

PRUDENTIAL PLC

(Incorporated and registered in England and Wales with limited liability, registered number 01397169)

**DRAFT RULES OF THE
PRUDENTIAL AGENCY LONG TERM INCENTIVE PLAN**

SUBJECT TO APPROVAL BY SHAREHOLDERS
AT THE ANNUAL GENERAL MEETING TO BE HELD
ON 25 MAY 2023

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1 Interpretation and definitions

1.1 Definitions

In these rules:

“American Depositary Receipts” means the Company’s ordinary shares are listed on the New York Stock Exchange in the form of American Depositary Shares, evidenced by ADRs and traded under the symbol PUK. Each American Depositary Share represents two ordinary shares;

“Agent” means a person who provides sales services to any Member of the Group on a continuing or recurring basis in its ordinary and usual course of business under a contract for services, excluding any person who is a ‘connected person (including their associate)’ of the Company as defined under the Hong Kong Listing Rules;

“Award” means a right to acquire Shares/ADRs on Vesting;

“Cash-Settled Award” means an Award which will always be satisfied in cash by virtue of rule 8.4;

“Cause” means termination of employment in circumstances which entitle a Participant’s employer to dismiss him summarily under the terms of his employment contract or under the law of the jurisdiction applicable to the Participant’s employment at the time of such termination;

“Committee” means the Management Remuneration Committee or any other duly authorised committee or other body of persons to whom the Committee delegates some or all of its functions or, where a discretion is to be exercised under rule 10, those people who were the Committee immediately before the event by virtue of which that rule applies or will apply;

“Company” means Prudential plc;

“Control” has the meaning given to it by Section 995 of the Income Tax Act 2007;

“Date of Grant” means the date which the Committee set for the grant of an Award;

“Dealing Day” means any day on which the London Stock Exchange (or any other stock exchange on which Shares are listed) is open for business;

“Dealing Restrictions” means any restrictions imposed by statute, order, regulation or Government directive, or by any code adopted by the Company for transactions in securities by directors, certain employees and persons connected with them;

“Dividend Equivalent” means a right to have the number of Shares subject to an Award increased on Vesting as described in rule 7;

“Executive Share Scheme” means any share scheme (within the meaning of rule 12.4) adopted by the Company under which individuals may be selected for participation at the

discretion of the body administering that scheme;

“Expiry Date” means 25 May 2033, being the tenth anniversary of the date the Plan is approved by the Company’s shareholders;

“Hong Kong Listing Rules” means the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended from time to time;

“Hong Kong Stock Exchange” means the Stock Exchange of Hong Kong Limited or any successor entity;

“London Stock Exchange” means the London Stock Exchange or any successor entity;

“Market Value” means, on any day, the average of the middle market closing quotation of a Share as derived from the Daily Official List of the London Stock Exchange (or from any other stock exchange on which Shares are listed) over the period of three (3) consecutive Dealing Days immediately preceding that day or, at the discretion of the Committee, either (a) the middle market quotation of the closing price for a Share as so derived for the immediately preceding Dealing Day or on the day itself, or (b) any such quotation or price on such other Dealing Day or Dealing Days as the Committee considers to be appropriate in the circumstances;

“Member of the Group” means:

- (i) the Company; and
- (ii) its Subsidiaries from time to time; and
- (iii) any other company which is associated with the Company and is so designated by the Committee in general or for any particular purpose,

and **“Group”** will be interpreted accordingly;

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

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

“Plan” means these rules known as the “Prudential Agency Long Term Incentive Plan” as changed from time to time;

“Principal” means, in relation to an Agent, the Member of the Group with whom the Agent has a contract to provide services as an Agent;

“Relevant Employee Share Plan” means an employee share plan operated by a Member of the Group, other than an employee share plan which has been registered with HM Revenue & Customs for the purposes of the Income Tax (Earnings and Pensions) Act 2003;

“Shares” means fully paid ordinary shares in the capital of the Company (or shares representing those shares following any reorganisation of the share capital of the Company);

“Subscription Price” means an amount equal to the nominal value of a Share from time to time;

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

“UK Listing Rules” means (in accordance with sections 73A(1) and 73A(2) of the Financial Services and Markets Act 2000) the rules relating to admission to the Official List published by the Financial Conduct Authority, as amended from time to time;

“US Taxpayer” means a person who is subject to the tax rules of the United States from time to time;

“Vesting” means a Participant’s becoming entitled to acquire Shares conditional only on payment of the Subscription Price; and

“Vesting Date” is the date or dates on which an Award will normally Vest which will be determined by the Committee when each Award is granted and in respect of an Award granted on or after 6 December 2013 the date on which the Award will normally Vest being the third anniversary of the Date of Grant or such other anniversary as may be specified by the Committee at the Date of Grant or such other date as determined in accordance with the rules of the Plan provided that any such anniversary or other date cannot be:

- (i) earlier than the first anniversary of the Date of Grant of the Award; or
- (ii) later than the tenth anniversary of the Date of Grant of the Award.

References in these rules to any statutory provision are to that provision as amended or re-enacted from time to time (and any regulations made under it), and, unless the context otherwise requires, words in the singular will include the plural and vice versa. The wording “to the extent” means “if, but only to the extent”.

