

BABCOCK INTERNATIONAL GROUP PLC
THE BABCOCK APPROVED EMPLOYEE SHARE OWNERSHIP PLAN

**This is a copy of the Rules of the AESOP (governing
the “Babcock Employee Share Plan”)
as adopted by resolution of the Board of Directors
on 19 November 2001
Amended by shareholder resolution on 8 July 2010
and [\[19 September 2024\]](#)
Amended by the Board of Directors on 17 October
2013, 19 March 2014, 22 January 2015 and 22
February 2017**

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BABCOCK INTERNATIONAL GROUP PLC
RULES OF
THE BABCOCK APPROVED EMPLOYEE SHARE OWNERSHIP PLAN

PART A: GENERAL

Purpose of the Plan

A 1 The purpose of the Plan is to provide benefits to employees of Participating Companies in the nature of shares in the Company which give such employees a continuing stake in the Company.

Establishment and approval of the Plan

A 2 The Plan has been:

- (a) established by resolution of the directors of Babcock International Group PLC ("the Company") passed on 19 November 2001;
- (b) approved by shareholders of the Company by ordinary resolution passed on 28 July 2001; and
- (c) approved by HMRC pursuant to the Schedule on 6 December 2001 under reference A1080/WPR.

Provision of Free, Partnership and Matching Shares

A 3.1 The Plan provides:

- (a) in Part B, for Shares ("Partnership Shares") to be acquired on behalf of participating Eligible Employees out of sums deducted from their salary;
- (b) in Part C, for the Company to procure that Shares ("Matching Shares") are appropriated to employees without payment in proportion to the Partnership Shares acquired by them; and
- (c) in Part D, for Shares ("Free Shares") to be appropriated to participating Eligible Employees without payment.

A 3.2 The Directors may from time to time determine whether Eligible Employees shall, in a given Tax Year, or in, or in respect of, a given Financial Year, be offered the opportunity to acquire Shares pursuant to the provisions of either or both of Part B (Partnership Shares) and Part D (Free Shares) and, if pursuant to Part B, also Part C (Matching Shares).

Definitions and interpretation

A 4 Words and expressions used in the Plan shall have the meanings given in the Glossary in Part F.

Establishment of Plan Trust

- A 5 The Company shall establish a trust which is constituted under the laws of England in the form set out in Part G for the purposes of:
- (a) in the case of Free Shares and Matching Shares, acquiring Shares and appropriating them to Eligible Employees in accordance with the Plan;
 - (b) in the case of Partnership Shares, holding Partnership Share Money and applying it in acquiring shares on behalf of Eligible Employees in accordance with the Plan;
 - (c) in the case of Dividend Shares, acquiring such Shares in accordance with the Plan; and
 - (d) holding in accordance with the Plan all such Shares so appropriated or acquired.

References to the Trustee to include references to the Administrator

- A 6 References in Parts A to F of this Plan to anything done or to be done by or to the Trustee shall be read and construed as including anything done or to be done by or to the Administrator pursuant to the powers and duties delegated to the Administrator by the Trustee.

Eligibility to participate in the Plan

- A 7 An individual shall not be entitled to have Shares acquired on his or her behalf under Part B, or to receive an appropriation of Matching or Free Shares under Parts C or D at any time unless:
- (a) he or she is then an employee of a Participating Company;
 - (b) if, pursuant to rules B3 or D3, the Directors have specified a Qualifying Period in relation to eligibility on that occasion, he or she has, at all times during that Qualifying Period, been an employee of a Qualifying Company;
 - (c) in relation to an appropriation of Free Shares, he or she has entered into a Participation Agreement as mentioned in rule D4; and
 - (d) in relation to an appropriation of Free Shares or Matching Shares, he or she has agreed that the Trustee may appropriate Shares to him or her.

Amendment of the Plan

- A 8.1 Before the Plan is approved by HMRC, the Directors may by resolution in writing alter (by amending, deleting or adding to) any of the terms of the Plan in any respect SAVE THAT no such alteration (other than an alteration which is necessary to secure such approval) shall be made if it would conflict in any material respect with the summary of the principal terms of the Plan appended to the Chairman's letter to

shareholders dated 29 June 2000 or would, in the opinion of the Directors, materially prejudice the interests of shareholders.

A 8.2 After the Plan is approved by HMRC, the Directors may so alter any of the terms of Parts A to F of the Plan PROVIDED THAT no such alteration shall be made to the advantage of Participants to the provisions of:

rule A7	eligibility to participate
rule A12	expiry of directors' authority to issue shares
rule A13	overall limit on the issue of shares
rule C3	limit on matching shares
rule C6	holding period for matching shares
rule D10	limit on appropriation of free shares
rule D15	holding period for free shares
rule E8	voting rights
rule E9	rights and capitalisation issues
rule E11	company reconstructions

and this rule A8 without the prior approval of shareholders of the Company except for amendments which, in the opinion of the Directors, are minor amendments to benefit the administration of the Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for Participants or for any member of the Group.

A 8.3 The terms of the Plan Trust set out in Part G of this Plan may be amended, deleted or added to in accordance with the terms of the Trust Deed by the Company executing a deed expressed to be supplemental to the Trust Deed.

Termination of the Plan

A 9.1 The Directors may at any time, by giving notice in writing to:

- (a) the Trustee; and
- (b) each Participant

terminate the operation of the Plan on and with effect from a date specified in such notice which is not earlier than 14 days after the date of such notice.

A 9.2 Following such termination:

- (a) no further Partnership Shares shall be appropriated to or acquired on behalf of Participants;

- (b) no further Free or Matching Shares shall be appropriated by the Trustee;
- (c) no further additional Shares shall be appropriated to or acquired on behalf of any Participant out of cash dividends on Plan Shares paid to the Trustee;
- (d) the Trustee shall as soon as practicable after such notice is given to the Trustee return to each Participant (subject to deduction of income tax and NICs under PAYE) all of the Partnership Share Money and any other money held on behalf of such Participant;
- (e) the Trustee shall withdraw from the Plan each Participant's Plan Shares as soon as is practicable after:
 - (i) the end of the period of 3 months beginning with the date on which notice is given pursuant to rule A9.1; or
 - (ii) if later, the first date on which such Participant's Plan Shares may be removed from the Plan without giving rise to a charge to income tax under sections 501 to 507 of ITEPA on the part of such Participant;
- (f) the Trustee may, if the Participant so directs, withdraw from the Plan any of a Participant's Plan Shares at any time before the end of the relevant period mentioned in paragraph (e) above SAVE THAT the Trustee shall disregard any such direction given before the date on which notice is given to such Participant pursuant to rule A9.1; and
- (g) Shares which remain held in the Plan pending their withdrawal from the Plan by virtue of paragraphs (e) or (f) above shall continue to be so held by the Trustee subject to the provisions of Part E of this Plan.

A 9.3 Whenever a Participant's Plan Shares are withdrawn from the Plan pursuant to paragraphs (e) or (f) of rule A9.2, the Trustee shall, subject to the provisions of rule E14 (PAYE):

- (a) transfer such Shares to the Participant or to such other person as the Participant may direct; or
- (b) dispose of the Shares and account (or hold itself ready to account) for the proceeds to the Participant or to such other person as the Participant has specified.

A 9.4 Unless the Participant otherwise agrees, a disposal of shares as mentioned in A9.3(b) shall be for the best consideration which the Trustee is able to obtain at the time of such disposal.

A 9.5 References in this rule A9 to a disposal of Shares shall be construed as including references to a purchase of the beneficial interest in such Shares by the Trustee.

A 9.6 If a Participant has died, references in rule A9.3 to the Participant shall be read as references to his or her Personal Representatives.

Errors and Omissions

A 10 If in consequence of an error or omission:

- (a) an Eligible Employee has not been given the opportunity to participate in the Plan on any occasion; or
- (b) the number of Shares appropriated to any Eligible Employee on any occasion is found to be incorrect

and such error or omission cannot be corrected within the relevant period specified in the Plan, the Company and the Trustee may do all such acts and things as are necessary to rectify such error or omission notwithstanding that such actions may not otherwise be in accordance with the rules of the Plan.

Relationship with contract of employment

A 11.1 Neither the opportunity given to any person to participate in the Plan nor any appropriation to any person of Free or Matching Shares shall form part of such person's entitlement to remuneration or benefits pursuant to his or her contract of employment and, except as otherwise expressly provided in the Plan, the existence of a contract of employment between any person and any member or former member of the Group or any Associated Company shall not give such person any right or entitlement to participate in the Plan in any manner or any expectation that Shares might be appropriated to such person or at all.

A 11.2 The rights, entitlements and obligations under the terms of any contract of employment between any person and any member or former member of the Group or any Associated Company shall not be affected by such person's participation in the Plan.

A 11.3 Participation in the Plan shall not afford any person any rights or additional rights to compensation or damages in consequence of the loss or termination of such person's employment with any member or former member of the Group or any Associated Company for any reason whatsoever (whether or not such termination is ultimately held to be unfair or wrongful).

A 11.4 No person shall be entitled to any compensation or damages for any loss or potential loss which he or she may suffer by reason of being unable to participate (or continue to participate) in the Plan in consequence of the loss or termination of any such employment for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).

Term of the Directors' authority to issue Shares

A 12 The authority of the Directors to issue Shares for the purposes of the Plan expires on ~~28 July 2020~~ [19 September 2034](#).

Overall limit on the issue of Shares

A 13 The number of Shares which may on any day be issued, or in respect of which the Trustee may for the purposes of the Plan be granted rights to subscribe for Shares,

when added to the number of Shares which have been so issued or in respect of which rights to subscribe for Shares have been granted (and, if not exercised, have not ceased to be exercisable) for the purposes of the Plan or pursuant to any other employees' share scheme in the period of ten years ending on that day, shall not exceed 10 per cent of the ordinary share capital of the Company in issue on that day.

Proper law

A 14 The Plan shall be subject to the laws of England and the Company and the Trustee and all Participants shall submit to the exclusive jurisdiction of the Courts of England in relation to any matter concerning the Plan or the rights or entitlement of any person under the Plan.

PART B: PARTNERSHIP SHARES

Issue of invitations to enter into a Partnership Share Agreement

- B 1.1 The Company may from time to time invite every Plan Employee to enter into an agreement with the Company ("a Partnership Share Agreement") under which:
- (a) such Employee agrees to one or more deductions being made from his or her Salary (before deduction of income tax and NICs under PAYE) for the acquisition of Shares on his or her behalf to be held in the Plan ("Partnership Shares"); and
 - (b) the Company undertakes to arrange for Shares to be acquired by the Trustee on behalf of such person in accordance with the Plan.
- B 1.2 If the terms of such Partnership Share Agreement (as is mentioned in rule B1.1) do not differ materially from the terms of any subsisting Partnership Share Agreement, then no such invitation need be issued to any Plan Employee who is already party to such a subsisting Partnership Share Agreement.
- B 1.3 If the terms of such Partnership Share Agreement (as is mentioned in rule B1.1) differ in any material respect from the terms of any subsisting Partnership Share Agreement, then the Company shall on that occasion invite each of those Plan Employees who is already party to a subsisting Partnership Share Agreement either:
- (a) to give notice of withdrawal from such subsisting Partnership Share Agreement (as mentioned in rule B17) and enter into a fresh Partnership Share Agreement; or
 - (b) if the difference relates only to an increase in the maximum amount of deductions from salary specified by the Directors (as mentioned in rule B5.1(c)), to vary the amount of the deductions authorised to be made under such subsisting Partnership Share Agreement (as mentioned in rule B6).

Entry into a Partnership Share Agreement

- B 2 Those Employees who wish to enter into a Partnership Share Agreement in response to such an invitation shall, within the period of 14 days after such notice is given, or such further period as the Company may allow, complete and return to the Company (or such other person as the Company may direct) in such form as the Company may specify (which may be in writing or electronic form) a Partnership Share Agreement.

Qualifying period of employment

- B 3.1 The Directors may determine that a Plan Employee shall be eligible to have Shares acquired by the Trustee on his or her behalf on any occasion only if he or she has, throughout such period as the Directors shall specify, held continuous employment with a Qualifying Company.

B 3.2 Any such Qualifying Period shall:

- (a) if a Participant's deductions from Salary are to be accumulated as mentioned in rule B11.4, be a period of not more than 6 months ending with the start of the Accumulation Period;
- (b) if not, be a period of not more than 18 months ending on the day on which the deduction is made from the Participant's Salary; and
- (c) be the same for all Employees in relation to acquisitions of Shares on the same occasion.

Authority to make deductions from Salary

B 4 A Partnership Share Agreement shall specify:

- (a) the amount (or percentage of the amount of Salary from which such deduction is made) which the employee authorises to be deducted from his or her Salary each month/week as appropriate; and
- (b) at what intervals such deductions shall be made.

Individual limit on deductions from Salary

B 5.1 The amount deducted from a Participant's Salary shall:

- (a) not exceed 10 per cent (or such other maximum amount as may for the time being be permitted by paragraph 46 of the Schedule) of the Participant's Salary for any Tax Year from which the deduction is made; or
- (b) if such deductions are to be accumulated within successive Accumulation Periods, not exceed 10 per cent of the total of the Participant's total Salary paid over the Accumulation Period; and
- (c) in either case, not exceed the lesser of (i) £150 (or such other amount as may from time to time be specified in the Schedule) per month or, if the Salary is not paid at monthly intervals, such amount as bears to £150 the same proportion as the pay interval in question bears to one month and (ii) such other sum as the Directors may specify.

