

# **DCC PLC**

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## **RULES of THE DCC PLC LONG TERM INCENTIVE PLAN 2009**

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**APPROVED AT THE ANNUAL GENERAL MEETING OF DCC PLC HELD ON 17 JULY 2009  
AND AMENDED AT THE ANNUAL GENERAL MEETING HELD ON 18 JULY 2014**

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## RULES OF THE DCC PLC LONG TERM INCENTIVE PLAN 2009

### 1 Definitions

- 1.1 In these Rules, including Appendix 1, unless the context otherwise requires, the following words and expressions shall bear the meanings set out below:

**“Accounting Period”** means any period in respect of which the Company prepares a report and audited financial statements;

**“Act”** means the Taxes Consolidation Act, 1997 as amended from time to time;

**“Adoption Date”** means the date on which the Plan was adopted by the Company in general meeting;

**“Announcement Date”** means the date on which the Company announces its annual or half-yearly results;

**“Award”** means an Option or a Share Award granted by the Committee to an Eligible Employee in accordance with these Rules;

**“Award Certificate”** means a deed issued by the Company to an Eligible Employee in respect of the grant of an Award to him;

**“Award Date”** means the date specified in the Award Certificate as the Award Date;

**“Board”** means the Board of Directors from time to time of the Company or a duly authorised committee thereof;

**“Committee”** means the Remuneration Committee of the Board consisting exclusively of non-executive Directors;

**“Company”** means DCC plc, whose registered office is at DCC House, Brewery Road, Stillorgan, Blackrock, Co. Dublin, Ireland;

**“Control”** means the control of a company within the meaning given to that expression by Section 432 of the Act and for the purposes of Rule 10 a person shall be deemed to have control of a company if he and others acting in concert with him have together obtained control of a company within such meaning;

**“Dealing Day”** means a day on which transactions take place on the London Stock Exchange;

**“the Data Protection Acts”** means the Data Protection Acts, 1988 and 2003;

**“Earnings Per Share” or “EPS”** means the consolidated adjusted earnings per Share of the Company for the Accounting Period concerned as shown in the annual report issued by the Company for such Accounting Period or as extracted from a summary contained in the most recent annual report issued by the Company;

**“Eligible Employee”** means

- (a) any employee (including an executive director) in the service of a company which is a member of the Group and whose contribution can have a direct and significant impact on Group value or who the Company wishes to retain in anticipation of direct and significant contribution to Group value in the future; or

(b) an employee who is a member of key support staff, provided that only a small number of such employees shall be treated as Eligible Employees;

**“Expiry Date”** means the latest date on which an Option may be exercised specified on the Award Certificate;

**“Group”** means the Company and all of its Subsidiaries and the expression **“member of the Group”** shall be construed accordingly;

**“Market Value”** on any day means the closing quotation for a Share on the immediately preceding Dealing Day, as derived from the Daily Official List of the London Stock Exchange;

**“Notice of Exercise”** means the notice given by a Participant in order to exercise an Option;

**“Option”** means an option to acquire Shares granted under the Plan;

**“Option Price”** means the amount (if any) per Share payable on the exercise of an Option;

**“Participant”** means a person to whom a subsisting Award has been granted or, where the context permits, his legal personal representatives;

**“Performance Period”** means, with respect to an Award, the period over which the performance of the Company will be measured in order to determine Vesting of the Award, such period to be determined by the Committee and being the period of three Accounting Periods of the Company beginning with the Accounting Period in which the Award Date occurs or the period of three calendar years measured from the Award Date or such other date determined by the Committee or such other period determined by the Committee;

**“Plan”** means the DCC plc Long Term Incentive Plan 2009 constituted by these Rules as amended from time to time in accordance with Rule 13;

**“Plan Shares”** means such Shares as are issued or transferred pursuant to the Plan;

**“Return on Capital Employed”** or **“ROCE”** means in respect of any period the consolidated operating profit of the Company before goodwill, amortisation and exceptional items for that period expressed as a percentage of the opening and closing capital employed for that period as recorded in the Annual Report(s) of the Company for the period concerned;