2 Purpose and Eligibility

2.1 Purpose of the Plan

The purpose of the Plan is to incentivise and retain Agents through the grant of Awards.

2.2 Eligibility

The Committee may select any Agent to be granted an Award.

3 Terms of Awards to be set at Date of Grant

On the grant of an Award, the Committee will determine:

- (a) the Date of Grant (or if it does not, the Date of Grant will be the date of grant of the Award);
- (b) the Vesting Date or Vesting Dates for the Award;
- (c) whether conditions may be imposed for the Grant of the Award and the period in respect of which any such conditions are to be satisfied, if applicable;
- (d) the number of Shares/ADRs that may be acquired on Vesting of the Award;
- (e) whether the Award will carry Dividend Equivalents (see rule 7);
- (f) whether the Award will be a Cash-Settled Award (which means that it will always be satisfied in cash in accordance with rule 8.4).

4 Granting Awards

4.1 Documentation of Awards

Awards will be granted by deed. Each Participant will be sent an award certificate on or as soon as practicable after the Date of Grant. The certificate will summarise the terms which have been set in relation to the Award under rule 3.

The deed and certificate will be on such terms as may be determined by the Committee and will be issued in relation to any Award, only with the approval of the Committee.

4.2 Time when Awards may be granted

Awards can only be granted within the period of 42 days starting on any of the following:

- 4.2.1** the date of adoption of the Plan;
- 4.2.2** the day after the announcement of the Company's results through a Regulatory Information Service (listed in schedule 12 to the UK Listing Authority Listing Rules) for any period;
- 4.2.3** any day on which the Committee resolves that exceptional circumstances exist which justify the grant of Awards (including for example in connection with a recruitment); or
- 4.2.4** any day on which changes to the legislation or regulations affecting the Plan are announced, effected or made.

If Awards cannot be granted because of a Dealing Restriction, they may be granted within 42 days starting on the day after the date on which the Dealing Restriction ceases to apply.

4.3 Performance Conditions

When granting an Award, the Committee may make its Vesting conditional on the satisfaction of one or more performance related conditions determined by the Committee.

Any condition imposed on an Award under rule 3 will relate to the commercial or financial performance, shareholder return, business plan and/or strategic objectives of a Member of the Group or a division or business unit of a Member of the Group.

Subject to rule 15.2.3(vi), the Committee may amend a performance condition imposed under rule 3 either;

4.3.1 in accordance with its terms; or

4.3.2 if anything happens which causes the Committee to consider it appropriate,

provided that the Committee considers that any amended condition will not be materially less or more challenging to satisfy than the original condition would have been but for the relevant circumstances occurring.

When the Committee grants an Award which is subject to one or more performance conditions imposed under rule 3, the Committee must also specify the period in respect of which any such conditions are to be satisfied, in accordance with rule 3.

5 No transfer of Awards

A Participant may not transfer, assign or otherwise dispose of an Award or any rights in respect of it. If, in breach of this rule, a Participant transfers, assigns or disposes of an Award or rights, whether voluntarily or involuntarily, the relevant Award will immediately lapse.

This rule 5 does not apply to the transmission of an Award on the death of a Participant to his personal representatives.

6 Adjustments

If there is a capitalisation issue, rights issue, sub-division or consolidation of Shares or reduction of the share capital of the Company (but excluding where there is any issue of Shares as consideration in any transaction), the number of Shares and/or the kind of securities comprised in each Award may, subject to the rest of this rule 6, be adjusted in any way (including retrospective adjustments) which the Committee considers appropriate to take account of the effect of the transaction on the value of Awards, provided that any adjustment in respect of a capitalisation issue, rights issue, sub-division or consolidation of Shares or reduction of capital must give the Participant the same proportion of the equity capital of the Company (rounded to the nearest whole share) as that to which that person was entitled before the adjustment.

Except in circumstances relating to a capitalisation issue, the Committee may only make an adjustment under rule 6 if the Company's auditor or an independent financial advisor appointed by the Committee has confirmed to the Committee in writing that the proposed adjustment complies with the requirements of the Hong Kong Listing Rules.

The requirement under this rule 6 to obtain a written confirmation of compliance with the Hong Kong Listing Rules will only apply so long as it is required by the Hong Kong Listing Rules.

7 Dividend equivalents

7.1 An Award will not normally carry Dividend Equivalents but if the Committee decides, at or after the time of Award that it will, the number of Shares subject to the Award will be increased to take account of all dividends the record date for which falls between the Date of Grant and the date of Vesting. The number of additional Shares shall be calculated as follows:

$$\frac{a \times b}{c}$$

where:

- a = the gross amount, per Share, of the dividend;
- b = the number of Shares subject to the Award on that date (including any additional Shares previously added to it under this rule 7);
- c = the Market Value of a Share on the record date of the dividend (or on such other date as the Committee may determine).

7.2 The number shall be rounded down to the nearest whole Share.

7.3 For the purpose of this rule 7 dividends means ordinary dividends paid in respect of Shares, unless the Committee determine otherwise in any particular case. It will not include any distribution in respect of which an adjustment is made under rule 6.