B 5.2 Any amount deducted in excess of that allowed by rule B5.1 shall be paid over to the employee, subject to deduction of income tax and NICs under PAYE as soon as is practicable.

B 5.3 The minimum amount to be deducted in pursuance of a Partnership Share Agreement in any month shall:

- (a) be determined by the Directors and specified in the Partnership Share Agreement;

- (b) be not greater than £10 (or such other minimum amount as may for the time being be permitted by paragraph 47 of the Schedule); and
- (c) be the same in relation to all Partnership Share Agreements entered into in response to invitations issued on the same occasion.

Variation by Participants of amounts deducted

B 6 An Eligible Employee may only be a party to one Partnership Share Agreement authorising one or more deductions from Salary in any given month but the Directors (or the Trustee acting as agent for the Directors) may from time to time, and subject to rule B5.1, invite all Participants to vary the amount of the deductions authorised to be made.

Term of a Partnership Share Agreement

B 7 The authority to make deductions from Salary granted by a Participant pursuant to a Partnership Share Agreement shall lapse upon the occurrence of any of the events specified in rule B11.5 or, if earlier, upon the effective date of a Participant's withdrawal from a Partnership Share Agreement as mentioned in rule B17.

Notice of effect of deductions on benefits and tax credits

B 8 Every Partnership Share Agreement shall contain a notice under paragraph 48 of the Schedule.

Notice to stop deductions

B 9.1 A Participant may at any time give notice in writing to the Company directing the Company to procure that deductions being made from his or her Salary pursuant to a Partnership Share Agreement are stopped.

B 9.2 If a Participant has given a notice pursuant to rule B9.1, he or she may (on one occasion only in any Accumulation Period) subsequently give notice in writing to the Company directing the Company to procure that deductions are again made pursuant to that Partnership Share Agreement.

B 9.3 Unless a Participant specifies a later date in any such notice, the Company shall procure that:

- (a) within 30 days of receiving a notice given pursuant to rule B9.1, no further deductions are so made;
- (b) if a notice is given pursuant to rule B9.2, the first deduction made thereafter shall be made not later than the date on which the first deduction is due to be made under the relevant Partnership Share Agreement more than 30 days after receipt of such notice.

B 9.4 A Participant may not make up any deduction that has been missed in consequence of him or her having given such notices.

Partnership Share Money to be held by the Trustee

- B 10.1 Partnership Share Money shall be paid to the Trustee as soon as is practicable after it is deducted from a Participant's Salary.
- B 10.2 The Trustee shall hold such monies on behalf of, and on trust for the benefit of, such Participant and shall apply such monies in acquiring Partnership Shares on the Participant's behalf.
- B 10.3 A Participant's Partnership Share Money shall be deposited by the Trustee in an account with a Bank.
- B 10.4 If such account pays interest the Trustee shall account for such interest to the Participant.
- B 10.5 Participants' Partnership Share Monies shall either:
- (a) be applied by the Trustee in acquiring Shares on behalf of each Participant on the date set by the Trustee (which shall be the same date in relation to all Participants) being a date within 30 days after the last date on which the Partnership Share Money to be applied in acquiring the shares was deducted; or
 - (b) be accumulated by the Trustee within each successive Accumulation Period (as mentioned in rule B11) and be applied in acquiring Shares on behalf of each Participant on the date set by the Trustee (which shall be the same date in relation to all Participants), being a date within 30 days after the end of the relevant Accumulation Period.

Accumulation Periods

- B 11 If, in relation to any invitation to enter into Partnership Share Agreements the Directors determine in accordance with rule B10.5(b) that an Accumulation Period shall apply:
- B 11.1 The first Accumulation Period shall begin with the date on which the first deductions from Salary are made and successive Accumulation Periods shall each begin with the date on which the first deductions from Salary are made after the end of the last Accumulation Period.
- B 11.2 Accumulation Periods relating to deductions from Salaries made pursuant to all Partnership Share Agreements entered into in response to invitations issued on the same occasion shall be of the same length.
- B 11.3 Subject to rule B11.2, successive Accumulation Periods may vary in length but no Accumulation Period shall exceed 12 months.
- B 11.4 A Participant's Partnership Share Money first deducted within a given Accumulation Period shall be accumulated by the Trustee with all other amounts of that Participant's Partnership Share Money deducted from Salary within that Accumulation Period.

B 11.5 All subsisting Accumulation Periods shall immediately come to an end:

- (a) with effect from the date specified in a notice to terminate the operation of the Plan given in accordance with rule A9.1;
- (b) if notice is given to shareholders of the Company of a resolution being proposed for the voluntary winding-up of the Company;
- (c) upon the commencement of a winding-up of the Company;
- (d) if a general offer is made to acquire the whole of the issued ordinary share capital of the Company which is made on a condition such that if it is satisfied the person making the offer will have control of the Company;
- (e) if a general offer is made to acquire all the shares in the Company of the same class as the Shares;
- (f) if any person becomes entitled or bound to acquire shares in the Company under sections 979 to 985 (inclusive) of the Companies Act 2006; or
- (g) with effect from the date on which the Directors specify in a notice in writing given to all Participants that all subsisting Accumulation Periods shall end (being a date which is not earlier than the date on which such notice is given).

Further requirement of Eligibility

B 12.1 The Trustee shall not at any time acquire Shares on behalf of any person under this Part B who does not then meet the requirements of rule A7.

B 12.2 An individual shall not be entitled to have Shares acquired on his behalf pursuant to this Part B in any Tax Year, if in that Tax Year he has had shares appropriated to him or her or acquired on his or her behalf under any other plan established by the Company or a Connected Company that meets the requirements of the Schedule.

Acquisition of Partnership Shares

B 13.1 Partnership Shares shall not be subject to any provision under which they may be forfeited.

B 13.2 Subject to rule B13.3, the Trustee shall apply Participants' Partnership Share Money in acquiring Shares on the Acquisition Date and shall do so at a price per Share equal to the Market Value of a Share on that date.

B 13.3 If a Participant's deductions from Salary are to be accumulated as mentioned in rule B11.4, the Trustee shall on each occasion on which a Participant's Partnership Share Money is applied in acquiring Shares, do so at a price per Share which is equal to:

- (a) the Market Value of a Share on the first day of the relevant Accumulation Period; or
- (b) the Market Value of a Share on the Acquisition Date; or.

- (c) the lower of the two Market Values referred to in rules B13.3(a) and B13.3(b) above.

The Partnership Share Agreement shall state whether the number of Shares to be acquired will be determined in accordance with rule B13.3(a), (b) or (c).

B 13.3 If the application of rules B 13.1 and B 13.2 would result in the acquisition of a fraction of a Share, the number of Shares actually acquired on that occasion shall be rounded down to a whole number.

Scaling back of Partnership Shares

B 14.1 The Directors may determine and specify that the number of Shares which the Trustee acquires on behalf of all Participants on any occasion shall be restricted to such maximum number as the Directors shall notify to each Participant:

- (a) before the deduction from Salary is made; or
- (b) if such deductions from Salary are to be accumulated as mentioned in rule B11.4, before the beginning of the relevant Accumulation Period.

B 14.2 If on any occasion the number of Shares which could otherwise be acquired with a Participant's Partnership Share Money is greater than such maximum number, then the number of Shares which the Trustee acquires on behalf of each Participant shall be proportionately reduced.

Carry-forward of surplus Partnership Share Money

B 15 If after Partnership Share Money has been applied in the acquisition of Shares on any occasion there remains a surplus of unused cash, such surplus may, if the Participant has so agreed in the Partnership Share Agreement, be retained by the Trustee and added to the Partnership Share Money which is so applied on the next occasion on which Shares are acquired on behalf of the Participant but shall otherwise be returned to the Participant (subject to deduction of income tax and NICs under PAYE).

Notification of acquisition of Partnership Shares

B 16 As soon as practicable after any Partnership Shares have been acquired on behalf of a Participant, the Trustee shall notify the Participant of:

- (a) the number of Shares so acquired;
- (b) the description of such Shares;
- (c) the amount of Partnership Share Money applied by the Trustee in acquiring such Shares;
- (d) their Market Value on the date on which they were so acquired; and
- (e) the amount of any surplus Partnership Share Money carried forward.

Withdrawal from a Partnership Share Agreement

- B 17.1 A Participant may withdraw from a Partnership Share Agreement by giving notice in writing to the Company at any time and, unless the Participant specifies a later date in such notice, the Company shall procure that such withdrawal takes effect within 30 days of when such notice is received by the Company.
- B 17.2 The Company may direct that, to be effective, any such notice must be given to such person (as agent for the Company) in such form as the Company shall specify.
- B 17.3 If a Participant withdraws from a Partnership Share Agreement with effect from any date, the Company shall procure that any Partnership Share Money which by that date has not been applied in the acquisition of Shares is paid to the Participant (subject to deduction of income tax and NICs under PAYE) as soon as is practicable after that date.

Return of Partnership Share Money in certain circumstances

- B 18 If the circumstances set out in paragraph 56 of the Schedule apply (Plan not meeting the requirements of the Schedule), any Partnership Share Money held on behalf of Qualifying Employees shall be repaid to them as soon as practicable after the relevant day (as defined in paragraph 56 of the Schedule), subject to deduction of income tax under PAYE and NICs.
- B 19 If a Plan Termination Notice is issued in respect of the Plan, any Partnership Share Money held on behalf of Qualifying Employees shall be repaid to them as soon as practicable after the Plan Termination Notice is notified to the Trustee, subject to deduction of income tax under PAYE and NICs.

Suspension of deductions from Salary

- B 20.1 The Directors may give notice to all Participants that, on and with effect from a date specified in the notice (being a date which is not earlier than the date on which such notice is given), no further deductions from Salary shall be made for the purposes of enabling Participants to acquire Partnership Shares and all existing Accumulation Periods shall come to an end SAVE THAT:
- (a) such notice shall only be given if an event or events have occurred which cause the Directors acting fairly and reasonably to consider that such suspension is appropriate;
 - (b) the notice shall specify the event or events which has or have caused the Directors to give such notice; and
 - (c) no such notice shall have the effect of avoiding the obligation of the Company to apply a Participant's Partnership Share Money deducted from Salary before the date on which such notice has effect in acquiring Shares as mentioned in rule B13.1.
- B 20.2 If notice to suspend the operation of the Plan is given to all Participants as mentioned in rule B20.1, then the Directors may at any time thereafter give notice to all Participants that on and with effect from a date specified in such notice (being a date

which is not earlier than the date on which such notice is given) deductions from Salary will be resumed in accordance with each Participant's Partnership Share Agreement.

B 20.3 If deductions from Salary are resumed as mentioned in rule B20.2 then, if a Participant's deductions from Salary are to be accumulated, a fresh Accumulation Period shall begin with the date on which the first deductions from Salary are then made.

PART C: MATCHING SHARES

Issue of invitations to accept an appropriation of Matching Shares

C 1 The Directors may invite all those Plan Employees on whose behalf it is expected that the Trustee will acquire Partnership Shares on any day, to accept an appropriation of additional Shares ("Matching Shares") on that day in accordance with the provisions of this Part C of the Plan.

Requirements for Matching Shares

C 2 Matching Shares must be:

- (a) shares of the same class and carrying the same rights as the Partnership Shares with which they are matched;
- (b) appropriated on the same day as the Partnership Shares with which they are matched are acquired on behalf of the Participant; and
- (c) be appropriated to all Participants on exactly the same basis.

Limit on Matching Shares

C 3.1 The number of Matching Shares to be appropriated to a Participant on any occasion shall be a multiple of the number of Partnership Shares acquired on behalf of the Participant on that occasion.

C 3.2 Such multiple:

- (a) shall not exceed 2 (or such other ratio as may be for the time being permitted by paragraph 60 of the Schedule);
- (b) shall be specified in the Partnership Share Agreement; and
- (c) may be varied by the Directors at any time before the corresponding Partnership Shares are acquired PROVIDED THAT all Plan Employees are notified of any such variation before the corresponding Partnership Shares are acquired on behalf of Participants.

Carry-forward of unmatched Partnership Shares

C 4 If on an Appropriation Date the Trustee does not then acquire on behalf of any given Participant a sufficient number of Partnership Shares to qualify that Participant for an appropriation of a whole number of Matching Shares on that occasion (whether in consequence of an insufficiency of Partnership Share Money or otherwise) the Trustee shall, on the next occasion on which Partnership Shares are acquired on behalf of that Participant, appropriate to that Participant a number of Matching Shares calculated on the basis that the Partnership Shares acquired on that next occasion are increased by the number of Partnership Shares previously acquired on behalf of such Participant but which have not so far been counted in calculating the Participant's entitlement to any Matching Shares.

Agreement to accept an appropriation of Matching Shares

C 5 A Participant shall not be entitled to an appropriation of Matching Shares on any occasion unless he or she has first agreed with the Company (by entering into a Partnership Share Agreement) to accept and be bound by the following provisions of this Part C of the Plan.

Holding Period for Matching Shares

C 6.1 The Directors shall, in relation to Matching Shares, specify in the Partnership Share Agreement a period ("the Holding Period") throughout which a Participant shall be bound (except as mentioned in rule C6.3):

- (a) for so long as the Participant remains in Relevant Employment, to permit his or her Matching Shares to remain in the hands of the Trustee; and
- (b) not to assign, charge or otherwise dispose of his or her beneficial interest in such Matching Shares.