**“Rules”** means the rules of the Plan as set forth herein or as amended from time to time and **“Rule”** means a rule of the Plan;

**“RPI”** means the Retail Price Index published by the United Kingdom Office for National Statistics;

**“Share Award”** means a contingent right to acquire Shares granted under the Plan;

**“Shares”** means ordinary shares of €0.25 each in the capital of the Company (or any shares representing them);

**“Subsidiary”** means a company which is a subsidiary within the meaning of Section 155 of the Companies Act, 1963 (as amended);

**“Total Shareholder Return” or “TSR”** means the return that a company has provided for its ordinary shareholders, reflecting share price movements and assuming reinvestment of dividends;

**“Vest”** means a Participant becoming, in accordance with the Plan, entitled to exercise an Option or absolutely entitled to the Shares subject to a Share Award (as the case may be) and **“Vested”** and **“Vesting”** shall be construed accordingly; and

**“Vesting Date”** means the date on which an Award normally Vests, as stated on the Award Certificate or such earlier date when the Award Vests pursuant to Rule 9 or 10;

**“Vesting Period”** means the period from the Award Date to the date specified in the Award Certificate as the date on which the Award will normally Vest;

**“WACC”** means in respect of any period the weighted average cost of capital to the Group over the period concerned.

1.2 In these Rules, where the context permits or requires:

- (a) the singular shall include the plural and vice versa and the masculine shall include the feminine;
- (b) a reference to a statutory provision includes any statutory modification, amendment or re-enactment; and
- (c) the contents and headings are for ease of reference only and shall not affect their interpretation.

## **2 Eligibility to participate**

- 2.1 The Plan is available for such Eligible Employees as shall be nominated for the purpose by the Committee.
- 2.2 No Eligible Employee shall be entitled as of right to participate in the Plan. The decision as to who shall have the opportunity of participating and the time and extent of his participation will be made, subject to these Rules, by the Committee at its absolute discretion.

## **3 Grant of Awards**

- 3.1 Subject to Rule 3.4, the Committee may, in its absolute discretion, grant an Award by resolution in accordance with these Rules to any Eligible Employee.
- 3.2 An Award shall, unless the Committee determines otherwise, be granted:
  - (a) in respect of a fixed number of Shares; and
  - (b) on the basis that the Shares in respect of which the Award is granted may, subject to Rules 9 and 10, Vest on a date specified by the Committee which shall be no earlier than the fifth anniversary of the Award Date.
- 3.3 The grant of an Award shall be evidenced by an Award Certificate executed by the Company as a deed and sent by the Company to the Participant. The Award Certificate shall specify:
  - (a) whether the Award comprises an Option or a Share Award;

- (b) the number of Shares subject to the Award or the formula by which such number may be determined, if relevant;
- (c) the Award Date;
- (d) the date when the Award will normally Vest (being 24 months following the end of the Performance Period);
- (e) the Option Price and Expiry Date, if the Award is an Option;
- (f) any conditions which have to be satisfied to determine the extent of Vesting of the Award; and
- (g) that the Award is subject to the Rules.

3.4 The Committee may grant an Award under the Plan within the period of 42 days following the Adoption Date and thereafter only:

- (a) during the 42 days commencing on the Dealing Day following an Announcement Date; or
- (b) at any time when the Committee considers that exceptional circumstances exist which justify the grant of an Award.

No Award may be granted more than 10 years after the Adoption Date.

3.5 The grant of an Award under the Plan shall not in any circumstances whatsoever constitute the acquisition by a Participant of an interest in the Shares subject to the Award. There shall be no consideration payable by an Eligible Employee for the grant of an Award.

3.6 A Participant shall not become the beneficial owner of the Shares subject to his Option or Share Award until, in the case of an Option, he has validly exercised the Option and, in the case of a Share Award, the Share Award has Vested. Until that date, the Participant shall not be entitled to any dividends (or other distributions made) and shall have no right to vote in respect of the Shares subject to his Award.