7.4 The Participant's entitlement to an increased number of Shares under his Award under this rule 7 may, at the Committee's discretion, be satisfied with a cash payment of an equivalent value to the Shares but subject to any necessary deductions required by law, notwithstanding that the remainder of the Award is satisfied with Shares.

7A Malus

7A.1.1 Prior to an Award Vesting, the Committee may, in its absolute discretion, determine that the number of Shares subject to an Award should be reduced if it decides:

- (i) a business decision taken during the period over which any performance conditions have been measured in respect of that Award by the business unit in which the Participant works at the time of the decision has resulted in a material breach of any law, regulation, code of practice or other instrument which applies to companies or individuals within the business unit;
- (ii) there is a materially adverse statement of the accounts for any year during the Vesting Period in respect of that Award:
 - (a) of the business unit in which the Participant worked at any time in that year; and/or
 - (b) of any Member of the Group which is attributable to incorrect information about the affairs of that business unit;
- (iii) any matter arises which the Committee believes affects or may affect the reputation of the Company or any Member of the Group;
- (iv) in respect of any Award granted on or after 5 March 2020, the Participant's personal conduct during the relevant performance period in respect of that Award has:

- (a) resulted in the Company, or any Member of the Group, suffering significant reputational or financial damage;
- (b) the potential to cause significant reputational or financial damage to the Company or any Member of the Group; and/or
- (c) resulted in the material breach of the Group's business code of conduct or law; and/or
- (v) in respect of any Award granted on or after 5 March 2020, the calculation of the number of Shares subject to an Award or of the extent to which any performance conditions imposed under rule 3 have been satisfied or the Committee's determination of the extent to which an Award Vests was based on erroneous or misleading data or otherwise incorrect.

7A.1.2 If rule 7A.1.1 applies, the Committee will make the same decision in respect of all Participants who work for the same business unit at the time of the decision.

7A.1.3 Where the Committee considers that there are circumstances that require further investigation or review which may, following such investigation or review, lead to a determination that an Award should be reduced under rule 7A, the Committee may postpone the Vesting Date applicable to the whole or part of that Award (at its discretion) to such later date as the Committee determines. If the Committee determines to postpone the Vesting Date of an Award then the Committee will notify the affected Participant(s) of that postponement and of the estimated date by which such further investigation or review will be concluded. Following completion of such further investigation or review the Committee will, subject to any reduction to be made under rule 7A, determine the revised Vesting Date for that Award.

7A.1.4 Following any review under rule 7A, the Committee may determine that any Award which has not yet Vested be reduced, by reducing the number of Shares in respect of that Award as the Committee believes to be appropriate (including to zero). The number of Shares in respect of which the Award may be reduced may include any Shares which represent any dividends in accordance with rule 7. Any Participant affected by a reduction will be notified of this in writing as soon as practicable.

7A.1.5 If an Award is reduced under rule 7A.1.4, that Award will be treated (to the relevant extent) as having lapsed (except that the Award should be treated as outstanding for the purpose of calculating the number of Shares that may be issued in accordance with rule 12).

8 Vesting

8.1 Normal Vesting

Subject to the rest of these rules, including as to any reduction under rule 7A, an Award will Vest on each Vesting Date as to the relevant number of Shares, provided that in respect of any Award granted on or after 5 March 2020, an Award will only Vest to the extent determined by the Committee, having regard to: (1) the extent to which the Committee is satisfied that the performance conditions imposed under rule 3 are satisfied, (2) the underlying financial or non-financial performance of the Company or any Member of the Group during the period over which any performance conditions have been measured and if none, as a proportion of the

period to the original Vesting Date and (3) any other matter the Committee considers relevant and appropriate (including, without limitation, the personal conduct and performance of the Participant, or circumstances that were unexpected or unforeseen at the Date of Grant).

If the Vesting on any date is prevented by a Dealing Restriction, the Award will Vest as soon as is practicable after the Dealing Restriction no longer applies.

8.2 Consequences of Vesting

Subject to the rest of this rule 8 and rule 13 to the extent an Award Vests, the Participant will pay the Subscription Price to the Company. The Company will procure that the relevant number of Shares is issued to the Participant within 30 calendar days of the date of payment or to a nominee selected by the Company to be held on his behalf.

If the Participant does not pay the Subscription Price within 30 days of the date on which the Award Vests, the Award will lapse unless the Company agrees to extend the period by another 30 days.

8.3 Delay in issue

If the issue of Shares is prevented by a Dealing Restriction, the Shares will be issued or transferred as soon as is practicable after the Dealing Restriction no longer applies.

8.4 Cash equivalent

The Committee may at any time decide not to procure the issue of Shares but instead to pay to the Participant a cash amount. This cash amount must be equal to the Market Value of the relevant number of Shares on the date of Vesting.

Cash-Settled Awards will always be satisfied in accordance with this rule 8.4.

8.5 Clawback

Unless the Committee determines otherwise at the time an Award is made, the Committee may exercise its powers under this rule 8.5 in respect of any Award made to a Participant.