C 6.2 The Holding Period shall be a period, of not less than 3, nor more than 5, years (or such other periods required by paragraph 61 of the Schedule from time to time) beginning with the Appropriation Date, and shall be the same for all Participants in relation to Matching Shares appropriated on any occasion.

C 6.3 A Participant's obligation to permit his or her Matching Shares to remain in the hands of the Trustee shall be subject to the following exceptions:

- (a) the Trustee may at any time dispose of such a Participant's Plan Shares as may be necessary to realise sufficient monies to satisfy any obligation under PAYE as mentioned in rule E 14.1; and
- (b) a Participant may during the Holding Period direct the Trustee to deal with any of such Participant's Plan Shares as mentioned in rule E10.

Forfeiture of Matching Shares

C 7 If a Participant's Partnership Share Agreement so provides, his or her Matching Shares shall be at risk of forfeiture as provided in rule E6.

PART D: APPROPRIATION OF FREE SHARES

Appropriation of Free Shares

- D 1.1 The Trustee, acting with the prior consent of the Directors, may from time to time appropriate Shares in accordance with this Part D of the Plan on any such day ("the Appropriation Date") as the Trustee and the Company shall agree.
- D 1.2 Except in circumstances considered by the Directors to be exceptional, Shares shall only be appropriated within:
- (a) the period of 90 days beginning with the date on which this Plan is approved by HMRC; and thereafter
 - (b) a period of 42 days following an announcement to the London Stock Exchange of the Company's annual or half-year results.

Eligibility to receive an appropriation of Free Shares

- D 2.1 Shares shall not be appropriated to any person on any occasion unless he or she then meets the requirements of rule A 7.
- D 2.2 An individual shall not be entitled to be appropriated Shares in accordance with this Part D in any Tax Year if in that Tax Year he or she has participated (or is at the same time to participate) in another plan that meets the requirements of the Schedule established by the Company or a Connected Company or would have had shares appropriated to him or her but for the failure to meet any performance target set in relation to such appropriation.

Qualifying Period of employment

- D 3.1 The Directors may determine that a Plan Employee shall be eligible to have Shares appropriated to him or her on any such occasion only if he or she has, throughout such period ending on the Appropriation Date as the Directors shall specify, held continuous employment with a Qualifying Company.
- D 3.2 Any such Qualifying Period shall:
- (a) be of not more than 18 months; and
 - (b) be the same for all Employees in relation to appropriations of Shares on the same occasion.

Issue of invitations to accept an appropriation of Free Shares

- D 4.1 On any occasion on which the Trustee intends to appropriate Shares under this Part D, the Company shall invite every Plan Employee to participate in the Plan by:
- (a) accepting an appropriation of Shares (if or to the extent that such Employee is then entitled pursuant to the rules of the Plan to an appropriation of any

Shares) on that and on any subsequent occasion on which any Shares are to be appropriated under this Part D; and

- (b) permitting such Free Shares to remain in the hands of the Trustee as mentioned in rule D15.

D 4.2 No such invitation need be issued to any Plan Employee who is already party to a subsisting Participation Agreement.

D 4.3 Those Employees who wish to accept any or all such appropriations of Shares under this Part D shall within the period of 14 days after such notice is given, or such further period as the Company shall allow, complete and return to the Company (or such other person as the Company may direct) in such form as the Company may specify (which may be in writing or in electronic form) a Participation Agreement.

Employees' right not to accept an appropriation of Free Shares

D 5.1 An Employee may, by giving notice in writing to the Trustee before an Appropriation Date, direct that Shares under this Part D shall not be appropriated to him on that, or on any later, Appropriation Date.

D 5.2 Such a notice may be revoked by the Employee concerned giving notice in writing to that effect to the Trustee.

No matching of Free Shares

D 6 An Eligible Employee's entitlement to any Shares under this Part D shall not be made conditional upon such person holding or acquiring any other shares.

Determination of Market Value

D 7 Before Shares are appropriated to Eligible Employees by the Trustee on any occasion, the Directors shall determine the Market Value of such Shares as at the Appropriation Date.

Total number of Free Shares to be appropriated

D 8 The aggregate number of Shares to be appropriated to all Eligible Employees on any occasion under this Part D shall be determined by the Directors.

Numbers of Free Shares to be appropriated to each Eligible Employee

D 9 The number of Shares to be appropriated by the Trustee to each Eligible Employee on an Appropriation Date under this Part D shall be determined by the Directors in accordance with the following rules.

Limit on the value of Free Shares appropriated in any Tax Year

D 10 The Market Value as at the Appropriation Date (or, if more than one, the respective Appropriation Dates) of Shares appropriated to a Participant in any Tax Year under

this Part D shall not exceed £3,600 or such other amount as is stated in the Schedule to be the maximum value of shares which may be so appropriated.

Allocation of Free Shares by reference to performance

D 11.1 The Directors may stipulate that some or all of the Shares which may be appropriated on any occasion shall be so appropriated (if at all) by reference to performance (as mentioned below) over such period as the Directors shall determine provided that this applies to all Plan Employees.

D 11.2 A determination by reference to performance of the number of Shares (if any) to be appropriated to each Eligible Employee on any Appropriation Date shall be made only according to either of the two methods, Method One and Method Two, mentioned in rules D12 and D13.

D 11.3 In this Part D, references to "**performance**" shall be taken as referring to the performance of each given Performance Unit determined by reference to such fair and objective measures of the performance of the Performance Units to which they are applied being measures based on business results or such other objective criteria as the Directors may determine.

D 11.4 The Company shall procure that:

- (a) each Eligible Employee is notified of such performance measures and targets as will be used to determine the number of Shares appropriated to him or her on any Appropriation Date; and
- (b) all employees of Participating Companies are notified, in general terms, of the performance measures and targets to be used to determine the number of Shares to be appropriated to each Eligible Employee on such Appropriation Date SAVE THAT there may be excluded from such notice any information the disclosure of which the Directors reasonably consider would prejudice commercial confidentiality.

D 11.5 Such notices shall be given as soon as reasonably practicable.

D 11.6 The Directors may, by giving notice in writing to Eligible Employees, vary or waive the terms of any performance measures or performance targets as will be used to determine the number of Shares appropriated to such Eligible Employees on any Appropriation Date PROVIDED THAT:

- (a) in consequence of any such variation the revised performance targets are no more difficult to satisfy than would have been the performance targets had the variation not been made;
- (b) if different target levels of performance have been specified in relation to different Performance Units, the likelihood of each Performance Unit meeting the revised target set in relation to that Performance Unit must be no less than it would have been had the variation not been made; and

- (c) no such variation shall have effect unless an event or events have occurred which cause the Directors, acting fairly and reasonably, to consider that a different condition would be a fairer measure of performance.

Method One

D 12.1 By this method:

- (a) at least 20 per cent of the Shares appropriated on a given Appropriation Date are appropriated otherwise than by reference to performance;
- (b) the balance of the Shares appropriated on that Appropriation Date are so appropriated by reference to performance; and
- (c) the highest number of Shares so appropriated to any Eligible Employee as mentioned in sub-rule (b) above shall be not more than four times the highest number of Shares appropriated on that Appropriation Date otherwise than by reference to performance.

D 12.2 If Shares of different classes are to be appropriated on any occasion, this Method One shall be applied separately in relation to each class.

Method Two

D 13 By this method, the Directors may set any performance target in relation to each Performance Unit PROVIDED THAT:

- (a) if the Directors specify different target levels of performance which must be achieved as a condition for the appropriation of Shares to Eligible Employees in different Performance Units the targets set must, at the time they are set, be comparable in terms of the likelihood of each Performance Unit meeting the target set in relation to that Performance Unit; and
- (b) the number of Shares which, in consequence of the application of this Method Two, is available for appropriation to Eligible Employees within a given Performance Unit, shall be divided amongst and appropriated to such Eligible Employees on the basis of "similar treatment" (as mentioned in rule D14.2).

Non-performance related Free Shares to be appropriated on basis of similar treatment

D 14.1 If, or to the extent that, the number of Shares which are, or may be, appropriated to Eligible Employees on any occasion under this Part D is not determined by reference to performance, such Shares shall be allocated amongst and appropriated (if at all) to all Eligible Employees on the basis of similar treatment.

D 14.2 For these purposes "similar treatment" shall be taken as referring to:

- (a) each Eligible Employee being eligible to participate in the Plan (by qualifying to receive an appropriation of Shares) on any occasion on similar terms; and

- (b) a requirement that all those Eligible Employees who do participate actually do so on similar terms.

D 14.3 The requirement that Shares not allocated amongst and appropriated to Eligible Employees by reference to performance are so allocated and appropriated on the basis of similar treatment shall not be infringed by the appropriation of Shares by reference to an Eligible Employee's:

- (a) remuneration;
- (b) length of service; and
- (c) hours worked

provided each of those factors gives rise to a separate entitlement directly proportional to the amount of remuneration, length of service or hours worked.

D 14.4 Such requirement shall be infringed if Shares are appropriated by reference to factors other than remuneration, length of service or hours worked.

Holding Period for Free Shares

D 15.1 The Directors shall, in relation to each Appropriation Date, specify a period ("the Holding Period") throughout which a Participant must be bound by contract with the Company (except as mentioned in rule D15.3):

- (a) for so long as the Participant remains in Relevant Employment, to permit his or her Free Shares to remain in the hands of the Trustee; and
- (b) not to assign, charge or otherwise dispose of his or her beneficial interest in such Free Shares.

D 15.2 The Holding Period must be a period of not less than 3 years nor more than 5 years, (or such other periods required by paragraph 36 of the Schedule from time to time) beginning with the Appropriation Date and shall be the same in relation to all Free Shares appropriated on any given Appropriation Date.

D 15.3 A Participant's obligation to permit his or her Free Shares to remain in the hands of the Trustee throughout the Holding Period shall be subject to the following exceptions:

- (a) the Trustee may at any time dispose of such a Participant's Plan Shares as may be necessary to realise sufficient monies to satisfy any obligation under PAYE as mentioned in rule E 14.1; and
- (b) a Participant may during the Holding Period direct the Trustee to deal with any of such Participant's Plan Shares as mentioned in rule E10.

D 15.4 The Trustee shall notify each Eligible Employee to whom Free Shares are appropriated of the Holding Period applicable to such Free Shares.

Notification of appropriation

D 16 As soon as practicable after any Free Shares have been appropriated by the Trustee, the Trustee shall notify each Participant to whom Free Shares have been so appropriated on that occasion of:

- (a) the number of Shares appropriated to him or her;
- (b) the description of such Shares;
- (c) the Market Value of such Shares as at the Appropriation Date; and
- (d) the date on which the Holding Period ends.

Forfeiture of Free Shares

D 17 If a Participant's Participation Agreement so provides, his or her Free Shares shall be at risk of forfeiture as provided in rule E6.

PART E: PROVISIONS RELATING TO THE HOLDING OF PLAN SHARES

Holding of Plan Shares

- E 1.1 For so long as a Participant is in Relevant Employment, he or she may, subject to rule A9 (termination of the Plan) allow his or her Plan Shares to remain held in the Plan.
- E 1.2 All Plan Shares shall be registered in the name of the Trustee or such person as the Trustee shall in the absolute discretion determine in accordance with Clause 8.1(a) of the Plan Trust Deed.
- E 1.3 Except as otherwise expressly provided by the rules of the Plan, the terms of a Partnership Share Agreement or a Participation Agreement or as required or permitted by the provisions of the Schedule, Plan Shares of the same class shall not receive different treatment in any respect from the other shares of that class.
- E 1.4 The requirement of rule E 1.3 shall not be infringed by reason only that shares which are newly issued receive, in respect of dividends payable with respect to a period beginning before the date on which they were issued, treatment less favourable than that accorded to shares issued before that date.
- E 1.5 Subject to rule E12, cash dividends paid to the Trustee in respect of a Participant's Plan Shares shall be paid to the Participant as soon as practicable and, when making such payment, the Trustee shall deliver to each such Participant a statement within the meaning of section 1100 Corporation Taxes Act 2010.

Voluntary withdrawal of Shares from the Plan

- E 2 Except as provided by the terms of a Participation Agreement or a Partnership Share Agreement, a Participant may at any time withdraw any or all of his or her Plan Shares from the Plan by:
- (a) directing the Trustee in writing to transfer any or all of his or her Plan Shares to such Participant or to such other person as the Participant specifies;
 - (b) assigning, charging or otherwise disposing of his or her beneficial interest in any of the Participant's Plan Shares; or
 - (c) directing the Trustee to dispose of any or all of the Participant's Plan Shares and account (or hold itself ready to account) for the proceeds to the Participant or to another person.

Automatic withdrawal of Plan Shares upon ceasing to be in Relevant Employment

- E 3 If a Participant ceases to be in Relevant Employment then, subject to rule E6, his or her Plan Shares shall thereupon automatically be withdrawn from the Plan.

Consequences of withdrawal of shares from the Plan

- E 4.1 The provisions of this rule E4 are subject to the provisions of rule E14 (PAYE).

E 4.2 Whenever a Participant's Plan Shares are voluntarily or automatically withdrawn from the Plan pursuant to rules E2 or E3:

- (a) the Trustee shall immediately cease to hold such Shares in the Plan and, if and for so long as the Trustee then retains any title to or interest in such Shares, the Trustee shall hold such title or interest on bare trust for the Participant otherwise than in the Plan;
- (b) the Trustee shall write to the Participant as soon as reasonably practicable detailing the Participant's choices ("**Trustee Notification**");
- (c) the Participant shall have twenty-one days from the date of the Trustee Notification to direct the Trustee in writing to transfer the Shares to the Participant and following receipt of any direction, the Trustee shall transfer the Shares to the Participant as soon as reasonably practicable after the expiry of that twenty-one day period; and
- (d) if the Participant does not direct the Trustee in accordance with rule E4.2(c), the Trustee shall dispose of the Shares and account (or hold itself ready to account) for the proceeds to the Participant or to such other person as the Participant has specified.