3.7 Shares subject to a Share Award shall only Vest to the extent determined by the Committee in its absolute discretion having regard to the extent that the applicable performance conditions have been achieved. The applicable performance conditions shall be those provided for in Appendix I to these Rules provided however that the Committee may change these performance conditions for future Awards made after the date on which any such change is made provided that following such change the conditions remain no less challenging and are aligned with the interests of the Company's shareholders.

3.8 The Option Price and the Expiry Date for an Option shall be determined by the Committee. Where the Committee has determined that an Option will be satisfied by the issue of Shares directly to the Participant, the Option Price shall not be less than the nominal value of a Share. The Expiry Date shall not be later than the seventh anniversary of the Award Date.

#### **4 Limits to Awards**

4.1 An Award may not be granted if the result would be that the aggregate number of Shares issuable pursuant to Awards granted under the Plan or under any other share award or

share option plan operated by the Company in the preceding 10 years would exceed 10% of the Company's issued ordinary share capital at the Award Date.

- 4.2 An Award may not be granted if the result would be that the aggregate number of Shares issuable pursuant to Awards granted under the Plan or under any other share award or share option plan operated by the Company in the preceding three years would exceed 3% of the Company's issued ordinary share capital at the Award Date.

- 4.3 For the purpose of the limits in Rule 4.1 and 4.2:

- (a) any Shares subject to an award or option that has lapsed or expired or has been renounced or surrendered or has otherwise become incapable of vesting or, in the case of an option, of being exercised; and
- (b) any Shares issued or issuable under any other plan made available to all or most of the employees of the Group, and which has been approved in general meeting by the shareholders of the Company

shall be disregarded.

- 4.4 No Eligible Employee may be granted Awards in any period of 12 months over Shares whose aggregate Market Value (taking the Market Value of each Award on its Award Date), exceeds 200% of the annual rate of his basic salary at the time of the latest such Award.

## **5 Transfer and renunciation of Awards**

- 5.1 An Award is personal to a Participant and, except on the Participant's death, shall not be capable of being transferred, assigned, charged, encumbered or otherwise alienated by a Participant. An Award shall lapse forthwith if it is so transferred, assigned, charged, encumbered or otherwise alienated or if a Participant is adjudged bankrupt.
- 5.2 A Participant shall be entitled to renounce, surrender or cancel or agree to the cancellation of an Award within 30 days of the Award Date or thereafter only in circumstances which the Committee considers to be exceptional.

## **6 Vesting, exercise and clawback**

- 6.1 Subject to Rules 9 and 10, an Award shall Vest on the normal Vesting Date specified on the Award Certificate. The Committee shall determine, in its absolute discretion, as soon as practicable after the end of the Performance Period the number of Shares in respect of which the Award is eligible to Vest on the Vesting Date in accordance with the conditions specified in the Award Certificate.
- 6.2 To the extent that an Award has ceased to be eligible to Vest on the Vesting Date under Rule 6.1, it shall immediately lapse.
- 6.3 Subject to Rules 9 and 10, the Participant shall be entitled to exercise an Option, to the extent that it has Vested, from the Vesting Date (or from the date when the Committee determines the extent of Vesting, if later) until the Expiry Date. An Option may be exercised in whole or in part. If exercised in part, the unexercised part of the Option shall remain exercisable. The Option shall lapse to the extent that it has not been exercised on or before the Expiry Date.
- 6.4 An Option shall be exercised by the Participant delivering to the Company a duly completed Notice of Exercise in the form prescribed from time to time by the Committee,

specifying the number of Shares in respect of which the Option is being exercised and accompanied by the Option Price in full and the Option Certificate.

- 6.5 Unless otherwise determined by the Committee in its sole discretion, a Participant may not exercise an Option at a time when the Participant is subject to disciplinary proceedings or has been notified that an investigation into an allegation of serious misconduct against him is in process.