This rule 8.5 applies in circumstances where at any time before the fifth anniversary of the Date of Grant for the Award, the Committee determines in its absolute discretion that:

- (A) there is a materially adverse restatement of the Company's published accounts in respect of any Financial Year which (in whole or part) comprised part of that five year period;
- (B) it becomes apparent that a material breach of a law or regulation took place during that five year period which resulted in significant harm to the Company or its reputation;
- (C) in respect of any Award granted on or after 5 March 2020, the calculation of the number of Shares subject to an Award or of the extent to which any performance conditions imposed under rule 3 have been satisfied or the Committee's determination of the extent to which an Award Vests was based on erroneous or misleading data or was otherwise incorrect; or
- (D) in respect of any Award granted on or after 5 March 2020, the Participant's personal conduct during the relevant performance period in respect of that Award has:
 - (i) resulted in the Company, or any Member of the Group, suffering significant reputational or financial damage;

- (ii) the potential to cause significant reputational or financial damage to the Company or any Member of the Group; and/or
- (iii) resulted in the material breach of the Group's business code of conduct or law.

If, in respect of any Award granted on or after 5 March 2020, an investigation into the conduct or actions of any Participant or any Member of the Group has started before, but has not been completed by, the fifth anniversary of the Date of Grant, the Committee may, in its absolute discretion, determine that the provisions of this rule 8.5 may be applied to that Award until such later date as the Committee may determine to allow that investigation to be completed and the Committee to consider the outcome of the investigation.

If this rule 8.5 applies then the Committee may, to the extent that it considers appropriate, taking account of the extent of each Participant's responsibility for the relevant matter set out at paragraphs (A) to (D) above, determine in its absolute discretion in respect of any Awards which have vested that:

- (a) in respect of Awards granted prior to 5 March 2020, the relevant Participant must repay to the Company by way of clawback an amount in cash up to the net value of the Shares he received at the date the Award vested (based on the share price at that date) after deductions were made for tax and employee social security contributions; or
- (b) in respect of Awards granted on or after 5 March 2020, in place of requiring the Participant to take the action referred to in paragraph (a) above (which it may still do, in its discretion):
 - (i) reduce the amount of any future payments made on or after 5 March 2020 in connection with the Plan or under any other discretionary bonus or incentive arrangements;
 - (ii) reduce the number of Shares that would become available to the Participant upon the vesting of any unvested share award granted under any Relevant Employee Share Plan on or after 5 March 2020 and held by the Participant; and/or
 - (iii) reduce the number of Shares over which a vested but unexercised share award granted under any Relevant Employee Share Plan on or after 5 March 2020 and held by the relevant Participant may be exercised,

on such basis that the Committee considers in its absolute discretion to be fair, reasonable and proportionate (which may include the recovery of the pre-tax value of the Shares that the Committee determines should be recovered).

The Committee may take any action referred to in paragraphs (b)(i) to (iii) above to give effect to the operation of any withholding or recovery provisions similar to this rule 8.5 in any Relevant Employee Share Plan, discretionary bonus plan or other incentive arrangement operated by a Member of the Group.

Following any such determination (under paragraphs (a) or (b) above) the Participant shall make payment of the relevant amount within 28 days of the Participant being given notice of such determination. If a Participant should fail to make payment within that period then, without prejudice to any other remedies which the Company may have (including any remedies set out under (b) above in respect of Awards granted on or after 5 March 2020), the Committee may make a reduction of an equivalent amount to (i) any unvested Awards which the Participant may have under any share scheme operated by the Company and/or (ii) any future bonus payment which would otherwise have been payable, and/or (iii) any salary payments or

other remuneration which are due or would otherwise have been payable, in each case, to the extent permitted under applicable law.

9 Ceasing to be an Agent

If a Participant ceases to be an Agent before an Award has Vested, by reason of:

- 9.1 his Principal determining that the Participant is (or would be if he were an employee) redundant;
- 9.2 injury or disability (as determined by the Committee);
- 9.3 retirement with the approval of his Principal;
- 9.4 his Principal ceasing to be a Member of the Group; or
- 9.5 the business (or part of the business) in which he is providing his services being transferred to a transferee which is not a Member of the Group

the relevant Award shall not lapse but shall continue to be subject to the rules of the Plan and will only Vest on its Vesting Date to the extent determined in accordance with the rules of the Plan and:

- (i) in accordance with the “malus clause” in rule 7A and for Awards granted on or after 5 March 2020, rule 8.1; and
- (ii) by applying a pro rata reduction to reflect the number of complete months that have elapsed between the Date of Grant and the date of him ceasing to be an Agent as a proportion of the period over which any performance conditions have been measured and if none, as a proportion of the period to the original Vesting Date,

unless the Committee determines otherwise. If the Committee does determine otherwise and determines that the Award should Vest on or sometime after the date of the Participant ceases to be an Agent but before the Award’s Vesting Date, it shall have discretion to determine, subject to the “malus clause” in rule 7A, at the relevant time the extent to which it shall Vest and have regard to:

- (i) the extent to which, at the relevant time, it determines that any relevant performance conditions and/or, as the Committee considers appropriate, the performance of the Company have been satisfied;
- (ii) the number of complete months that have elapsed between the Date of Grant and the date of the Participant ceased to be an Agent as a proportion of the period over which any performance conditions have been measured and if none, as a proportion of the period to the original Vesting Date; and
- (iii) in respect of any Awards granted on or after 5 March 2020, any other matter which the Committee considers relevant and appropriate (including, without limitation, the personal conduct and performance of the Participant).