E 4.3 Unless the Participant otherwise agrees, a disposal of shares as mentioned in E2(c) and E4.2(c) shall be for the best consideration which the Trustee is able to obtain at the time of such disposal.

E 4.4 References in this rule E4 to a disposal of Shares shall be construed as including references to a purchase by the Trustee of the beneficial interest in such Shares.

E 4.5 If a Participant has died, references in rule E4.2 to the Participant shall be read as references to his or her Personal Representatives.

No liability for loss occasioned by delay

E 5 In giving effect to any such direction as mentioned in rules E2(a) and E4.2(c) neither the Trustee nor the Company shall be liable to the Participant (or any other person) for any loss occasioned by delay on the part of the Company or the Trustee in giving effect to such direction or procuring a sale or transfer of any of a Participant's Plan Shares (whether or not such delay is occasioned by the Company's obligations to comply with the requirements of the London Stock Exchange or otherwise).

Forfeiture of Free and Matching Shares

E 6.1 The following provisions of this rule E6 shall apply in relation to a Participant's Free or Matching Shares only if the Participant's Participation Agreement or, as the case may be, the Participant's Partnership Share Agreement, pursuant to which such Free or Matching Shares were so appropriated, so provides.

E 6.2 If at any time within the period of 3 years beginning with the Appropriation Date, or for Shares appropriated after 17 July 2013, such other period as the Directors shall determine in relation to any of a Participant's Free Shares or Matching Shares, the Participant ceases to hold Relevant Employment (otherwise than in any of the

circumstances mentioned in rule E6.3), then his or her beneficial interest in all of the Free and Matching Shares appropriated to him or her upon that Appropriation Date shall thereupon be transferred to and become vested in the Trustee for no consideration.

E 6.3 The circumstances referred to in rule E6.2 are:

- (a) because of injury, ill-health or disability;
- (b) on being dismissed by reason of Redundancy;
- (c) by reason of a transfer to which the Transfer of Undertaking (Protection of Employment) Regulations 2006 apply;
- (d) by reason of a change of control or other circumstances ending the associated company status of the company by which he is employed;
- (e) by reason of retirement; or
- (f) death.

E 6.4 If at any time within the period of 3 years beginning with an Appropriation Date, or for Shares appropriated after 17 July 2013, such other period as the Directors shall determine in relation to any of a Participant's Matching Shares, the Participant withdraws from the Plan any of the Partnership Shares in respect of which such Matching Shares were so appropriated to him or her on that Appropriation Date, then his or her beneficial interest in those Matching Shares shall thereupon be transferred to and become vested in the Trustee for no consideration.

E 6.5 If at any time within the period of 3 years beginning with the Appropriation Date, or for Shares appropriated after 17 July 2013, such other period as the Directors shall determine in relation to any of a Participant's Free Shares or Matching Shares, any such Free Shares or Matching Shares are withdrawn from the Plan (otherwise than in consequence of the Participant ceasing to hold Relevant Employment in any of the circumstances mentioned in rule E6.3) then his or her beneficial interest in all of the Free and Matching Shares so withdrawn from the Plan shall thereupon be transferred to and become vested in the Trustee for no consideration.

E 6.6 The same provisions for forfeiture shall apply (if at all) in relation to all Free or Matching Shares appropriated on the same occasion.

Provisions of Shareholders' Information to Participants

E 7 The Company shall procure that copies of any or all such notices, circulars and other documents (except for proxy forms) sent to the holders of ordinary shares in the Company shall be sent to all Participants who have Shares held in the Plan.

Voting Rights Attaching to Plan Shares

E 8.1 In relation to any matter on which the Trustee has a right or opportunity as a member of the Company to vote or to exercise any other rights, the Trustee may, but shall not be obliged to, seek irrevocable directions from each Participant as to the manner in

which the Trustee should exercise such rights in respect of a Participant's Plan Shares.

- E 8.2 The Trustee shall comply with such directions and if, before such time as may be specified in writing by the Trustee, the Trustee does not receive directions in such form as the Trustee may specify (which may be in writing or, if appropriate, in electronic form) in respect of the exercise of voting or other rights attaching to any Plan Shares, then, the Trustee shall refrain from exercising any such rights.
- E 8.3 If the Trustee does not seek irrevocable directions from a Participant, the Trustee shall refrain from voting or exercising any other rights in relation to a Participant's Plan Shares.
- E 8.4 The Trustee shall not be entitled to vote on a show of hands on a particular resolution in respect of Plan Shares held on behalf of Participants unless all directions received from those Participants who have given directions in respect of that resolution are identical.
- E 8.5 The Trustee shall not be under any obligation to call for a poll, and in the event of any poll the Trustee shall in relation to Plan Shares vote only in accordance with the directions of Participants.

Rights Issues

- E 9.1 If the Company makes an offer or invitation conferring any rights upon its members to acquire against payment additional securities in the Company, the Trustee shall allocate such rights or securities amongst the Participants concerned in direct proportion to the number of Plan Shares respectively held by the Trustee on behalf of each Participant and, if such allocation shall give rise to a fraction of a security or a transferable unit thereof the Trustee shall round down to the next whole unit and shall aggregate the fractions not so allocated and use best endeavours to sell any rights or units which are not so allocated and distribute the net proceeds of sale (after deducting any expenses of sale and any taxation which may be payable) proportionately amongst the Participants whose allocation was rounded down, provided that any sum of less than £3 otherwise distributable to a particular Participant may be retained by the Trustee.
- E 9.2 If the Company makes an offer or invitation conferring any rights upon its members to acquire against payment additional shares, securities or rights of any description in the Company the Trustee shall comply with any direction from a Participant concerning the exercise or sale of any rights attributable to the Participant's Plan Shares PROVIDED THAT the Trustee shall not be required to exercise any such rights except to the extent that they have been provided with the full amount payable (if any) on such exercise either by the Participant concerned or, with his authority, out of the net proceeds of the sale, nil paid, of another part of the rights attributable to that Participant's Plan Shares.
- E 9.3 If no such direction as is mentioned in rule E 9.2 is received at least 2 business days before the last day on which such rights may be exercised, the Trustee shall take no action in relation to such rights.

- E 9.4 If a Participant so directs the Trustee at least 7 business days before the last day on which such rights may be exercised, the Trustee shall exercise a proportion of such rights by selling sufficient of the rights, nil paid, so that out of the net proceeds of sale, the balance of the rights may be exercised.
- E 9.5 Shares acquired by the Trustee on behalf of a Participant upon the exercise of such rights as are mentioned in rule E 9.2 and which are conferred in respect of all Ordinary Shares in the Company and are acquired in the manner mentioned in rule E 9.4 shall, for the purposes of this Part E, be held by the Trustee as Plan Shares and be deemed to have been appropriated to, or acquired by the Trustee on behalf of, the Participant in the same way and at the same time as were the Participant's Plan Shares in respect of which such rights were conferred.
- E 9.6 Subject to rule E9.5, any shares or other securities acquired by the Trustee on behalf of a Participant in any of the circumstances mentioned in rules E9.1 or E9.2 shall not be held in the Plan and shall not form part of that Participant's Plan Shares, but shall be held by the Trustee as bare trustee for the Participant subject to the provisions of rule E4.2(b) and (c).

Holding period: freedom to authorise Trustee to accept a general offer etc

- E 10 A Participant may during the Holding Period direct the Trustee:
- (a) to accept an offer for any of his Free or Matching Shares ("the original shares") if the acceptance or agreement will result in a new holding being equated with the original shares for the purposes of capital gains tax;
 - (b) to accept an offer of a Qualifying Corporate Bond (whether alone or with other assets or cash or both) for his Free or Matching Shares if the offer forms part of such a general offer as is mentioned in paragraph (c) below;
 - (c) to accept an offer of cash, with or without other assets, for his Free or Matching Shares if the offer forms part of a general offer which is made to holders of shares of the same class as his or of shares in the same company and which is made in the first instance on a condition such that if it is satisfied the person making the offer will have Control of that company, within the meaning of paragraph 37(6) of the Schedule; or
 - (d) to agree to a transaction affecting his Free or Matching Shares or such of them as are of a particular class, if the transaction would be entered into pursuant to a compromise, arrangement or scheme applicable to or affecting:
 - (i) all of the ordinary share capital of the company or, as the case may be, all the shares of the class in question; or
 - (ii) all the shares, or all the shares of the class in question, which are held by a class of shareholders identified otherwise than by reference to their employment or their participation in a plan which meets the requirements of the Schedule.

Company Reconstructions

E 11.1 The following provisions of this rule E11 apply if there occurs in relation to any of a Participant's Plan Shares (referred to in this rule E11 as "the Original Holding"):

- (a) a transaction which results in a new holding (referred to in this rule E11 as "the New Holding") being equated with the Original Holding for the purposes of capital gains tax; or
- (b) a transaction that would have that result but for the fact that what would be the new holding consists of or includes a Qualifying Corporate Bond

for the purposes of identifying the shares which, after the time of the Company Reconstruction, comprise a Participant's shares held in the Plan and identifying the beginning of any Holding Period or other period throughout which such shares are at risk of forfeiture as mentioned in rule E6. Such a transaction is referred to in this rule E11 as a "Company Reconstruction".

E 11.2 If an issue of shares of any of the following descriptions (in respect of which a charge to income tax arises) is made as part of a Company Reconstruction, such shares shall be treated for the purposes of this rule E11 as not forming part of the New Holding:

- (a) redeemable shares or securities issued as mentioned in paragraph 86(4)(a) of the Schedule;
- (b) share capital issued in circumstances such that paragraph 86(4)(b) of the Schedule applies;
- (c) share capital to which paragraph 86(4)(c) of the Schedule applies.

E 11.3 In this rule E11:

"Corresponding Shares", in relation to any New Shares, means the shares in respect of which the New Shares are issued or which the New Shares otherwise represent; and

"New Shares" means shares comprised in the New Holding which were issued in respect of, or otherwise represent, shares comprised in the Original Holding.

E 11.4 Subject to the following provisions of this rule E11, references in this Plan to a Participant's Plan Shares or, as the case may be, a Participant's Free Shares or a Participant's Matching Shares or a Participant's Dividend Shares shall be respectively construed, after the time of the Company Reconstruction, as being or, as the case may be, as including references to any New Shares.

E 11.5 For the purposes of this Plan:

- (a) a Company Reconstruction shall be treated as not involving a disposal of shares comprised in the Original Holding; and

- (b) the date on which any New Shares are to be treated as having been appropriated to or acquired on behalf of the Participant shall be that on which the Corresponding Shares were so appropriated or acquired.

E 11.6 In the context of a New Holding, any reference in this rule E11 to shares includes securities and rights of any description which form part of the new holding for the purposes of Chapter II of Part IV of the Taxation of Chargeable Gains Act 1992.

Reinvestment of Cash Dividends in Plan Shares

E 12.1 The Directors may at any time determine and notify all Participants that, with effect from such date as they shall specify:

- (a) some or all of the cash dividends paid to the Trustee in respect of every Participant's Plan Shares shall, subject to rule E12.4, be applied by the Trustee in acquiring further Shares on behalf of each such Participant on the date set by the Trustee (which shall be the same date in relation to all Participants) being a date within 30 days after the dividends are received by the Trustees; or
- (b) if a Participant so elects in writing, some or all of the cash dividends paid to the Trustee more than 30 days (or such shorter period as the Trustee may specify) after the Trustee has received such request shall, subject to rule E12.4, be applied by the Trustee in acquiring further Plan Shares on behalf of each such Participant on the date set by the Trustee (which shall be the same date in relation to all Participants) being a date within 30 days after the dividends are received by the Trustee; or
- (c) (whether or not any Participant has made such an election), some or all cash dividends paid to the Trustee in respect of every Participant's Plan Shares shall, with effect from 30 days (or such shorter period as the Trustee may specify) after the date of such notice, be paid by the Trustee to each such Participant in cash.

E 12.2 A Participant who has made an election as mentioned in rule E12.1(b) above may at any time thereafter give notice in writing to the Trustee revoking that election and the Trustee shall give effect to such revocation (so that all cash dividends paid to the Trustee in respect of that Participant's Plan Shares shall thereafter be paid by the Trustee to the Participant in cash) as soon as practicable after such notice has been received.

E 12.3 Any such election as mentioned in sub-paragraph (b) of rule E12.1, and any such notice of revocation as mentioned in rule E12.2, shall relate to all, and not some only, of a Participant's Plan Shares.

E 12.4 Any direction given by the Directors to the Trustee regarding the reinvestment of cash dividends in respect of Plan Shares held on behalf of Participants shall set out the amount of the cash dividends to be so reinvested or how that amount is to be determined.

E 12.5 The Shares which are so acquired on behalf of a Participant using cash dividends paid to the Trustee in respect of a Participant's Plan Shares:

- (a) shall be shares of the same class and carry the same rights as the shares in respect of which the dividend is paid; and
- (b) shall be held by the Trustee on behalf of the Participant upon and subject to the provisions of this Part E of the Plan.