6.6 Clawback

- 6.6.1 The Committee may at any time prior to the Vesting Date determine that a clawback shall apply in respect of an Award if the Committee determines that:

- (a) there is a material restatement of the financial statements of the Company or, in the case of an Award made to a managing director or finance director of a Subsidiary of the Company, of the financial statements of such Subsidiary, in any of the three financial years in the Performance Period. The Remuneration Committee will in its sole discretion determine what constitutes a material restatement; or
- (b) a Participant is found guilty of or pleads guilty to a crime that is related to or damages the business or reputation of the Company or any of its Subsidiaries; or
- (c) a Participant is guilty of serious misconduct or gross negligence, which causes loss or reputational damage to the Company or any of its Subsidiaries; or
- (d) there has been a material breach of applicable health and safety regulations by the Company or any of its Subsidiaries; or
- (e) the financial statements of the Company used in assessing the number of Shares over which the Award was granted were misstated, or that any other information relied on in making such assessment proves to have been incorrect; or
- (f) an erroneous calculation was made in assessing such number of Shares;

and, in any case, the Award was granted in respect of a greater number of Shares than would have been the case had there not been such a misstatement or reliance on incorrect information or had such error not been made or had such event not occurred.

- 6.6.2 Where the Committee determines that a clawback shall apply in respect of an Award prior to legal title to Shares having been transferred pursuant to the Award (whether before or after Vesting), the clawback shall be applied by the Committee reducing the number of Shares subject to the Award by up to the number of Shares determined by the Committee to be the excess number of Shares in respect of which the Award was granted and/or is outstanding (and the Award shall lapse to the extent so reduced). Where the Participant has previously paid any amount to the Company in respect of such Award, the Company shall return such amount to the Participant as soon as reasonably practicable.

## **7 Delivery of Shares and rights of Participants**

Subject to all necessary consents and to compliance by the Participant with these Rules, the Company shall, as soon as reasonably practicable and in any event not later than 21 working days after the date of exercise of an Option or the Vesting Date of a Share Award, issue to the Participant, or procure the transfer to the Participant of, the number of Shares specified in the Notice of Exercise of an Option or in respect of which a Share



Award has Vested and shall arrange for such Shares to be registered in his name (or that of his nominee) in the register of members of the Company.

## **8 Plan Shares**

- 8.1 During the period in which the Plan is in operation the Company shall keep available sufficient Shares to satisfy any outstanding Awards.
- 8.2 Plan Shares shall rank *pari passu* in all respects with the Shares for the time being in issue. For the avoidance of doubt, Plan Shares will not confer on the holders thereof any rights which the holders of the Shares for the time being in issue have by reference to a record date which has occurred before the date on which the Plan Shares have been issued or transferred.
- 8.3 Immediately after the Vesting of any Award, the Company shall apply to The London Stock Exchange Limited for the admission to the Official List of the Plan Shares resulting from such Vesting, unless an application for the listing of the Shares has already been made.

## **9 Cessation of employment of a Participant**

- 9.1 Subject to Rule 9.5, a Share Award or Option that has not Vested on the Participant's cessation date shall immediately lapse on such date.
- 9.2 Except where the Participant's cessation as an Eligible Employee is for one of the reasons described in Rule 9.5, for the purposes of the Plan the Participant's cessation date shall be the date on which the Participant or his employer gives notice of his cessation as an Eligible Employee. Where the Participant's cessation as an Eligible Employee is for one of the reasons described in Rule 9.5, the Participant's cessation date shall be the date on which the Participant actually ceases to be an Eligible Employee and not any earlier date on which notice of such cessation was served.
- 9.3 If on the Participant's cessation date a Share Award is Vested but the Shares to which the Participant is or may become entitled by reason of such Vesting have not been issued or transferred to the Participant pursuant to Rule 7 prior to such date then, subject to Rule 9.7, such Shares shall be issued or transferred to the Participant in accordance with Rule 7.
- 9.4 To the extent that an Option is Vested on the Participant's cessation date, subject to Rule 9.7, the Participant may exercise the Option in accordance with Rule 6 during the six month period (or such other period as the Committee may determine) following such date (or, in the case of a Participant who has died, his legal personal representatives may exercise the Option during the 12 month period following his death) but in no event may the Option be exercised later than the Expiry Date. If not so exercised, the Option shall lapse immediately upon expiration of the relevant period or, if earlier, on the Expiry Date.
- 9.5 If a Participant ceases to be an Eligible Employee by reason of:
  - (a) his death;
  - (b) his injury or disability;
  - (c) dismissal for redundancy within the meaning of the Redundancy Payment Acts 1967 to 2007;
  - (d) retirement with the consent of the member of the Group which employs him;