In respect of any Award granted on or after 5 March 2020, if a Participant ceases to be an Agent before the original Vesting Date, and the relevant Award does not lapse by the operation of this rule 9, on the basis that the Committee has judged that the Participant is retiring from

their professional career, the Committee may, in its absolute discretion, determine that any relevant Award which has not yet Vested be reduced by reducing the number of Shares in respect of that Award to zero, if the Committee determines that the Participant has, within five years of ceasing to be an Agent, secured a paid role or employment with a company outside of the Group.

A Participant will be treated as ceasing to be an Agent on the earlier of the date he ceases to be and the date on which he gives or is given notice terminating his contract of services.

If the Participant is a US Taxpayer and the Committee decides that the Award will not lapse or will not lapse in full, the Award must Vest wholly or in part on the date of cessation.

The Committee must exercise any discretion provided for in this rule 9 within 90 days after the date on which the Participant ceases to be an Agent.

For the purposes of these rules, a Participant will not be treated as ceasing to be an Agent if, at the time of such cessation, he is or has agreed to become an Agent under a contract of services with another Member of the Group or within 7 days of such cessation, he becomes an Agent under a contract of services to another Member of the Group.

9A Death

If a Participant dies before an Award has Vested, the Award shall Vest on the date on which the Committee has been notified of the death and determined the extent to which the Award should Vest, having regard to:

- 9A.1** the extent to which, at the relevant time, it determines that any relevant performance conditions and/or as the Committee considers appropriate, the performance of the Company have been satisfied;
- 9A.2** the number of complete months that have elapsed between the Date of Grant and the date of death as a proportion of the period over which any performance conditions have been measured, and if none, as a proportion of the period to the original Vesting Date; and
- 9A.3** in respect of any Award granted on or after 5 March 2020, any other matter the Committee considers relevant and appropriate (including, without limitation, the personal conduct and performance of the Participant).

If the Participant is a US Taxpayer and the Committee decides that the Award will not lapse or will not lapse in full, the Award must Vest, wholly or in part, on the date of cessation.

The Committee must exercise any discretion provided for in this rule 9A within 90 days after the date on which the Participant ceases to be an Agent.

For the purposes of these rules, a Participant will not be treated as ceasing to be an Agent if, at the time of such cessation, he is or has agreed to become an Agent under a contract of services with another Member of the Group or within 7 days of such cessation, he becomes an Agent under a contract of services to another Member of the Group.

9B Cessation before the Vesting Date of an Award: reason other than one in rule 9.1 to 9.5

If a Participant ceases to be an Agent before the Vesting Date for any other reason (other than death or Cause), the Committee may determine in its discretion that it shall not lapse on the date of such cessation. If it does so determine, it shall determine when and the extent to which

the Award may Vest, having regard to the same matters as in rule 9 (as applicable).

In respect of any Award granted on or after 5 March 2020, if a Participant ceases to be an Agent before the Vesting Date, and the relevant Award does not lapse by the operation of this rule 9B, on the basis that the Committee has judged that the Participant will not be seeking to secure an alternative role or employment with a company outside of the Group (i) which has, in the Committee's opinion, a size comparable to that of the Company, or (ii) which operates within the financial services sector, as determined the Committee, the Committee may, in its absolute discretion, determine that any relevant Award which has not yet Vested be reduced by reducing the number of Shares in respect of that Award to zero, if the Committee determines that the Participant has, within five years of ceasing to be an Agent, secured such a paid role or employment with such a company.

9C Cessation before the Vesting Date of an Award: Cause

If a Participant ceases to be an Agent for Cause, his Awards shall lapse on the date of such cessation.

10 Sale of Principal and takeover of Prudential

10.1 Exchange or Vesting on a Takeover

If there is a Takeover, the Committee, in its absolute discretion, will decide whether an Award will:

10.1.1 Vest in part or in full; and/or

10.1.2 lapse and, in exchange, the Participant will be granted an award under any other share or cash incentive plan which the Committee, in its absolute discretion, considers to be broadly equivalent to the Award; and/or

10.1.3 be exchanged in accordance with rule 10.2.

Alternatively, the Committee may allow the Participant to choose from two or more of the choices above.

For the avoidance of doubt, the Committee need not make the same decision in relation to all Awards.

There is a "Takeover" if:

10.1.4 a person (or a group of persons acting in concert) obtains Control of the Company as a result of making an offer to acquire Shares; or

10.1.5 a court sanctions a compromise or arrangement under section 895 of the Companies Act 2006 in connection with the acquisition of Shares.

10.2 Exchange of Awards on a Takeover

If an Award is to be exchanged, the following provisions will apply:

10.2.1 The new award will be in respect of shares in any body corporate determined by the company offering the exchange.

10.2.2 The new award shall have equivalent terms as the Award that was exchanged.

- 10.2.3 The new award will be treated as having been acquired at the same time as the Award that was exchanged and will Vest in the same manner and at the same time.
- 10.2.4 The new award will be subject to the rules as they last had effect in relation to the Award that was exchanged, except that, unless the Committee decides otherwise, any Performance Condition will not apply.
- 10.2.5 With effect from the exchange, the rules will be construed in relation to the new award 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 body corporate determined under rule 10.2.1.