E 12.6 The number of Shares so acquired on behalf of each Participant shall be a whole number determined by dividing the amount to be so applied (plus any amount brought forward as mentioned in rule E12.7) by the Market Value of a Share on the Acquisition Date.

E 12.7 Any cash balance remaining shall be retained and carried forward by the Trustee and added to the amount so applied on the next occasion SAVE THAT:

- (a) any amount of cash dividend so carried forward shall be separately identified by the Trustee; and
- (b) if it is not reinvested because the Participant ceases to be in Relevant Employment, or notice is given to terminate the Plan under rule A.9 such sum shall as soon as practicable be paid over to the Participant. On making such a payment, the Participant shall be provided with the information specified in paragraph 80 of the Schedule.

E 12.8 For the purposes of rule E12.7, an amount carried forward representing an earlier cash dividend shall be treated as reinvested before any such amount representing a later cash dividend.

E 12.9 In exercising its powers in relation to the acquisition of Dividend Shares, the Trustee must treat Participants fairly and equally.

E 12.10 As soon as practicable after any Dividend Shares have been acquired on behalf of a Participant, the Trustee shall notify the Participant of:

- (a) the number of Shares so acquired;
- (b) the description of such Shares;
- (c) their Market Value on the date on which they were so acquired;
- (d) the holding period applicable to them; and
- (e) the amount of any surplus cash dividends carried forward.

E 12.11 Any cash dividends which are not directed by the Directors to be reinvested under the Plan in respect of Plan Shares held on behalf of a Participant must be paid over to a Participant as soon as practicable.

Holding period for Dividend Shares

E 13.1 Except as mentioned in rule E10 and subject to rule E6.2, a Participant shall be bound:

- (a) to permit his or her Dividend Shares to remain in the hands of the Trustee; and
- (b) not to assign, charge or otherwise dispose of his or her beneficial interest in such Dividend Shares

for a period of 3 years beginning with the date on which such Shares are acquired on behalf of the Participant.

E 13.2 A Participant's obligation to permit his or her Dividend Shares to remain in the hands of the Trustee throughout the Holding Period shall be subject to the following exceptions:

- (a) the Trustee may at any time dispose of such a Participant's Plan Shares as may be necessary to realise sufficient monies to satisfy any obligation under PAYE as mentioned in rule E14.1; and
- (b) a Participant may during the Holding Period direct the Trustee to deal with any of such Participant's Plan Shares as mentioned in rule E10 (read and construed as if references in that rule to Free and Matching Shares included references to Dividend Shares).

PAYE

E 14.1 If, in consequence of any of a Participant's Plan Shares ceasing to be held in the Plan, the Participant is chargeable to income tax under Sections 510 to 512 of ITEPA, and an obligation to make a deduction required under PAYE arises in respect of that charge then:

- (a) unless within 14 days of the date on which the shares in question cease to be so held (or, if earlier the date on which the Trustee receives notice of such withdrawal) the Participant pays to the Trustee sufficient money to enable such obligation to be discharged, the Trustee may retain and dispose of any of the Shares so ceasing to be held in the Plan or any of the Participant's remaining Plan Shares (if any) as shall be necessary to raise sufficient funds (after deduction of expenses and commissions) to discharge such obligation; and
- (b) subject to rule E14.5, the Trustee shall pay to the Participant's Employer Company a sum which is sufficient to enable the Participant's Employer Company to discharge that obligation.

E 14.2 If on any occasion the Trustee receives a sum of money which constitutes (or forms part of) a Capital Receipt in respect of which a Participant is chargeable to income tax as employment income under ITEPA, the Trustee shall, subject to rule E14.6, pay out of that sum of money to the Participant's Employer Company an amount equal to that on which income tax is so payable and the Participant's Employer Company shall pay over that amount to the Participant subject to deduction of income tax and NICs under PAYE.

E 14.3 If a Participant disposes of his beneficial interest in any Plan Shares to the Trustee, and the Trustee is deemed for the purposes of the Schedule to have disposed of such Shares for any consideration, the Trustee shall, for the purposes of rule E14.2, be

deemed to have received such consideration as the proceeds of disposal of the Participant's Plan Shares.

E 14.4 For the purposes of this rule E14 " Participant's Employer Company" means a company:

- (a) of which the Participant is an employee at the time when the Participant's Plan Shares cease to be held in the Plan (as mentioned in rule E14.1) or when the Trustee receives or is deemed to receive the sum of money referred to in rule E14.2; and
- (b) to whom PAYE then applies.

E 14.5 If, in consequence of any of a Participant's Plan Shares ceasing to be held in the Plan, a Participant is chargeable to income tax under sections 510 to 512 of ITEPA and either:

- (a) there is no Participant's Employer Company; or
- (b) HMRC are of the opinion that it is impracticable for the Participant's Employer Company to make a deduction of income tax under PAYE

then the Trustee shall account for income tax under PAYE in respect of an amount equal to that on which income tax is payable as if the Participant were a former employee of the Trustee.

E 14.6 If the Trustee receives a sum of money as mentioned in rule E14.2 at a time when:

- (a) there is no Participant's Employer Company; or
- (b) HMRC are of the opinion that it is impracticable for the Participant's Employer Company to make a deduction of income tax under PAYE and so direct

then in paying over to the Participant the Capital Receipt, the Trustee shall make a deduction of income tax under PAYE in respect of an amount equal to that on which income tax is payable as mentioned in rule E14.2, as if the Participant were a former employee of the Trustee.

E 14.7 The reference in rule E14.1 to a disposal of Shares shall be construed as including a reference to a purchase by the Trustee of the beneficial interest in such Shares.

PART F: GLOSSARY

Definitions

F 1 The following words and expressions shall, where they are used in the Plan, have the following meanings:

"Accumulation Period"	in relation to Partnership Shares, the period during which a Participant's Partnership Share Money is accumulated by the Trustee pending the acquisition of Partnership Shares or its repayment to such person
"Acquisition Date"	in relation to an acquisition of Partnership Shares, the date mentioned in rule B10.5 and, in relation to Dividend Shares, the date mentioned in rule E12.1(b)
"Administrator"	such person as is from time to time appointed by the Trustee with the approval of the Company to administer the Plan and to whom the Trustee has delegated the necessary administrative powers pursuant to clause 5.21 of the Trust Deed
"Appropriation Date"	in relation to Free Shares or Matching Shares, the date on which such Shares are appropriated
"Associated Company"	has the meaning given in paragraph 94 of the Schedule
"Bank"	a person falling within section 991(2)(c) of Income Tax Act 2007 or a building society or a firm falling within section 991(2)(c) of Income Tax Act 2007
"Capital Receipt"	has the same meaning as in section 502(2) ITEPA
"the Company"	Babcock International Group PLC (registered number 2342138)
"Connected Company"	has the meaning given in paragraph 18(3) of the Schedule
"control"	has the same meaning as in section 719 of ITEPA
"Dealing Day"	a day on which the London Stock Exchange is open for business

"the Directors"	the board of directors of the Company or a duly authorised committee of such directors
"Dividend Shares"	Shares acquired by the Trustee on behalf of a Participant using dividends paid in respect of such Participant's Plan Shares and which are held in the Plan
"Eligible Employee"	in relation to an acquisition of Shares pursuant to Part B, or an appropriation of Shares under Parts C or D, on any occasion, a Plan Employee who satisfies all of the relevant conditions for participating in the Plan mentioned in rule A7.1
"Employee"	an employee of any member of the Group
"Financial Year"	means a financial year of the Company
"Free Shares"	Shares appropriated to an Eligible Employee in accordance with Part D of the Plan and which are held in the Plan
"the Group"	the Company and each and every company which is for the time being controlled by the Company within the meaning of section 719 of ITEPA and is also a subsidiary of the Company within the meaning of section 1159 of the Companies Act 2006
"HMRC"	HM Revenue & Customs
"Holding Period"	in relation to a Participant's Free Shares and Matching Shares, the periods specified by the Directors as respectively mentioned in rules D15 and C6 and, in relation to Dividend Shares, the period of three years mentioned in rule E13
"ITEPA"	the Income Tax (Earnings and Pensions) Act 2003
"the London Stock Exchange"	London Stock Exchange plc
"Market Value"	in relation to a Share on a given date: <ul style="list-style-type: none"> (a) if a Participant's Partnership Share Money is applied in the acquisition by way of purchase on the London Stock Exchange on behalf of such Participant on an Acquisition Date, means the price per Share at which such Shares

are so purchased or if Shares are so purchased at different prices on the same day, the aggregate number of Shares so purchased divided by the aggregate of the purchase monies paid for such shares; or

- (b) in any other case, if shares in the Company of the same class as the Shares are then listed on the London Stock Exchange, means the average of the middle market quotations of a Share as derived from the Daily Official List of the London Stock Exchange for the 3 consecutive Dealing Days last preceding that date; or
- (c) in any other case, means the market value of a Share on that date (or on such earlier date or dates as may be agreed in writing with HMRC, if required) determined in accordance with the provisions of Part VIII of the Taxation of Chargeable Gains Act 1992 and agreed in advance with HMRC Shares and Assets Valuation; and
- (d) is to be determined as if any restriction (as defined in paragraph 99(4) of the Schedule) to which the Shares are subject does not apply

"Matching Shares" Shares appropriated to an Eligible Employee under Part C and which are held in the Plan

"NICs" National Insurance Contributions

"Participant" in relation to Free Shares, a person who has been appropriated Shares which are held in the Plan and, in relation to Partnership Shares or Matching Shares, a person who is party to a subsisting Partnership Share Agreement or on whose behalf Partnership Shares, Matching Shares or Dividend Shares have been acquired and which are for the time being held in the Plan

"Participant's Employer" has the meaning given in rule E14.4

Company"

"Participating Company"

a company which is a member of the Group in relation to which the Directors have resolved that the employees of such company may, if so permitted by the rules of this Plan, be eligible to participate in this Plan

"Participation Agreement"

a contract between the Company and an Employee under which the Employee agrees to participate in the Plan (as mentioned in rule D4.3) which complies with the Schedule

"Partnership Shares"

shares acquired by the Trustee on behalf of an Eligible Employee using Partnership Share Money and which are held in the Plan

"Partnership Share Agreement"

a contract between the Company and a Participant (as mentioned in rule B1.1) which complies with the Schedule

"Partnership Share Money"

money deducted from an Employee's Salary pursuant to a Partnership Share Agreement and held by the Trustee pending the acquisition of Partnership Shares or its repayment to such person

"PAYE"

the requirements of Pay As You Earn as prescribed by Part 11 of ITEPA or regulations under section 684 ITEPA

"Performance Unit"

in relation to the allocation and appropriation of Free Shares by reference to performance, any one or more of (a) the Group; (b) a Participating Company; or (c) any business or part of a business of a Participating Company or any one Employee or group of two or more Employees as shall be specified by the Directors PROVIDED THAT no Employee shall be a member of more than one such group

"Personal Representatives"

in relation to a Participant, the legal personal representatives of the Participant (being either the executors of his will to whom a valid grant of probate has been made or if he dies intestate the duly appointed administrator(s) of his estate) who have provided to the Directors evidence of their appointment as such

"the Plan"	the Babcock Approved Employee Share Ownership Plan that meets the requirements of the Schedule as amended from time to time in accordance with rule A8
"Plan Employee"	an employee of a Participating Company who (i) a UK resident taxpayer (as defined in paragraph 8(2) of the Schedule) and (ii) every other employee of a Participating Company who has been nominated by the Directors
"Plan Shares"	subject to rules E 9.5 and E 11.4, Free and Matching Shares which have been appropriated to an Eligible Employee and Partnership and Dividend Shares which have been acquired by the Trustee on behalf of an Eligible Employee
"the Plan Trust"	the trust established by the Company by the execution of a trust deed substantially in the form set out in Part G and used in conjunction with this Plan for the purpose, inter alia, of holding on behalf of Participants legal title to Plan Shares
"Qualifying Company"	<p>in relation to a Qualifying Period:</p> <ul style="list-style-type: none"> (a) a company that is a Participating Company at the end of the Qualifying Period; (b) a company that, when the individual concerned was employed by it, was a Participating Company; (c) a company that, when the individual concerned was employed by it, was an Associated Company of either: <ul style="list-style-type: none"> (i) any such company as is mentioned in (a) or (b) above; or (ii) another company which is itself a Qualifying Company
"Qualifying Corporate Bond"	has the meaning given by section 117 of the Taxation of Chargeable Gains Act 1992
"Qualifying Period"	in relation to an individual's eligibility to acquire Partnership Shares or be appropriated Free Shares on any occasion, such period as is

	specified by the Directors, throughout which the individual must at all times have been an employee of a Qualifying Company
"Redundancy"	has the same meaning as in the Employment Rights Act 1996
"Relevant Employment"	employment by the Company or any Associated Company
"Salary"	has the same meaning as in paragraph 43 of the Schedule
"the Schedule"	Schedule 2 to ITEPA
"Shares"	ordinary shares in the capital of the Company (or, following a Company Reconstruction as mentioned in rule E11, shares issued in respect of, or which otherwise represent such first-mentioned shares) which, satisfy the requirements of paragraph 25 of the Schedule
"Subsidiary"	a subsidiary (within the meaning given in section 1159 of the Companies Act 2006) of the Company
"Tax Year"	a year ending 5 April
"the Trustee"	the trustee or trustees for the time being of the Plan Trust

Interpretation of the Plan

- F 2.1 Words and expressions used in the Plan but not defined in this Part F have the same meanings given in, or which they bear for the purposes of, the Schedule.
- F 2.2 References to the provisions of any Act, shall include any statutory consolidation, modification, amendment or re-enactment thereof, or any subordinate legislation made under it for the time being in force.
- F 2.3 Words denoting the singular shall include the plural and vice versa and words of the feminine gender shall include the masculine and vice versa.
- F 2.4 References to the "**appropriation**" of Shares shall be construed as references to the transfer of the beneficial interest in such Shares (and related expressions shall be construed accordingly).
- F 2.5 If New Shares (as mentioned in rule E11) are treated as appropriated to, or as having been acquired on behalf of, a Participant as mentioned in rule E11 all references in Part E and rule F2.6 to Shares (including references to Partnership Shares, Free

Shares, Matching Shares and Dividend Shares) shall be construed as including references to such New Shares and if such New Shares were so treated as having been appropriated to, or acquired on behalf of, a Participant in consequence of his or her interest in Partnership Shares, Free Shares, Matching Shares or Dividend Shares then references in Part E to any such Partnership Shares, Free Shares, Matching Shares or Dividend Shares shall be construed as including such New Shares.

