoing, Conditional Awards (including Dividend Equivalents, as applicable) shall only be satisfied with newly issued Shares or Shares transferred out of treasury. No Conditional Awards shall be satisfied with Shares sourced directly or indirectly, in any manner whatever, from any trust.

### **4 Rule 10.6 (Employee trust)**

The following paragraph is added to the end of rule 10.6 (Employee trust):

“Notwithstanding the foregoing, or any other provision in this Plan, Conditional 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 3 is to make certain variations to the terms of the Plan in the case of its operation for Employees and Participants who are US Taxpayers (as defined below). In the event that a Participant becomes a US Taxpayer after the Award Date of an Award, then such 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 (or portion thereof) 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 Award (or portion thereof) 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 Conditional Awards subject to this Schedule 3, all of the rules of the Plan shall apply subject to the following amendments:

#### 2.1 Rule 6.3 (Vesting – Award subject to Performance Condition) is deleted and replaced by the following:

##### **“Rule 6.3 Vesting – Award subject to Performance Condition**

Where rule 6.2 (“Good leavers”) applies, the Award does not lapse, and the extent to which it will Vest is measured in accordance with rule 3.1 (Determination of Performance Condition) at the end of the Performance Period, and subject to any other condition imposed under rule 1.6 (Other conditions). The Award (or unvested portion thereof) will Vest once the determination of the Performance Condition is made under rule 3.1 or as soon as practicable thereafter, but in no event shall Shares underlying the Award (or unvested portion thereof) be transferred to the Participant later than 15 March of the calendar year following the calendar year in which the Performance Period ends.

However, the Performance Period in respect of an Award (or unvested portion thereof) will be treated as ending on the date of the termination of employment, and the Award (or unvested portion thereof) will Vest immediately, to the extent that the Performance Condition

has been or is likely to be satisfied (as determined by the Directors in the manner specified in the Performance Condition or in such manner as they consider reasonable) where a Participant has died or where the Directors so decide.

Unless the Directors decide otherwise, the Award is reduced pro rata to reflect the period from the Award Date until cessation of the Participant's employment as a proportion of the period from the Award Date until the expected date of Vesting under rule 1.4.5."

- 2.2** Rule 6.4 (Vesting – Award not subject to Performance Condition) is deleted and replaced by the following:

**"Rule 6.4 Vesting – Award not subject to Performance Condition**

Where rule 6.2 ("Good leavers") applies and the Award is not subject to a Performance Condition, the Award (or unvested portion thereof) does not lapse but will Vest, subject to any other condition imposed under rule 1.6 (Other conditions), immediately, and in no event shall Shares (or any portion thereof) underlying the Award be transferred to the Participant later than 15 March of the calendar year following the calendar year which includes the date of cessation of the Participant's employment.

Unless the Directors decide otherwise, the Award is reduced pro rata to reflect the period from the Award Date until cessation of the Participant's employment as a proportion of the period from the Award Date until the expected date of Vesting under rule 1.4.5."

- 2.3** 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 (or portion thereof), and any Dividend Equivalents in respect of a Conditional Award (or portion thereof), 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 portion thereof), and 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 portion thereof), and 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 If a US Taxpayer ceases to be employed by a Member of the Group for a reason set out in rule 6.2 ("Good leavers") and the applicable Short-Term Deferral Period (or such later date permitted by rule 4.7.2) ends before the original Vesting date(s), the Directors may decide that the net Shares or cash (as the case may be) acquired by the US Taxpayer before the end of the applicable Short-Term Deferral Period (or such later date permitted by rule 4.7.2) may not be transferred, assigned or otherwise disposed of by or on behalf of the US Taxpayer before the applicable original Vesting date other than:

- (i) a transfer to the US Taxpayer's personal representative(s) on death;

- (ii) a transfer to a nominee on behalf of the US Taxpayer;
- (iii) a sale in accordance with rule 4.5 (Withholding) or, with the prior agreement of the Company, to fund any liability to tax and/or social security charges;
- (iv) a transfer in accordance with the Malus and Clawback Policy;
- (v) a transfer in connection with an event described in rule 8 (Vesting in other circumstances – corporate events); or
- (vi) a transfer otherwise with the agreement of the Directors,

and any such attempted action will be invalid and ineffective.

4.7.4 For the avoidance of doubt, the possible application of rule 3.3 (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.

4.7.5 For the avoidance of doubt, any Holding Period imposed by the Grantor with respect 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 11 (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 Performance Condition or any other condition imposed pursuant to rule 1.5 (Performance Conditions) or rule 1.6 (Other 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 Performance Condition or other condition would result in the earlier ending of the applicable Short-Term Deferral Period applicable to the Conditional Award (or a portion thereof).

**4.2** Where there is to be an adjustment of an Award granted to a US Taxpayer pursuant to rule 2.3 (Adjustment of Awards), the Directors shall attempt to structure the terms of the adjustment of the Award such that the adjustment does not violate Section 409A.

**4.3** Notwithstanding the provisions of rule 9 (Changing the Plan and termination), any amendment to the Plan (including this Schedule 3) or an Award shall only be effective with

respect to an 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 an Award granted to a US Taxpayer pursuant to rule 8.3 (Exchange), the Directors shall attempt to structure the terms of the exchange and the new award under rule 8.6 (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 Awards granted to US Taxpayers and any Dividend Equivalents in respect of such 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 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 an Award granted to a US Taxpayer, the provision of this Schedule 3 shall apply.