- (e) the company by which he is employed ceasing to be a member of the Group;
- (f) the undertaking or part-undertaking in which he is employed being transferred to a transferee which is not a member of the Group; or
- (g) any other exceptional circumstances, at the discretion of the Committee;

any Share Award or Option that is not already Vested on the Participant's cessation date shall be eligible for Vesting on a date determined by the Committee, which date shall be no earlier than the Participant's cessation date and no later than the normal Vesting Date specified in the Award Certificate.

The number of Shares, if any, in respect of which the Share Award or Option Vests shall be determined by the Committee in accordance with the conditions specified in the Award Certificate or such other criteria as the Committee considers reasonable and appropriate in the particular circumstances.

To the extent that a Share Award or Option does not Vest pursuant to a determination made by the Committee under this Rule 9.5, such Share Award or Option shall lapse effective as of the date of such determination.

- 9.6 To the extent that an Option Vests pursuant to a determination made by the Committee under Rule 9.5, the Participant shall be entitled to exercise the Option in accordance with Rule 6, at any time during the six month period (or such other period as the Committee shall determine) following (i) the Participant's cessation date (or, in the case of a Participant who has died, his legal personal representatives may exercise the Option, during the 12 month period following his death) or (ii) if later, the date the Option Vests pursuant to the determination made by the Committee under Rule 9.5, but in no event may the Option be exercised later than the Expiry Date. If not so exercised, the Option shall lapse immediately upon expiration of the relevant period or, if earlier, on the Expiry Date.

To the extent that a Share Award Vests pursuant to a determination made by the Committee under Rule 9.5, the Company shall issue or procure the transfer to the Participant pursuant to Rule 7 of the number of Shares in respect of which the Share Award has Vested.

- 9.7 Notwithstanding any other provision of the Plan, in the event that a Participant ceases to be an Eligible Employee by reason of a termination of his employment for serious misconduct, each Share Award and Option held by the Participant, whether or not Vested, shall automatically lapse immediately upon the service of notice of such termination, unless the Committee in its sole discretion determines otherwise.

## **10 Corporate events**

- 10.1 This Rule 10 shall apply to an Award where:

- (a) any person obtains Control of the Company as a result of making either a general offer to acquire the whole of the Company's issued share capital (other than any Shares already owned by such person or any Subsidiary of such person) and which is made on a condition that if it is satisfied the offeror will have such Control, or a general offer to acquire all the Shares in the Company;
- (b) an application is made for a scheme of arrangement or any proposal is made for the reorganisation of the capital of the Company or for the reconstruction or amalgamation of the Company involving a material change in the nature of the

Shares comprised in any Award (and for the purposes of this sub-Rule the determination by the Committee of a material change in the nature of the Shares in any particular case shall be final and conclusive); or

(c) notice is given of a resolution for the voluntary winding-up of the Company;

(each herein called “a Corporate Event”).

