

**CALEDONIA INVESTMENTS PLC**

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**The Caledonia Investments 2020 Performance  
Share Scheme**

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**[Adopted by the Company in general meeting on [29 July] 2020]**

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## **CALEDONIA INVESTMENTS 2020 PERFORMANCE SHARE SCHEME**

### **1. DEFINITIONS AND INTERPRETATION**

1.1 In this Plan unless the context otherwise requires the following words and expressions shall have the meanings given in Schedule 1.

1.2 Where the context permits the singular shall include the plural and vice versa. Headings shall be ignored in construing the Plan.

1.3 References to any Act shall include any statutory modification, amendment or re-enactment thereof.

### **2. GRANT OF AWARDS**

2.1 The Committee may at any time during a Grant Period, in its absolute discretion, grant Awards to any Executives selected by the Committee.

2.2 Each Award shall be evidenced by an Award Notification issued by the Company and subject to such terms and conditions consistent with the Plan as the Committee may determine in its absolute discretion. Such Award Notification may be issued electronically or in hard copy.

2.3 Immediately prior to the granting of any Awards, the Board may, in its absolute discretion, enter into a deed poll recording its intention to grant Awards and agreeing to be bound by the Award Notification to be issued to the Executives in respect of such Awards. In the absence of a deed poll the Award Notification shall be issued as a deed. No consideration shall be payable by the Executive on the grant of an Award.

2.4 An Award will normally take the form of an Option, save that the Committee may, if appropriate, determine whether any Award will take the form of a Conditional Award instead. References to “realise”, “realised” or “realisable” in the case of a Conditional Award shall be construed as “vest”, “vested”, and in the case of an Option, be construed as “exercise for”, “exercised for” or “exercisable” respectively.

2.5 Every Award granted hereunder shall be personal to the Participant and, except to the extent necessary to enable a personal representative to realise the Award following the death of a Participant, neither the Award nor the benefit thereof may be transferred, assigned, charged or otherwise alienated. Any transfer of an Award otherwise than as permitted in this rule 2.5 shall cause an Award to lapse.

### **3. PERFORMANCE CONDITIONS**

3.1 The vesting of Awards will be dependent upon the satisfaction of one or more performance conditions that are considered by the Committee to be appropriate to the strategic objectives of the Company. The Committee can set different performance conditions for Awards granted in different years (in terms of the type of condition, the

weighting given to that condition and the targets applicable to each condition) provided that, in the reasonable opinion of the Committee, the performance conditions are not materially less challenging from any one Award to the next. An Award will vest on each Vesting Date as to the percentage of Shares determined in accordance with the applicable performance conditions for the respective Performance Period. An Award shall lapse to the extent the performance conditions are not met on the respective Vesting Date.

3.2 Performance conditions may be amended following the Date of Grant if:

- (i) as a result of the occurrence of an event, those circumstances which prevailed at the Date of Grant and which were relevant to the conditions that were originally imposed regarding the vesting of the Award have subsequently changed; and
- (ii) the Committee is satisfied that any such amended conditions remain objective, would be a fairer measure of performance, and the Committee reasonably considers that such amended conditions are no more difficult to satisfy than the original conditions,

and the Committee shall, as soon as reasonably practicable, notify a Participant of any determination made under this rule.

3.3 An Award may be granted subject to such conditions of realisation for payment of income tax, employee's national insurance contributions and employer's national insurance contributions liability as the Committee may determine (including without limitation the right to sell on the Participant's behalf sufficient Shares to satisfy any liability to taxation or employee's national insurance contributions or employer's national insurance contributions) and if any condition is imposed relating to the assumption, payment or reimbursement by the Participant of employer's national insurance contributions liability, such conditions shall comply with any applicable legislation or regulations and the Committee shall be entitled to waive in whole or in part the Participant's obligation in respect of such liability.

3.4 The grant of any Award under the Plan shall be subject to any applicable Dealing Restrictions.

3.5 Nothing in these rules or in an Executive's contract of employment shall be construed as giving to any Executive a right to be considered for participation in the Plan.

#### **4. LIMITS**

4.1 No Executive shall be granted an Award which would, at the proposed Date of Grant, cause the aggregate of the Market Value of Shares comprised in any Awards granted to that Executive under the Plan in respect of that Financial Year to exceed an amount equal to 200% of their Basic Salary as at the proposed Date of Grant.