11 Demergers and significant distributions

If the Committee becomes aware that the Company is or is expected to be affected by any demerger, dividend in specie, super dividend or other transaction not falling within rule 10 (takeovers) which, in the opinion of the Committee, would affect the current or future value of any Award, the Committee, may, acting fairly, reasonably and objectively, in their discretion, allow some or all Awards to Vest wholly or in part.

The Committee will notify any Participant who is affected by its exercising its discretion under this rule.

12 Limits

12.1 10% in 10 years limit

No Award shall be granted on any day to the extent that the result of that grant would be that the aggregate number of Shares that could be issued on Vesting of that Award when added to the number of Shares that:

- 12.1.1 could be issued on the Vesting of any other subsisting Award granted during the preceding ten years under the Plan;
- 12.1.2 have been issued on Vesting of any subsisting Award granted during the preceding ten years under the Plan;
- 12.1.3 could be issued pursuant to any other awards, options or rights granted during the preceding ten years under any other share scheme adopted by the Company; and
- 12.1.4 have been issued pursuant to any other awards, options or rights granted during the preceding ten years under any other share scheme adopted by the Company,

would exceed 10 per cent of the ordinary share capital of the Company from time to time in issue.

12.2 5% in 10 years limit

No Award shall be granted on any day to the extent that the result of that grant would be that the aggregate of the number of Shares that could be issued on Vesting or exercise of that Award when added to the number of Shares that:

- 12.2.1 could be issued on Vesting or exercise of any other subsisting Award granted during the preceding ten years under the Plan;
- 12.2.2 have been issued on Vesting or exercise of any subsisting Award granted during

the preceding ten years under the Plan;

12.2.3 could be issued pursuant to any other awards, options or rights granted during the preceding ten years under any other Executive Share Scheme adopted by the Company; and

12.2.4 have been issued pursuant to any other awards, options or rights granted during the preceding ten years under any other Executive Share Scheme adopted by the Company,

would exceed 5 per cent of the ordinary share capital of the Company from time to time in issue.

12.3 Agent sublimit

No Award may be granted to an Agent on any day to the extent that the result of that grant would be that the aggregate number of Shares that could be issued on Vesting of that Award when added to the number of Shares that:

12.3.1 could be issued on the Vesting of any other subsisting Award granted during the preceding ten years under the Plan;

12.3.2 have been issued on Vesting of any subsisting Award granted during the preceding ten years under the Plan;

12.3.3 could be issued pursuant to any other awards, options or rights granted during the preceding ten years under any other share scheme adopted by the Company; and

12.3.4 have been issued pursuant to any other awards, options or rights granted during the preceding ten years under any other share scheme adopted by the Company,

would exceed 2 per cent of the ordinary share capital of the Company from time to time in issue.

12.4 Interpretation of “share scheme”

For the purposes of rule 8.5 and this rule 12, a “share scheme” means any employees’ share scheme (within the meaning given by section 1166 of the Companies Act 2006), or any other share option scheme or share award scheme which has been adopted by the Company.

12.5 Individual limit

The Committee must not grant an Award to an Agent which would cause the Shares issued and to be issued in respect of all awards, options or rights granted to that Agent under any share scheme adopted by the Company (excluding any awards, options or rights that have lapsed in accordance with the terms of the relevant share scheme) in the period of 12 months up to and including the Date of Grant to represent in aggregate over 1% of the Shares in issue, unless the approval of the Company’s shareholders has been obtained in accordance with the requirements prescribed under the Hong Kong Listing Rules from time to time.

13 Tax

The Participant will be responsible for all taxes, social security contributions or other levies arising in connection with the grant, Vesting, exercise, surrender or transfer of any Award and the issue of Shares in connection with it. Notwithstanding anything else in these rules,

the Company or any Member of the Group may make such arrangements as it considers necessary to recover the amount of any such liability from the Participant. These arrangements may include:

- (i) selling sufficient Shares on behalf of the Participant and retaining the proceeds; or
- (ii) reducing the number of Shares to be issued to the Participant under the Plan; or
- (iii) deducting any amount from any cash payment due to the Participant under the Plan or otherwise.

14 General

14.1 Rights attaching to Shares

The Participant will be entitled to all rights attaching to the Shares by reference to a record date on or after the date of issue. He will not be entitled to rights (including any rights arising on a liquidation of the Company) before that date.

14.2 Shares to be listed

If and so long as Shares are listed on any stock exchange, the Company will apply for listing of any Shares issued under the Plan on such stock exchange as soon as practicable after their allotment.

14.3 Consents

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

14.4 Articles of association

Any Shares acquired pursuant to Awards are subject to the articles of association of the Company from time to time in force.

14.5 Documents sent to shareholders

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

14.6 Committee's decisions final and binding

The decision of the Committee on the interpretation of the rules or in any dispute relating to Awards or any other matter relating to the Plan will be final and conclusive.