10.2 Subject to Rule 10.3, where Rule 10.1 applies, the Committee may in its absolute discretion determine the number of Shares in respect of which each Award Vests (conditional upon the completion of the relevant event or transaction) in accordance with the conditions specified in the Award Certificate, having due regard to the proportion of the Performance Period which has elapsed and the Vesting Date or otherwise on such basis as may be determined by the Committee to be fair and reasonable in the circumstances. Subject as aforesaid, where the Corporate Event occurs after the expiry of the Performance Period, all of the Shares in respect of the relevant Award will Vest (conditional upon the completion of the relevant event or transaction) in accordance with the conditions specified in the Award Certificate. In the case of an Option, including an Option which has already Vested when the relevant event or transaction occurs, the Committee shall specify the period during which the Option may be exercised. If not exercised within this period, notwithstanding any other provisions of these Rules, the Option shall lapse immediately.

10.3 If as a consequence of a demerger, reconstruction, reorganisation or amalgamation, another company will obtain Control of the Company or the business of the Company will be carried out by another company and, in either case, the persons who owned the issued ordinary share capital of the Company immediately before such change will immediately thereafter continue to have Control of the Company and will then own more than 50 per cent of the issued ordinary share capital of such other company, the Committee may determine that the provisions of Rules 10.1 and 10.2 shall not apply. The Award may then be exchanged for an award of shares or grant of options over shares in that other company. The number of shares or the number of options awarded in that other company shall be such so as to maintain the intrinsic value of the original Award as determined by the Committee in its sole discretion.

## **11 Variation of share capital**

11.1 Subject to Rule 11.2, in the event of any increase or variation of the share capital of the Company (whenever effected) by way of capitalisation or rights issue, or sub-division, consolidation or reduction of capital or other variation, a demerger of the Company or the payment of a special dividend by the Company, the Committee may make such adjustments as it considers fair and reasonable to the number and/or class of Shares comprised in any Award, the Option Price (if any) and the conditions specified in the Award Certificate, consulting its professional advisers as necessary.

11.2 The Company shall give notice in writing to a Participant of any adjustments made under Rule 11.1 as soon as practicable following the making of such adjustments.

## **12 Administration of the Plan**

12.1 The Plan shall be administered by the Committee whose decision on any matter connected with the Plan shall be final and binding.

12.2 If there is any dispute as to the rights and obligations of any person under the Plan or any question concerning the construction or effect of the Plan or any other question in

connection with the Plan, the Committee shall determine the same and any such determination shall be final and binding on all persons.

- 12.3 The costs of introducing and administering the Plan shall be met by the Company. The Company shall be entitled to charge an appropriate part of such costs to a Subsidiary. The Company shall also be entitled to charge to a Subsidiary the opportunity cost of issuing Shares under the Plan in respect of an Award made to a Participant employed by the Subsidiary.
- 12.4 The Company may establish further schemes based on the Plan but modified to take account of local tax, exchange control, securities law or other regulations in any one or more overseas territories provided that the limits to Awards in Rule 4 shall include Awards granted under such further schemes.

### **13 Amendment of the Plan**

- 13.1 Subject to Rules 13.2 and 13.4, the Board, on the recommendation of the Committee, shall at any time be entitled to amend all or any of the provisions of these Rules by resolution.
- 13.2 Subject to Rule 13.3, the Rules governing eligibility, limits on individual participation, the overall limits on the issue of Shares, the basis for determining a Participant's entitlement to, and the terms of, the Shares to be acquired and the adjustment of Awards in the event of a capitalisation issue, rights issue or open offer, subdivision or consolidation of Shares or reduction of capital or any other variation of capital shall not be amended to the advantage of existing or future Participants without the prior approval by ordinary resolution of the members of the Company in general meeting.
- 13.3 Rule 13.2 shall not apply to any minor amendment which:
- (a) is necessary or desirable to take account of a change in legislation or to obtain or maintain favourable taxation, exchange control or regulatory treatment in any territory of any member of the Group or any Participant; or
  - (b) is necessary or desirable to benefit or facilitate the administration of the Plan.
- 13.4 No amendment shall be made pursuant to Rule 13.1 which would prejudice the subsisting rights of an existing Participant without the prior consent of that Participant.