4.2 If the grant of any Award would have the result of breaching the limit in rule 4.1 that Award shall be treated as taking effect over the maximum number of Shares over which it could have been granted without breaching such limit.

4.3 No Award shall be granted under the Plan to the extent that the result of that grant would be that:

(a) the aggregate number of Shares that could be issued on the realisation of that Award and any other Awards granted at the same time, when added to the number of Shares that:

(i) could be issued on the realisation of any other subsisting share options or awards granted during the preceding ten years under the Plan or any other Employees' Share Scheme established by the Company; and

(ii) have been issued on the realisation of any share options or awards granted during the preceding ten years under the Plan or any other Employees' Share Scheme established by the Company,

would exceed 10 per cent. of the ordinary share capital of the Company for the time being in issue; or

(b) the aggregate number of Shares that could be issued on the realisation of that Award and any other Awards granted at the same time, when added to the number of Shares that:

(i) could be issued on the realisation of any other subsisting share options or awards granted during the preceding ten years under the Plan or any other Executive Scheme; and

(ii) have been issued on the realisation of any share options or awards granted during the preceding ten years under the Plan or any other Executive Scheme,

would exceed 5 per cent. of the ordinary share capital of the Company for the time being in issue.

4.4 Reference in this rule 4 to the issue of Shares shall, for the avoidance of doubt, mean the issue and allotment (but not transfer) of Shares, and shall include Treasury Shares so transferred so long as UK institutional shareholder guidelines recommend this.

## **5. VESTING OF AWARDS**

### **Vesting of Award**

5.1 Save as provided in rules 6 and 10, an Award shall vest and be realisable to the extent specified in this rule 5 (and, subject to that, in whole or in part) on or after the relevant date as specified in rule 5.7 below.

5.2 An Award shall only vest if and to the extent the performance conditions imposed under rule 3.1 have been fulfilled or waived in accordance with these rules. Notwithstanding the satisfaction of any performance conditions imposed under rule 3.1 above, the Committee may, acting fairly and reasonably, reduce the number of Shares over which an Award would otherwise vest (including to nil) to take account of any matter the Committee considers appropriate including, but not limited to, the broader performance of the Company, the shareholder experience and the conduct of the Participant.

5.3 The aggregate maximum number of Shares which a Participant has the right to acquire at any time shall be determined in accordance with rule 5.7 to 5.9.

5.4 Vested Options shall be exercisable until the expiry of the Option Period. An Option may be exercised, subject to any Dealing Restrictions, only by the Participant's giving notice to the Company in the form and manner for the time being prescribed by the Committee, specifying the number of Shares in respect of which the Option is being exercised. Notice will take effect on the date it is accepted as valid by the Company or, if there are any Dealing Restrictions in place on that date, such later date when all Dealing Restrictions have lifted.

5.5 A Participant need take no action to realise a Conditional Award.

5.6 Realisation of an Award shall be conditional on the Participant complying with such arrangements specified by the Committee pursuant to rule 3.3 for the payment of any taxation, employees' national insurance contributions or employer's national insurance contributions liability.

### **Vesting periods**

5.7 Save as otherwise provided in these rules, an Award shall vest in tranches as follows:

- (i) one third of the Shares under the Award shall vest (to the extent that the applicable performance condition or performance conditions are satisfied in respect of the applicable Performance Period) on the First Vesting Date (or, if later, following testing of that performance condition); and
- (ii) the remaining two thirds of the Shares under the Award shall become exercisable (to the extent that the applicable performance condition or performance conditions are satisfied in respect of the applicable Performance Period) on the Second Vesting Date (or, if later, following testing of that performance condition);

save that on the Date of Grant the Committee may vary the proportion of the Shares under the tranche of the Award that vests on each of the First Vesting Date and the Second Vesting Date.

5.8 For the avoidance of doubt, Awards (or a tranche of an Award) may be realised in whole or in part, and on more than one occasion, in any period or periods referred to in rule 5.7, subject always to the limitations imposed in that rule, and to the other requirements of these rules.

5.9 Notwithstanding the above, an Award shall not vest if the Participant has been suspended from their employment by reason of suspected misconduct.

5.10 In respect of any Award (or a tranche of an Award), the vesting conditions set out in rules 5.7 to 5.9 shall not at any time apply:

- (i) in a case where a Participant has ceased to hold the office or employment by virtue of which he is eligible to participate in the Plan in any of the circumstances set out in rule 6.2;
- (ii) following the occurrence of any of the events specified in rules 10.1, 10.2, 10.3 and 10.5; and
- (iii) in the case where a Participant may realise their Award (or a tranche thereof) in accordance with rule 10.6.