- F 2.6 Subject to rule F2.5, references to Shares or to any interest in Shares being "**held in the Plan**" shall be construed as references to the legal title to such Shares being held by the Trustee, subject to and in accordance with the rules of this Plan (and related expressions shall be construed accordingly).
- F 2.7 References in relation to a Participant to "**participation in the Plan**" and related expressions shall be construed as references to participation by being a party to either (or both) a Partnership Share Agreement or a Participation Agreement or by reason of any Shares then being held in the Plan on behalf of such Participant.
- F 2.8 References to rules are to the rules set out in this Plan as amended from time to time in accordance with rule A8.
- F 2.9 References to the "**forfeiture**" of Free Shares or Matching Shares shall be construed as references to the transfer by a Participant to the Trustee of all of his or her interest in such Participant's Free or Matching Shares as mentioned in rule E6 (and related expressions shall be construed accordingly).
- F 2.10 A Participant shall not be treated for the purposes of this Plan as ceasing to be in Relevant Employment if he remains in the employment of the Company or any company which, in relation to the Company, is an Associated Company.

PART G: PLAN TRUST DEED

[Stamp duty: £5]

THIS TRUST DEED is made on 23 November 2001

BETWEEN:-

- (1) **BABCOCK INTERNATIONAL GROUP PLC** (registered in England No. 2342138) whose registered office is at 2 Cavendish Square London W1G 0PX ("**the Company**"); and
- (2) **CAPITA IRG TRUSTEES LIMITED**¹ (incorporated in England No. 3661515) whose registered office is at The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU ("**the Trustee**")

WHEREAS:-

- (A) The parties intend, by the execution of this Deed, to establish an employees' share scheme, the terms of which comply both with the requirements of section 1166 of the Companies Act 2006 and Schedule 2 to the Income Tax (Earnings and Pensions) Act 2003, to facilitate the acquisition and holding of shares by and for the benefit of employees of the Company and of subsidiaries of the Company pursuant to the Babcock Approved Employee Share Ownership Plan.
- (B) The Company has paid to Computershare Trustees Limited (the "**Original Trustee**") by way of gift the sum of £10, the receipt of which the Original Trustee hereby acknowledges.
- (C) The Original Trustee has agreed to act as the first trustee of this Trust.
- (D) The settlement created by this Deed shall be known as The Babcock AESOP Trust.

IT IS AGREED as follows:-

1. **INTERPRETATION**

- 1.1 The following words and expressions shall, where they are used in this Deed, have the following meanings:

" Bank "	an institution authorised under the Banking Act 1987
" Beneficiary "	a bona fide employee or former employee of any member of the Group
" Charity "	any company, trust, association or other body of persons established for charitable purposes only
" this Deed "	the provisions of this trust deed as varied or added to from time to time pursuant to and in accordance with clause 15

¹ Capita IRG Trustees Limited replaced Computershare Trustees Limited as trustee of the Babcock Approved Employee Share Ownership Plan Trust on 1 August 2008.

"employees' share scheme"	has the meaning given in section 1166 of the Companies Act 2006
"Foreign Cash Dividend"	means a cash dividend paid in respect of Plan Shares in a company not resident in the United Kingdom
"the Group"	the Company and each and every company which is for the time being controlled by the Company within the meaning of section 719 of the ITEPA and is also a subsidiary of the Company within the meaning of section 1159 of the Companies Act 2006
"the London Stock Exchange"	London Stock Exchange plc
"Participating Company"	a company which is a member of the Group in relation to which the Directors have resolved that the employees of such company may, if so permitted by the rules of the Plan, be eligible to participate in the Plan
"the Plan"	the Babcock Approved Employee Share Ownership Plan
"this Settlement"	the Babcock AESOP Trust
"Takeover Offer"	has the meaning given in section 974 of the Companies Act 2006
"the Trustee"	the Original Trustee or other the trustee or trustees for the time being of the trusts declared in this Trust Deed
"the Trust Fund"	<ul style="list-style-type: none"> (a) the initial sum of £10 paid to the Original Trustee; (b) all property, other than any Participant's Partnership Share Money, transferred to the Trustee to hold on the terms of this Settlement, including any accumulation of income of such property; and (c) all property from time to time representing the above
"the Trust Period"	<p>means the period beginning with the date hereof and ending upon the first to happen of the following namely:-</p> <ul style="list-style-type: none"> (a) the expiry of the period of eighty years beginning with the date of this Deed; or (b) such date as the Trustee (acting with the prior written consent of the Company) shall by deed declare to be the end of the Trust Period (not being a date earlier than the date of such deed)

"Trust Property"

any property comprised in the Trust Fund.

All terms used in this Deed which are defined in the Glossary to the Plan shall bear the same meanings as in that Glossary.

1.2 For the purposes of the interpretation of this Deed:-

- (a) words denoting the singular shall include the plural and vice versa;
- (b) words denoting the masculine gender shall include the feminine and neuter gender;
- (c) no account shall be taken of the clause headings which have been inserted for ease of reference only;
- (d) references to any statutory provision shall be read and construed as references to such provision as amended or re-enacted from time to time; and
- (e) references to clauses and Schedules are to be read and construed as references to clauses and Schedules of this Deed.

2. **PRINCIPAL TRUSTS**

2.1 The Trustee shall during the Trust Period hold the capital and income of the Trust Fund **UPON TRUST:**

- (a) for so long as the Plan, continues to meet the requirements of the Schedule, to hold the Trust Fund for the benefit of Beneficiaries but shall deal with the same only in accordance with the provisions of clauses 4 and 5; and
- (b) subject to (a) above, for all or such one or more exclusively of the other or others of the Beneficiaries at such age or time or respective ages or times and if more than one in such shares and either absolutely or for such period or respective periods and with such gifts over and upon such trusts (including discretionary trusts) and with or subject to such powers or provisions (whether dispositive or administrative at the discretion of the Trustee or of any one or more of the Beneficiaries or of any other person or persons) and generally in such manner in all respects for the benefit of all or any one or more of the Beneficiaries as the Trustee may at any time or times during the Trust Period by deed or deeds revocable or irrevocable in their discretion appoint **PROVIDED THAT** no exercise of the power conferred by this clause shall invalidate any prior payment or application of either the capital or income of the Trust Fund or affect any part thereof to which any person has become indefeasibly entitled.

2.2 In default of and subject to any appointment made under clause 2.1, and subject to the provisions of clause 5, the following trusts shall apply to the capital and income of the Trust Fund:-

- (a) the Trustee may accumulate the whole or part of the income of the Trust Fund during the Trust Period as an addition to the capital of the Trust Fund and as one fund with such capital for all purposes but the Trustee may apply such Trust Property as if it were income arising in the then current year;

- (b) subject to clause 5.2, the Trustee shall pay or apply the income of the Trust Fund to or for the benefit of any one or more of the Beneficiaries and if more than one in such proportions and in such manner in all respects as the Trustee shall in its absolute discretion think fit;
- (c) the Trustee may at any time or times during the Trust Period realise the whole or any part or parts of the Trust Fund and may pay the same to or apply the same for the benefit of any one or more of the Beneficiaries in such manner as the Trustee shall in its absolute discretion think fit; and
- (d) subject to the preceding provisions of this clause 2, the Trustee shall hold the capital and income of the Trust Fund at the expiry of the Trust Period **UPON TRUST** for such one or more of the Beneficiaries and if more than one in such proportion and in such manner in all respects as the Trustee shall before the end of the Trust Period, and in its absolute discretion, determine **SAVE THAT** if there are no such Beneficiaries or in default of such determination the Trustee shall hold the capital and income of the Trust Fund on trust absolutely for such one or more Charity as the Company shall in its discretion determine.

3. ADDITIONS TO THE TRUST FUND

- 3.1 The Trustee may at any time accept a gift of Shares or other assets to be held as an addition to the Trust Fund.
- 3.2 Any member of the Group may from time to time at its sole discretion transfer pay or credit sums of money to the Trustee to be held as an addition to the Trust Fund, and nothing in this Deed shall confer on the Trustee any right to receive any such transfer, payment or credit or create any trust of the money intended to be transferred, paid or credited unless and until the same shall have been actually transferred, paid or credited to the Trustee.
- 3.3 If Shares are listed on the London Stock Exchange, the Company shall apply for a listing for any Shares subscribed by the Trustee.
- 3.4 The Trustee shall not accept any contribution to the Trust Fund from any person if the acceptance of such contribution would cause this Settlement to be in breach of the rules restricting the accumulation of trust income.

4. PARTNERSHIP SHARE MONIES AND PARTNERSHIP SHARES

- 4.1 The Trustee shall accept any Participant's Partnership Share Money and shall hold such funds upon trust for the benefit of such Participant and shall deal with such funds and with any income from the investment of such funds only in accordance with the Plan **SAVE THAT** the Trustee shall be under no duty or obligation to deposit such funds in an interest-bearing account.
- 4.2 The Trustee shall apply each Participant's Partnership Share Money in acquiring Shares in accordance with the Plan by:
 - (a) purchase in the market;
 - (b) subscription; or
 - (c) acquisition by purchase from the Trust Fund.

4.3 The Trustee shall hold a Participant's Partnership Shares upon trust for the benefit of such Participant and shall deal with such Shares and all rights attaching to such Shares only in accordance with the Plan and this Deed.

4.4 For the purposes of section 13 of the Perpetuities and Accumulations Act 1964, the accumulation period applicable to any Partnership Share Money shall be 21 years from the date of this Deed.

5. TRUSTEE'S POWERS AND DUTIES RELATING TO THE PLAN

5.1 The Trustee shall join with the Company in establishing and giving effect to the Plan.

5.2 For so long as the Plan meets the requirements of the Schedule, the Trust Fund shall not be applied, and this Settlement shall not be used, otherwise than for the purposes of giving effect to the Plan.

5.3 The Trustee shall expend any sum received from any member of the Group as a contribution to the Trust Fund for any such one or more of the purposes mentioned in clause 5.4 as the Trustee shall in its absolute discretion determine and pending such expenditure shall deposit any such contribution with a Bank on such terms as the Trustee may in its absolute discretion think fit.

5.4 The purposes referred to in clause 5.3 are:

- (a) the acquisition of Shares for the purposes of the Plan;
- (b) the repayment of sums borrowed;
- (c) the payment of interest on sums borrowed;
- (d) satisfying any of the obligations of the Trustee under the Plan; and
- (e) paying expenses of the Trustee (including the fees of the Trustee, any administrator and any professional adviser retained by the Trustee in relation to the operation of the Plan).

5.5 The Trustee may only acquire shares or other securities which are not Shares if:

- (a) they are shares or other securities issued to the Trustee in exchange for or in respect of Shares in circumstances mentioned in section 135(1) of the Taxation of Chargeable Gains Act 1992; or
- (b) if they are shares or other securities acquired by the Trustee pursuant to a reconstruction or amalgamation as mentioned in section 136 of that Act.

5.6 The Trustee may at any time and from time to time appropriate Shares to any one or more of the Beneficiaries pursuant to and in accordance with the Plan.

Duty to give notice of appropriation of Free and Matching Shares

5.7 As soon as practicable after any Free Shares or Matching Shares have been appropriated to an Eligible Employee the Trustee shall give him or her notice of the appropriation:

- (a) specifying the number and description of those Shares;
- (b) details of any restriction (as defined in paragraph 99(4) of the Schedule) to which the Shares are subject;
- (c) stating their Market Value on the Appropriation Date; and
- (d) the Holding Period applicable to them.

Duty to give notice of acquisition of Partnership Shares

5.8 As soon as practicable after the Trustee has acquired any Partnership Shares on behalf of a Participant, the Trustee shall give him or her notice of the acquisition:

- (a) specifying the number and description of those shares;
- (b) details of any restriction (as defined in paragraph 99(4) of the Schedule) to which the Shares are subject;
- (c) stating the amount of Partnership Share Money applied by the Trustee in acquiring such Partnership Shares;
- (d) the Market Value in accordance with which the number of Partnership Shares acquired on behalf of a Participant was determined; and
- (e) informing him or her of any amount of surplus Partnership Share Money carried forward.

Duty to give notice of acquisition of Dividend Shares

5.9 As soon as practicable after any Dividend Shares have been acquired on behalf of a Participant the Trustee shall give him or her notice of the acquisition:

- (a) specifying the number and description of those shares;
- (b) stating their Market Value on the Acquisition Date;
- (c) stating the Holding Period applicable to them; and
- (d) informing him or her of any surplus amount of cash dividends carried forward.