14.7 Relationship of the Plan to the Participant's contract for services

14.7.1 This rule applies:

- (i) whether the Company has full discretion in the operation of the Plan, or whether the Company could be regarded as being subject to any obligations in the operation of the Plan;
- (ii) during an Agent's relationship with his Principal; and
- (iii) after the Participant has ceased to be an Agent, whether the termination is

lawful or unlawful.

- 14.7.2** Nothing in the rules or the operation of the Plan forms part of the contract for services of an Agent. The rights and obligations arising from the relationship between the Agent and his Principal are separate from, and are not affected by, the Plan. Participation in the Plan does not create any right to, or expectation of, the continuation of the contract for services or create the relationship of employment between an Agent and any Member of the Group.
- 14.7.3** The grant of Awards on a particular basis in any year does not imply any right to or expectation of the grant of Awards on the same basis, or at all, in any future year.
- 14.7.4** No Agent is entitled to be granted an Award or be considered for an Award at a particular level or at all.
- 14.7.5** No Agent has any right to compensation for any loss in relation to the Plan, including:
- (i) any loss or reduction of any rights or expectations under the Plan in any circumstances or for any reason (including lawful or unlawful termination of the contract for services by virtue of which he is an Agent);
 - (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.
- 14.7.6** Participation in the Plan is permitted only on the basis that the Participant accepts all the provisions of the rules, including in particular this rule. By participating in the Plan, an Agent waives all rights under the Plan, other than the right to acquire Shares on the Vesting of an Award subject to and in accordance with the express terms of the rules, in consideration for, and as a condition of, the grant of an Award under the Plan.

14.8 Severance

Each of the provisions of this Plan is entirely separate and independent from each of the other provisions. If any provision is found to be invalid then it will be deemed never to have been part of these rules and to the extent that it is possible to do so, this will not affect the validity or enforceability of any of the remaining provisions.

14.9 Data protection

By participating in the Plan, the Participant consents to the holding and processing of personal data provided by the Participant to the Company for all purposes relating to the operation of the Plan. These include, but are not limited to:

- 14.9.1** administering and maintaining Participant records;
- 14.9.2** providing information to registrars, brokers or third party administrators of the Plan;
- 14.9.3** providing information to future purchasers of the Company or the business in which the Participant works;
- 14.9.4** transferring information about the Participant to any country.

14.10 Notices

Any notice or other document which has to be given to a Participant or prospective Participant under or in connection with the Plan may be:

14.10.1 delivered or sent by post to him at his home address according to the records of his Principal; or

14.10.2 sent by e-mail or fax to any e-mail address or fax number which according to the records of his Principal is used by him;

or in either case such other address which the Company considers appropriate.

Any notice or other document which has to be given to the Company or other duly appointed agent under or in connection with the Plan may be delivered or sent by post to it at its respective registered office (or such other place as the Committee or duly appointed agent may from time to time decide and notify to Participants) sent by e-mail or fax to any e-mail address or fax number notified to the sender.

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 in a different country to that from which the notice was sent will be deemed to have been given on the seventh day after the date of posting.

Notices sent by e-mail or fax, in the absence of evidence of non-delivery, will be deemed to have been received on the day after sending.

15 Amending the Plan

15.1 Committee's powers

Subject to the rest of this rule 15, the Committee may at any time amend the Plan and the terms of any Award in any way to the maximum extent permitted by law.

Any amended terms of the Plan and/or Award must comply with Chapter 17 of the Hong Kong Listing Rules (in so far as they are applicable).

15.2 Shareholder approval

Subject to rules 15.2.4 and 15.2.5, the Company's shareholders must, in compliance with note 1 to rule 17.03(18) of the Hong Kong Listing Rules and rule 13.8.11 of the UK Listing Rules, approve in advance by ordinary resolution any proposed amendment to:

15.2.1 the terms and conditions of the Plan which are of a material nature;

15.2.2 the authority of the Committee to alter the Plan rules; or

15.2.3 any provision relating to the following, which is to the advantage of the present or future Participants:

(i) the purpose of the Plan;

(ii) the persons to or for whom Shares or cash may be provided under the Plan;

(iii) the terms of rule 12;

- (iv) the maximum entitlement for any Participant;
- (v) the period over which an Award Vests;
- (vi) any applicable performance conditions imposed under rule 3;
- (vii) any amount payable on application or acceptance of an Award and the period within which payments or calls must or may be made or loans for such purposes must be repaid;
- (viii) the basis for determining a Participant's entitlement to, and the terms of, Shares or cash provided under the Plan;
- (ix) the rights attaching to an Award and the Shares subject to an Award;
- (x) the Expiry Date;
- (xi) the circumstances under which an Award will automatically lapse or be cancelled;
- (xii) the rights of a Participant in the event of a capitalisation, sub-division, consolidation or reduction of share capital, rights issue or any other variation in the equity share capital of the Company;
- (xiii) the treatment of (1) an Award or (2) Shares not yet issued pursuant to an Award, in the event of the termination of the Plan before the Expiry Date;
- (xiv) the terms of rule 8.5;
- (xv) the terms of rule 5; or
- (xvi) the terms of this rule 15.2.