### **14 Termination of the Plan**

The Board may, having first consulted the Committee, at any time suspend or terminate the operation of the Plan in which case no further Awards under the Plan will be granted but in all other respects the provisions of the Plan shall remain in force.

### **15 General provisions**

- 15.1 All Awards shall be granted entirely at the discretion of the Committee. The rights and obligations of any Participant under the terms of his office or employment with any member of the Group shall not be affected by his participation in the Plan or any right which he may have to participate in the Plan and the Plan shall not give to a Participant any right to continued employment or any additional right to compensation or damages in consequence of the termination of his employment whether for wrongful dismissal or otherwise howsoever.

- 15.2 The benefit to a Participant of participation in the Plan (including, in particular but not by way of limitation, any Awards held by him) shall not count as his remuneration for any purpose and shall not count as part of his pensionable salary for the purpose of any employer contribution to any pension plan operated by a member of the Group.
- 15.3 Any liability of a Participant to taxation or social security contributions or similar liabilities in respect of an Award shall be for the account of the relevant Participant. The Committee may make an Award and the delivery of Shares pursuant to it conditional on the Participant complying with arrangements specified by the Committee for the payment of any taxation (including, without limitation, the withholding of taxation or social taxes or any other amounts at source, by any member of the Group, where necessary to satisfy any obligations applicable in any territory).
- 15.4 Any notice or other communication under or in connection with the Plan may be given by personal delivery or by sending the same by post or email in the case of a company to its registered office, and in the case of an individual to his last known address or email address, or, where he is a director or employee of any member of the Group, either to his last known address or to the address of the place of business at which he performs the whole or substantially the whole of the duties of his office or employment or to his business email address, and where a notice or other communication is given by first-class post, it shall be deemed to have been received 48 hours after it was put into the post properly addressed and stamped and where it is sent by email it shall be deemed to have been received upon transmission.

## **16 Data Protection Acts**

By participating in the Plan each 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:

- (a) administering and maintaining Participant records;
- (b) providing information to trustees of any employee benefit trust, registrars, brokers or other third party administrators of the Plan; and
- (c) providing information to potential purchasers of the Company or the business in which the Participant works.

## **17 Governing law and jurisdiction**

The Plan shall be governed by and construed in accordance with the Laws of Ireland and save where otherwise expressly provided in these Rules the Courts of Ireland shall have exclusive jurisdiction in relation to all matters arising under the Plan.

## **Appendix 1: Performance conditions**

- 1** An Award will not vest unless the Committee is satisfied that the Company's underlying financial performance has shown a sustained improvement in the Performance Period since the Award Date. If this condition is met, the extent of Vesting for Awards granted to employees of the Company in accordance with Rule 3 will, subject to paragraph 3 below, be determined by the performance conditions set out below.
- 2** The proportion of the Shares subject to an Award which Vests shall be determined by:-

  - (i) the ROCE performance of the Company over the Performance Period as set out in paragraphs 6 to 7 below;
  - (ii) the EPS performance of the Company over the Performance Period, as set out in paragraphs 8 to 12 below; and
  - (iii) the TSR performance of the Company over the Performance Period, as set out in paragraphs 13 to 14 below.
- 3** Subject to the Rules, the Committee may modify the relative weighting and the requirements of these performance conditions at its discretion with respect to future Awards where it is satisfied that there are valid reasons to do so, provided they remain no less challenging and are aligned with the interests of the Company's shareholders.
- 4** No re-testing of the performance conditions is permitted.
- 5** In respect of Participants below Executive Director level, the Committee shall be entitled to introduce additional specific performance conditions (whether related to the entire Group or a relevant part or division thereof) in respect of part of any Award provided that:-

  - (a) they are no less challenging and are aligned with the interests of the Company's shareholders; and
  - (b) those conditions will not account for more than 20% of the total Award that Vests and will reduce appropriately the proportion of the Award to which the ROCE Performance Condition applies.