Foreign cash dividends

5.10 If the Trustee receives any Foreign Cash Dividend in respect of any of a Participant's Plan Shares, the Trustee shall notify the Participant of the amount of any foreign tax deducted from the dividend before it was paid.

Duty to deal with Plan Shares

5.11 The Trustee shall hold and deal with all Shares appropriated to or acquired on behalf of any Participant only in accordance with the terms of Part E of the Plan and the following provisions of this Deed.

General duty of Trustee to retain Free Matching and Dividend Shares

- 5.12 Save as mentioned in clause 5.13, the Trustee shall not dispose of any of a Participant's Plan Shares that are Free Shares, Matching Shares or Dividend Shares (whether to the Participant or otherwise) at any time during the Holding Period relating to such Shares unless the Participant ceases to be in Relevant Employment.
- 5.13 The duty imposed by clause 5.12 shall not restrict the Trustee from disposing of any of a Participant's Plan Shares in accordance with a provision of the Plan which gives effect to the requirements of paragraphs 37, 77, 79, 90(5) of the Schedule.

Power of Trustee to raise funds to subscribe for a rights issue

- 5.14 The Trustee may, subject to clause 5.18, dispose of some of the rights under a rights issue in order to be able to obtain sufficient funds to exercise other such rights.
- 5.15 For the purposes of clause 5.14, "rights issue" means rights conferred in respect of a Participant's Plan Shares to be allotted, on payment, other shares or securities or rights of any description in the same company.

Duty of Trustee on Participant ceasing to be in Relevant Employment

- 5.16 If a Participant ceases to be in Relevant Employment, the Trustee must as soon as is practicable:
- (a) transfer such Participant's Plan Shares to the Participant or another person at his direction; or
 - (b) dispose of the shares and account (or hold themselves ready to account) for the proceeds to the Participant or to another person at his direction.
- 5.17 The Trustee shall pay over to a Participant any money or money's worth received by the Trustee in respect of or by reference to any of such Participant's Plan Shares, other than money or money's worth consisting of New Shares SAVE THAT this duty of the Trustee shall not prevent the Trustee from reinvesting cash dividends in accordance with the Plan nor from doing anything in fulfilment of its obligations under or in relation to PAYE.

General duties to Participants

- 5.18 Subject to clause 5.16, the Trustee shall dispose of a Participant's Plan Shares and deal with any right conferred in respect of any of his Plan Shares to be allotted other shares, securities or rights of any description only pursuant to a direction given by or on behalf of the Participant SAVE THAT the Trustee may dispose of any of a Participant's Plan Shares which cease to be held in the Plan and any of a Participant's remaining Plan Shares to meet any obligation imposed on the Trustee under or in relation to PAYE.

Duties in relation to tax liabilities

- 5.19 The Trustee shall:
- (a) maintain such records as may be necessary for the purposes of complying with any obligations of the Trustee or of any member or former member of the Group under PAYE and NICs so far as they relate to the Plan; and

- (b) when a Participant becomes liable to income tax under ITEPA or under Chapter 3 or 4 of Part 4 of the Income Tax (Trading and Other Income) Act 2005 by reason of the occurrence of any event, inform him of any facts relevant to determining that liability.

5.20 References in the preceding provisions of this clause 5 to a Participant include, in relation to a Participant who has died, a reference to his Personal Representatives.

Administration of the Plan

5.21 The Trustee may from time to time appoint any such person as the Company may approve to act as administrator of the Plan on such terms as the Trustee and the Company shall agree and in that event the Trustee shall delegate to such person such of the Trustee's administrative powers and duties as shall, in the opinion of the Directors, be necessary or appropriate to enable such person to procure the appropriation of Shares to, and the acquisition of Shares on behalf of, Participants and generally to administer the operation of the Plan PROVIDED THAT no such delegation shall take effect so as to divest the Trustee of any duty imposed on the Trustee by the provisions of this Deed.

5.22 The Trustee may pay the costs and expenses of any Administrator out of the Trust Fund.

Power to take and pay for professional advice

5.23 The Trustee may, for the purpose of enabling the Trustee or any Administrator to exercise the powers and duties of this Trust, seek and act upon the advice of any such firm of legal or other professional advisers and may pay for such advice out of the Trust Fund PROVIDED THAT no such advice shall be sought by the Trustee or the Administrator on any occasion without the prior approval (which shall not be unreasonably withheld) of the Company as to the choice of such adviser and the terms on which such advice shall be sought.

Provision of information to the Company

5.24 The Trustee shall provide to the Company and every other member of the Group all such information relating to the operation of the Plan as shall, in the opinion of the Directors, be necessary to enable each such member of the Group to fulfil its obligations to account for income tax and NICs under PAYE.

5.25 The Trustee shall, from time to time, provide to the Company such other information, relating to the operation of the Plan and to the individual entitlements of any or all of the Participants as the Company may request, and shall do so within such reasonable period as the Company may specify.

Residual Shares

5.26 If any Shares (other than a Participant's Plan Shares) remain Trust Property after either:

- (a) Shares have been awarded to Participants in accordance with the Plan on any occasion; or

- (b) the requirements of paragraph 90 of the Schedule have been complied with

the Trustee shall, if the Company so directs, hold such Shares upon trust to sell such Shares in the market and pay or apply the net proceeds of sale (after deduction of all costs and expenses and of such amount as, in the opinion of the Trustee, is sufficient to enable the Trustee to discharge in full all of its current and future liabilities, whether actual or

contingent) to or for the benefit of Participating Companies in such proportions, having regard to their respective contributions, to the Trust Fund as the Company shall direct.

6. TRUSTEE'S DEALINGS IN SHARES

- 6.1 For the purpose of enabling the directors of the Company to ensure compliance by the Company and by its directors with the rules and regulations imposed by the London Stock Exchange, the Trustee shall inform the secretary of the Company in writing in advance of any dealing by the Trustee in Shares (otherwise than any appropriation of Shares to or acquisition of Partnership Shares or Dividend Shares on behalf of, a Participant who is not a director of the Company being a dealing pursuant to or done for the purpose of giving effect to the operation of the Plan).
- 6.2 In the event that the Trustee provides any benefit (in whatever form) out of the Trust Fund to any Beneficiary (otherwise than pursuant to the Plan) the Trustee shall give details of such benefit to the secretary of the Company.
- 6.3 The Trustee shall not deal in Shares or other securities of the Company at any time if the Trustee is aware or has received notice in writing from the Company that any such dealing at that time would cause the Company or any Subsidiary or any director, officer or employee of the Company or any Subsidiary to be in breach of the provisions of the code of dealing adopted by resolution of the directors of the Company imposing restrictions upon dealings by directors and employees in Shares or securities of the Company as required by the rules of the London Stock Exchange **PROVIDED THAT** nothing in this clause shall compel the Trustee to enquire from the Company or any Subsidiary as to whether such dealing would breach any such provisions.

Waiver of Trustee's dividend and voting rights

- 6.4 The provisions of clauses 6.5 and 6.6 shall not apply (so that the Trustee shall not be taken to have waived their rights to receive dividends and/or exercise voting rights) throughout any period in relation to which the Company has given notice in writing to the Trustee that such provisions shall not apply **PROVIDED THAT** no such period shall commence before the date on which such notice is received by the Trustee.
- 6.5 Whilst and for so long as any Shares are held by the Trustee and no beneficial interest in such Shares has been vested in any Beneficiary the Trustee shall waive any right to dividend payments (save in respect of a dividend of 0.001p per share) in respect of such Shares and the Trustee shall not be liable for any loss to the Trust Fund as a result of such waiver.
- 6.6 Whilst any Shares in the Company are held by the Trustee the Trustee shall refrain from exercising any voting rights which may attach to the Shares **SAVE THAT** if the beneficial interest in any Share has been vested in any Beneficiary then the Trustee shall seek and comply with any direction from such Beneficiary as to the exercise of voting rights attaching to such Share.

7. INVESTMENT POWERS

- 7.1 The Trustee may apply the whole or any part of the Trust Fund in the acquisition of Shares by purchase or subscription from any person at a price which is not greater than the price which the Trustee would otherwise have to pay for the purchase of such Shares on the London Stock Exchange (or, if such Shares are not listed on the London Stock Exchange, in the open market) at the time of purchase.

7.2 The Trustee shall not be under any obligation to diversify the investment of the Trust Fund and, in particular, may:-

7.2.1 retain, in their existing condition, any investments, including Shares or other securities of the Company, or other property (including uninvested money) for the time being forming part of the Trust Fund for so long as the Trustee in its absolute discretion thinks fit notwithstanding that the same may comprise the sole investment of the Trust Fund; and

7.2.2 at its absolute discretion, invest the whole of the Trust Fund in the shares or securities of any one company

without being liable for any loss occasioned thereby.

7.3 The Trustee shall be under no obligation to:-

(a) become a director or officer, or interfere in the management or affairs, of any company any of the shares or stocks of which are, for the time being, comprised in the Trust Fund or any company associated with such company, notwithstanding that the Trustee has (whether directly or indirectly) a substantial holding in or control of any such company; or

(b) seek information about the affairs of any such company

but may leave the conduct of the affairs of any such company to its directors or other persons managing the company (so long as they have no actual notice of any act of dishonesty on the part of such directors or others in connection with the management of the company).

8. **ADDITIONAL POWERS**

8.1 In addition to all the powers vested in trustees by law or statute, the Trustee shall have the following powers regarding the Trust Fund:

(a) power to invest or hold or allow to remain in the name or under the control of any person as nominee or bare trustee of the Trustee the whole or such part of the Trust Fund as the Trustee shall in its absolute discretion think fit and the Trustee shall not be liable for any loss to the Trust Fund or the income thereof occasioned by the exercise of this power;

(b) power to promote, alone or with others, and to approve, concur or acquiesce in, or agree to carry into effect, alone or with others, any scheme, proposal or offer for or leading to or being a step in:-

(i) the reconstruction or amalgamation with any other company or corporation of any company or corporation in whose securities the Trust Fund or any part thereof shall be for the time being invested;

(ii) the release, modification or alteration of the rights, privileges or liabilities attached to any investments or other property forming part of the Trust Fund or attached to any property whatever having rights affecting any such investments or other property; or

(iii) the exchange of any investments or other property forming part of the Trust Fund for any other investments or other property

including the power to give warranties and indemnities for the foregoing purposes with power to accept any security, shares or other interest of any description of the reconstructed or purchasing or new company or demerged company or companies in lieu or in exchange for all or any of the original securities, shares or other interest and with power to retain any property so accepted as aforesaid for any period for which the original property could have been retained;

- (c) power to apply the Trust Fund or any part of it or the whole or any part of the income of the Trust Fund in paying any stamp duty or stamp duty reserve tax payable in respect of any transfer of or agreement to transfer Shares to a Beneficiary;
- (d) power to borrow moneys, for any purpose for which trust moneys may be applied under this Settlement, from any person or company (including any member of the Group) on such terms as the Trustee may decide **PROVIDED THAT** any loan made to the Trustee by any member of the Group shall be on terms which are no less favourable to the Trustee than if it had been made in a transaction made at arm's length between persons not connected with each other;
- (e) power to pay any duties or taxes or other fiscal impositions (together with any related interest or penalties or surcharges) for which the Trustee may become liable and to have entire discretion as to the time and manner in which such duties taxes and fiscal impositions shall be paid and no person interested under this Deed shall be entitled to make any claim whatsoever against the Trustee by reason of such payment;
- (f) power to arrange for any member of the Group to account to HMRC or other authority concerned for any amounts deducted from the sums of money paid or credited to the Trustee by any member of the Group or from or in respect of any amounts paid or property transferred by the Trustee to Beneficiaries in respect of income tax or any other deductions required by law;
- (g) power to delegate to any other person or persons (including any one or more of themselves) all or any of the administrative and management functions and powers (including investment powers) vested in the Trustee by the provisions of this Deed or by law without being liable for the acts or defaults of any such delegate or for any resultant loss to the Trust Fund **PROVIDED THAT:**
 - (i) the Trustee shall not be entitled to delegate the exercise of discretionary trusts and powers in relation to the Trust Fund which require or empower the determination of beneficial interests in the Trust; and
 - (ii) this power shall apply only if the Plan no longer meets the requirements of the Schedule;
- (h) power to convert any moneys forming part of the Trust Fund into any other property, whether incomes producing or not, in particular power to acquire any property with moneys forming part of the Trust Fund or the income thereof and to transfer such property or any part of it to any Beneficiary in exercise of the Trustee's powers and discretions;
- (i) power to deal with the Trust Fund as if the Trustee were a sole absolute beneficial owner of the Trust Fund;

- (j) power to make any payment to any Beneficiary into such Beneficiary's bank account and in such case the Trustee shall be discharged from obtaining a receipt or seeing to the application of such payment;
- (k) power to enter into any agreement or grant any option for the sale or other disposition of any shares stock or securities comprised in the Trust Fund upon any terms and for any consideration whatsoever and power to give warranties indemnities and undertakings for the above purposes;
- (l) power to make and to amend by resolution in writing such rules as the Trustee may in their absolute discretion think fit for the purpose of determining the basis upon which the Trust Fund shall be paid or applied to or for the benefit of Beneficiaries;
- (m) power in their absolute discretion to enter into any transaction with any other person or persons whether that person or persons is or are acting in a fiduciary capacity or not (being a transaction which apart from foregoing provisions of this Deed the Trustee could properly have entered into if it or any Trustee had not also been or been interested in such other person or persons) notwithstanding that the Trustee or any of them may also be or be interested in such other person or persons and in like manner in all respects as if the Trustees or any of them were not, or were not interested in, such other person or persons; and
- (n) power to agree with HMRC, if required, that, if the Market Value of any Shares falls to be determined for the purposes of the Schedule, the Market Value of such Shares shall be determined by reference to such date or dates, or to an average of the values on a number of dates, as may be specified in such agreement.