15.2.4 Subject to rule 15.2.5, the Committee may amend the Plan or the terms of any Award and need not obtain the approval of the Company's shareholders 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; or
- (iii) to obtain or maintain favourable tax, exchange control or regulatory treatment of any Member of the Group or any present or future Participant.

15.2.5 Any amendment made to the terms of an Award (except where the amendment takes effect automatically under the Plan rules) will not have effect if:

- (i) the Hong Kong Listing Rules require that the grant of that Award affected by the proposed amendment be approved by the Company's shareholders and/or some or all of the Company's directors and;

- (ii) those shareholders or directors (as appropriate) have not approved the amendment.

16 Governing law and jurisdiction

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

SCHEDULE 1

This Schedule applies to a Participant who is a US Taxpayer.

Notwithstanding anything to the contrary contained in the Plan (or any Schedule to the Plan or any performance condition), no payment, issue or transfer of Shares or cash pursuant to the Plan may be made after the 15th day of the third month after the end of the Taxable Year in which the Award first becomes no longer subject to a "substantial risk of forfeiture" within the meaning of Section 409A (the "Short-Term Deferral Period"), and the rules of the Plan and any Schedule shall be interpreted accordingly.

- If a delay under rule 8.1 or 8.3 would postpone the issue or transfer of Shares or their cash equivalent beyond the Short-Term Deferral Period, then:
 - the Committee may, in its absolute discretion, cause all or part of the Award to Vest and be satisfied in cash under rule 8.4 during the Short-Term Deferral Period; and
 - any portion of such Award that the Committee does not Vest and satisfy as prescribed above during the Short-Term Deferral Period will be forfeited and lapse effective as of the last day of the Short Term Deferral Period.

- If a delay under rule 7.A.1.3 would postpone the issue or transfer of Shares or their cash equivalent beyond the Short-Term Deferral Period, then:
 - the Committee may, in its absolute discretion, cause all or part of the Award to Vest and be satisfied in cash under rule 8.4 during the Short-Term Deferral Period; and
 - the Committee may, in its absolute discretion: (a) cause all or part of such Award to Vest and be satisfied in Shares during the Short-Term Deferral Period; (b) cause any such Shares to be transferred to, and held by, a nominee or broker chosen by the Company on behalf of the Participant, subject to such restrictions and/or liens as the Company may determine until the investigation or review referred to in rule 7.A.1.3 of the Plan is complete and the Committee has decided whether to exercise its powers under rule 7.A.1.4; and (c) prohibit the Participant from transferring, assigning or otherwise disposing of any interest he holds in such Shares until the investigation or review referred to in rule 7.A.1.3 of the Plan is complete and the Committee has decided whether to exercise its powers under rule 7.A.1.4; and
 - any portion of such Award that the Committee does not Vest and satisfy as prescribed above during the Short-Term Deferral Period will be forfeited and lapse effective as of the last day of the Short Term Deferral Period.

The Plan is intended to and shall be construed and operated in all respects to meet the requirements of the short-term deferral exception from Section 409A, including without limitation in respect of a variation under rule 6 or a Takeover under rule 10. The Committee shall not exercise any discretion under the Plan with respect to a US Taxpayer, including any discretion under rule 8.5, without determining that such exercise of discretion (1) does not cause the Plan to fail to meet the requirements of the short-term deferral exception, and (2) is otherwise permitted under Section 409A.

For the purposes of this Schedule:

- Section 409A means section 409A of the U.S. Internal Revenue Code of 1986, as amended from time to time and including regulations and other guidance that is issued with respect thereto.

- Taxable Year means the calendar year or, if it would result in a longer period for the payment to be made, the 12-month period in respect of which the Participant's employing company is obliged to pay tax.

Nothing in the Plan or this Schedule requires the Company to make any contributions or create any fund, or to otherwise segregate assets, with respect to an Award. A Participant's interest in an Award shall be notional only, and without limiting the generality of the foregoing, a US Taxpayer shall have no interest whatsoever in any Shares or cash held by any trust involved in the administration of the Plan. A Participant's interest in an Award shall be and remain subject to the claims of the Company's general creditors until the settlement of the Award.

NEITHER THE COMPANY NOR ANY OTHER MEMBER OF THE GROUP MAKES REPRESENTATIONS OR WARRANTIES REGARDING THE TAXATION OF AWARDS, SHARES OR ANY OTHER BENEFITS UNDER THE PLAN, INCLUDING THEIR TAX-DEFERRED NATURE OR COMPLIANCE WITH SECTION 409A OR ANY OTHER APPLICABLE LAW. NEITHER THE COMPANY NOR ANY OTHER MEMBER OF THE GROUP IS LIABLE TO A PARTICIPANT OR ANY OTHER PERSON FOR ANY TAXES, PENALTIES, INTEREST OR OTHER DAMAGES INCURRED AS A RESULT OF ANY FAILURE TO COMPLY WITH ANY APPLICABLE TAX OR OTHER LAW, INCLUDING SECTION 409A, REGARDLESS OF WHETHER THE FAILURE WAS INADVERTENT OR INTENTIONAL.