### **ROCE Performance Condition**

- 6** Up to 40% of the Shares subject to an Award shall become eligible to Vest according to this ROCE Performance Condition. The extent to which this part of the Award shall become eligible to Vest on the Vesting Date shall be determined by reference to the extent that the Company's ROCE during the Performance Period exceeds WACC over that period in accordance with the following Table:-

| <b>Percentage excess over WACC</b>  | <b>Proportion of total Award that Vests</b> |
|---|---|
| Below such percentage (being 5% or more) as shall be fixed by the Committee as the Threshold in respect of any Award (“the Threshold”)                                  | 0%  |
| At the Threshold  | 10%   |
| Between the Threshold and such percentage (being greater than the Threshold) as shall be fixed by the Committee as the maximum in respect of any Award (“the Maximum”*) | 10% to 40% on a straight line basis         |
| At or above the Maximum   | 40%   |

\*For these purposes the Committee will set Threshold and Maximum percentages at the time of each Award in the light of development activity, including any significant corporate transactions and three year plans for the Group.

- 7 The Committee shall engage an independent firm of consultants to carry out or independently verify the calculation of ROCE and WACC for the purposes of applying this performance condition.

### **EPS performance condition**

- 8 Up to 40% of the Shares subject to an Award shall become eligible to Vest according to this EPS performance condition. The extent to which this part of the Award shall become eligible to Vest shall be determined by reference to the annualised growth in the Company’s EPS during the Performance Period in comparison with the annualised change in the United Kingdom Retail Price Index (“RPI”), in accordance with the following table:

| <b>Company’s annualised EPS growth in excess of the annualised change in RPI</b> | <b>Proportion of the total Award which Vests</b>    |
|--|---|
| Less than 3 percentage points  | 0%  |
| At 3 percentage points (“the Threshold”)   | 10%   |
| Between the Threshold and the Maximum  | Between 10% - 40% pro rata on a straight line basis |
| At or above the Maximum*   | 40%   |

\* For these purposes, the Maximum shall be such number of percentage points (greater than 3) as shall be determined by the Committee at the time of any Award in the light of the Group’s development activity, including any significant corporate transactions and three years plans for the Group, and prevailing business and economic circumstances.

- 9 The annualised growth in the Company’s EPS shall be calculated by reference to the EPS of the Accounting Period immediately preceding the start of the Performance Period and the EPS of the three Accounting Periods of the Performance Period.

- 10 The annualised increase in the RPI shall be calculated by reference to the last figure published in the Accounting Period immediately preceding the start of the Performance Period and the last figure published in the three Accounting Periods of the Performance Period.
- 11 Should the Committee consider it appropriate, following any change in the Company's accounting policy, Accounting Period or method of calculating EPS, it may make such adjustments as are necessary to put the calculations of EPS for the relevant Accounting Periods on a broadly comparable basis.
- 12 In reviewing the adjustments, if any, made to arrive at the EPS figure, the Audit Committee of the Company shall have regard, inter alia, to their consequent impact on the EPS performance condition.

### **TSR performance condition**

- 13 Up to 20% of the Shares subject to an Award shall become eligible to Vest according to this TSR performance condition. The extent to which this part of the Award shall become eligible to Vest shall be determined by reference to the the Company's TSR during the Performance Period in comparison with the FTSE 350 Index, in accordance with the following table:

| <b>Company's TSR ranking</b>   | <b>Proportion of the total Award which Vests</b> |
|--|--|
| Below the FTSE 350 Index ("the Threshold")   | 0%   |
| At the Threshold   | 5%   |
| Between the Threshold and the FTSE 350 Index plus 8% P.A. Compound ("the Maximum") | 5% - 20% pro rata on a straight line basis       |
| At or above the Maximum  | 20%  |

- 14 The Committee shall engage an independent firm of consultants to carry out the calculation of TSR for the Company and the FTSE 350 Index.