8.2 Each such power shall be a separate power in addition and without prejudice to the generality of all other powers vested in the Trustee, and the Trustee may exercise all or any of the same from time to time, without the intervention of any Beneficiary, in such manner and to such extent as they shall in their absolute discretion think fit **SAVE THAT** the Trustee shall not exercise any such power if or to the extent that to do so would be inconsistent with the trusts of this Trust Deed.

8.3 The discretions conferred upon the Trustee by this Trust Deed or by law shall be absolute and unfettered discretions and the Trustee shall not be obliged to give any person beneficially interested hereunder any reason or justification for any exercise or non-exercise of any such discretion.

9. **PERPETUITY PERIOD**

The Perpetuity Period applicable to this Trust shall be the period of 80 years from the date of execution of this Trust Deed.

10. **TRUSTEE**

10.1 Subject to the following provisions of this clause 10, the statutory power of appointing new or additional trustees of this Trust shall be vested in the Company and the Company shall have the power exercisable by deed to remove any person as trustee of this Trust and to appoint any new trustee of this Trust in the place of such person **SAVE THAT:-**

- (a) the power conferred by this clause 10.1 shall only be operative and capable of taking effect from the date on which the person who is to be removed as trustee receives

notice in writing of such removal and every new Trustee accepts office as such new Trustees; and

- (b) if the Company shall be the subject of a Takeover Offer which becomes or is declared unconditional in all respects the Company shall not exercise any power to remove any person as a Trustee or to appoint a new or additional Trustee at any time within the period of thirty days beginning with the date on which such Takeover Offer becomes or is declared unconditional in all respects.
- 10.2 Every trustee of this Trust shall be resident in the United Kingdom and the Company shall immediately remove as a trustee of this Trust any Trustee who ceases to be resident in the United Kingdom.
- 10.3 The minimum number of trustees of this Trust shall be two individuals or a body corporate.
- 10.4 So long as the number of trustees of this Trust is below the minimum number, the trustee shall not be entitled to exercise any discretion or power pursuant to the terms of this Deed.
- 10.5 Any Trustee may, at any time, by written notice given to the Company and to the remaining Trustees (if any), retire from his office at the expiry of one month from the date when such notice is received by the Company or any shorter period agreed in writing by the Company **PROVIDED THAT** such retirement shall not take effect unless and until immediately after it there will be as trustees of this Settlement, (whether by virtue of an appointment taking effect forthwith upon such retirement or otherwise), at least the minimum number of persons required by clause 10.3 to be the trustees.
- 10.6 Any person who ceases to be a trustee of this Settlement shall execute and do or make all such transfers or other documents acts or things as may be necessary for vesting the Trust Fund in the new or continuing Trustee or placing it under the control of the Trustee and shall be bound and entitled to assume that any new trustee of this Settlement is a proper person to have been appointed **PROVIDED ALWAYS** that if any outgoing trustee of this Settlement is liable as Trustee hereof for any duties or taxes or fiscal impositions (including without prejudice to the generality of the foregoing words capital gains wealth gifts probate succession death or any other duties or taxes on capital or income) wheresoever arising and whether or not enforceable through the courts of the place where such Trustee is resident or where this Settlement is for the time being administered then that person shall not be bound to transfer the Trust Fund as aforesaid unless reasonable security is provided for indemnifying them and their estates against such liability.
- 10.7 A trust corporation or other corporate trustee may be appointed by deed to be a Trustee upon such terms as to remuneration and otherwise as may be agreed at the time of its appointment by the person or persons making the appointment (on the one hand) and the trust corporation or other corporate trustee (on the other hand).
- 10.8 The provisions of sections 37 and 39 of the Trustee Act 1925 shall apply hereto as if any reference therein to a trust corporation were a reference to a company or body corporate carrying on trust business.
11. **REMUNERATION OF THE TRUSTEE**
- 11.1 Any Trustee or any director or other officer of a body corporate acting as a Trustee being an individual engaged in any profession or business, shall be entitled to be paid all usual professional or proper charges for work done by him, his firm or his company in connection with the trusts declared in this Trust Deed, on the usual terms and conditions of such firm or

company in force from time to time including (in addition to reimbursement of such firm or company's proper expenses, costs and other liabilities) the right to remuneration and the incidence thereof whether such work is in the ordinary course of his profession or business or not, including acts which a trustee, not being in any profession or business, could have done personally.

11.2 Any corporate body acting as a trustee:-

11.2.1 may carry out, in its own office, in connection with the trusts declared in this Trust Deed, any business which by its constitution it is authorised to undertake and in which it is then, in fact, ordinarily engaged, upon the same terms as would for the time being be made with an ordinary customer and if it is a bank, it shall be entitled to act as a banker to and make advances to the Trustees in connection with the trusts declared in this Trust Deed, without accounting for any profit thereby made and in all respects as if it were not one of the Trustees; and

11.2.2 may employ as a banker or investment adviser or other agent, on behalf of the trusts declared in this Trust Deed, any company, firm or enterprise associated with it **PROVIDED THAT** such agent is authorised by its constitution to undertake such business and that it is, in fact, ordinarily so engaged and that all charges made by it for work done or services provided in connection with the trusts declared in this Trust Deed are reasonable and normal.

12. **PERSONAL INTERESTS OF TRUSTEE**

12.1 No decision of or exercise of a power by the Trustee shall be invalidated or questioned on the grounds that the Trustee or any individual trustee of this Settlement or any director or other officer of a body corporate acting as a trustee of this Settlement had an interest in a personal or fiduciary capacity in the result of any decision or in the exercising of any power and any such person may vote in respect thereof and be taken into account for the purposes of a quorum notwithstanding his interest.

12.2 A Beneficiary who is one of the trustees of this Settlement or a director or other officer or employee of a body corporate acting as Trustee may retain all benefits to which he becomes entitled under this Trust Deed and shall not be liable to account for any property paid to or applied for the benefit of him or any spouse, former spouse, child (including step-child) of such Beneficiary.

12.3 Any Trustee and any director or other officer of a body corporate acting as Trustee shall not be precluded from acquiring, holding or dealing with any debentures, debenture stock, shares or securities whatsoever of the Company or any Subsidiary or from entering into any contract or other transaction with the Company or such Subsidiary or being interested in any such contract or transaction and none of them shall be in any manner whatsoever liable to account to the Company or the Beneficiaries for any profits made or benefits obtained by him or it thereby or in connection therewith.

12.4 Any Trustee or any director or other officer or any employee of a corporate body acting as Trustee or any associate or person or body connected with the Trustee may be employed and remunerated as a director or other officer or employee or as agent or adviser of any company, body or firm in any way connected with the Trust Fund and may keep as his property (and without being liable to account therefor) any remuneration, fees or profits received by him in any such capacity, notwithstanding that his situation or office may have been obtained, held or retained by means or by reason of his position as Trustee or as an employee or officer of a corporate trustee of the trusts declared in this Trust Deed.

13. PROTECTION OF THE TRUSTEE

- 13.1 In the professed execution of the trusts and powers contained in this Trust Deed, no trustee of this Settlement or director or other officer of a body corporate acting as Trustee shall be liable for any loss arising by reason of any mistake or omission made in good faith by him or by reason of any other matter or thing (including fraud, negligence or default of another trustee of this Settlement, nominee, agent, officer or other delegate) except fraud, wilful misconduct or (in the case of any individual trustee of this Settlement or any director or other officer of a body corporate acting as Trustee and who is engaged in the business of providing a trustee service for a fee) negligence on the part of the individual trustee of this Settlement or director or other officer of a body corporate acting as Trustee who is sought to be made liable.
- 13.2 The Company **HEREBY COVENANTS** with the Trustee and every director or other officer of a body corporate acting as Trustee jointly and severally for themselves and as trustees for their successors in title that it will at all times hereafter keep each of them and each of their successors in title as Trustee and each of their estates and effects fully indemnified and saved harmless both before as well as after any removal or retirement of a trustee of this Settlement pursuant to clause 10 hereof against all claims, losses, demands, actions, proceedings, charges, expenses, costs, damages, taxes, duties and other liabilities that may be suffered or incurred by them or by any of them in connection with the execution of the trusts and powers of this Trust Deed other than liabilities arising as a consequence of fraud, wilful misconduct or (in the case of a Trustee or any director or other officer of a body corporate acting as Trustee and who is engaged in the business of providing a trustee service for a fee) negligence and save to the extent that any such liability is capable of being discharged at the expense of the Trust Fund.

14. INFORMATION SUPPLIED BY THE COMPANY

The Trustee shall be entitled to rely, without further enquiry, on all information supplied to it by the Company and/or any directors or officers of the Company with regard to its duties as trustee of the trusts declared in this Trust Deed whether or not such information is for the purposes of or relates to the operation of the Plan, and the Trustee shall not be liable to any Participant or any member of the Group for any loss arising in consequence of the incompleteness or inaccuracy of any such information.

15. POWER OF MODIFICATION

- 15.1 During the Trust Period, the Company shall have power, so as to bind the Trustee, to vary, amend, modify, alter or extend the trusts, powers and provisions of this Trust Deed in any manner and in any particular whatsoever by deed delivered to the Trustee revocable (during the Trust Period) or irrevocable, which shall be expressed to be supplemental to this Trust Deed, and this Trust Deed shall then be read and construed and take effect as if the provisions of such deed were incorporated in this Trust Deed PROVIDED THAT no exercise of these powers may:-
- 15.1.1 amend the definition of "Beneficiary" in clause 1.1, or amend clauses 3.4 (accumulation), 10.2 (minimum number of trustees), 13.2 (indemnity), and this clause 15 (modification) or the proviso to sub-clause 8.1(d) (borrowing) insofar as they relate to loans made by any member of the Group;
- 15.1.2 confer on any person other than an employee or former employee of the Company or of any Subsidiary any eligibility or entitlement to benefit;

- 15.1.3 extend the power conferred by this clause 15 (modification) or remove the restrictions contained in this proviso;
 - 15.1.4 be effective to amend clauses 10.5 (outgoing Trustee), 10.6 (appointment), 11 (remuneration), 12 (personal interests) or 13 (protection), or otherwise to impose on the Trustee any obligations more onerous than the obligations accepted by the Trustee under this Settlement prior to such purported amendment without the prior consent of the Trustee in writing;
 - 15.1.5 cause this Settlement to cease to be an employees' share scheme;
 - 15.1.6 reduce or adversely affect the right or interest of any Beneficiary insofar as such right or interest has been granted, awarded or allocated pursuant to the prior exercise by the Trustees of the Trustee's powers under this Trust Deed; or
 - 15.1.7 adversely affect the position of the Trustee unless the Trustee gives prior written consent to such amendment.
- 15.2 Every power, authority or discretion conferred upon the Trustee or any other person and not expressly made exercisable only during a period allowed by law shall (notwithstanding anything to the contrary herein expressed or implied) only to be exercisable during the Trust Period and during such further period if any (whether definite or indefinite) as in the case of the particular power, authority or discretion the law may allow.

16. PROPER LAW

- 16.1 The trusts hereby created are established under the laws of England and Wales and subject as hereinafter provided the rights of the Beneficiaries and the rights powers and duties of the Trustee under this Trust Deed and the construction of every provision of this Trust Deed shall be determined according to the laws of England and Wales.

17. EXCLUSIONS FROM BENEFIT

Notwithstanding anything to the contrary herein expressed or implied, no part of the Trust Fund or the income thereof shall at any time be paid or lent or otherwise applied nor shall any power or discretion in this Trust Deed or by law conferred on the Trustee or on any other person in any circumstances be exercisable or exercised in any manner which causes the Company or any one or more Subsidiaries to be in breach of Chapter 2 of Part 1 of the Companies Act 2006 or causes this Deed to fall outside the provisions of Section 86 of the Inheritance Tax Act 1984.

18. COUNTERPARTS

This Trust Deed may be executed in any number of counterparts, and by the parties on separate counterparts, but shall not be effective until each party has executed at least one counterpart. Each counterpart shall constitute an original of this Trust Deed but all of the counterparts shall together constitute but one and the same instrument.

19. IRREVOCABILITY OF TRUSTS

The trusts hereby declared are irrevocable.

EXECUTED (but not delivered until dated))
as a Deed by **BABCOCK**)
INTERNATIONAL GROUP PLC)
acting by:-)

Director

Director/Secretary

THE COMMON SEAL of)
CAPITA IRG TRUSTEES)
LIMITED² was affixed in the presence of:-)

Director

Director/Secretary

² Capita IRG Trustees Limited replaced Computershare Trustees Limited as trustee of the Babcock Approved Employee Share Ownership Plan Trust on 1 August 2008.

Summary report:	
Litera Compare for Word 11.6.0.100 Document comparison done on 04/06/2024 12:15:44	
Style name: DP Style 2	
Intelligent Table Comparison: Active	
Original DMS: iw://cloudimanager.com/EMEA/10142024854/22	
Modified DMS: iw://cloudimanager.com/EMEA/10142024854/23	
Changes:	
Add	9
Delete	7
Move From	0
Move To	0
Table Insert	0
Table Delete	1
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
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