## **6. CESSATION OF EMPLOYMENT**

6.1 Save as otherwise provided in these rules, an Award shall lapse automatically on the Participant ceasing to be an employee of a member of the Group for any reason (whether lawfully or unlawfully).

6.2 If a Participant ceases to be employed within the Group before the expiry of the Performance Period applicable to the Award (or to any tranche thereof where the Award is granted in tranches) owing to:

- (i) death;
- (ii) injury, ill-health or disability (as determined by the Committee);
- (iii) redundancy (within the meaning of the Employment Rights Act 1996);
- (iv) the sale of the business or company in which the Participant is employed out of the Group; or
- (v) any other reason if the Committee so decides in its discretion (such discretion to be exercised fairly and reasonably),

their Awards shall remain in force until the original Vesting Date, subject to the applicable performance conditions imposed under rule 3.1, save that the Committee may at its discretion, in exceptional circumstances, determine that Awards may be realised immediately in accordance with rule 6.3. Where an Award is in the form of an Option, the Option shall be exercisable for a period of 12 months following the Vesting Date unless the Committee shall, in its

discretion (such discretion to be exercised fairly and reasonably), determine that the Option may be exercised for a shorter or longer period.

6.3 Where an Award (or a tranche of an Award) may be realised under rule 6.2, the following shall apply: the number of Shares over which the Award (or the relevant tranche thereof) vests shall be multiplied by the fraction  $A/B$  where  $A$  is the number of complete months from the start of the relevant Performance Period applicable to the Award (or the relevant tranche thereof) to the Participant's leaving date, and  $B$  is the number of complete months from the start of the relevant Performance Period applicable to the Award (or the relevant tranche thereof) to the end of the relevant Performance Period. However, the Committee may in its absolute discretion determine that the Participant's entitlement should not be scaled down or should be scaled down in part only (the extent of scaling down being determined by the Committee in its absolute discretion).

6.4 Where a Participant holds Shares that are subject to a Holding Period and ceases to be employed within the Group during that Holding Period, such Shares shall continue to be subject to the Holding Period save that the Committee may, at its discretion, allow early release of some or all of such Shares prior to the end of the Holding Period.

## **7. MALUS AND CLAWBACK**

7.1 The Committee may (acting fairly and reasonably) determine that an Award (or tranche thereof) that has not yet vested shall lapse, in the event that the Committee considers that:

- (a) the Company has published materially misstated financial results;
- (b) there has been a miscalculation in determining the number of Shares over which the Award was granted;
- (c) there has occurred misconduct on the part of the Participant including (without limitation) where the Committee considers that there has occurred a breach of the Company's policies and procedures, a breach of professional or regulatory standards, or a material failure by the individual to demonstrate the competencies that the Company reasonably expects of the individual; and/or
- (d) events have occurred resulting in material loss or reputational damage to the Company or any member of the Group,

(provided that the Committee may, at its discretion, determine that the Award (or tranche thereof) should continue to subsist in relation to a reduced number of Shares, or on other different terms, in which event the Award (or tranche thereof) shall continue to subsist on such revised terms as the Committee thinks fit).

7.2 If it is discovered at any time prior to the second anniversary of a Vesting Date applicable to an Award (or tranche of an Award), that one or more of the



circumstances in 7.3 below has occurred, then the Committee may, acting fairly and reasonably, decide in respect of an Award held by a Participant that:

- (a) in relation to any Award (or tranche of an Award) that has been realised, the Company shall recover (whether by re-transfer of Shares, payment of cash proceeds or deductions from or set off against any amounts owed to the Participant by the Company or any member of the Group) an amount not exceeding the full benefit received by the Participant on realisation of such Award (or tranche of an Award) and, at the Committee's absolute discretion, all or part of an amount equal to the value received under rule 12.2; or
- (b) in relation to an Award (or tranche of an Award) that has not been realised, at the Committee's absolute discretion, the Award (or a tranche thereof) shall lapse or the number of Shares over which the Award (or a tranche of an Award) shall be reduced.

7.3 The Committee may consider that it is appropriate to exercise its discretion under rule 7.2, following the occurrence of any one or more of the following:

- (a) any material misstatement or restatement in the Company's or any member of the Group's audited financial statements (other than as a result of a change in accounting practice) as a result of events which occurred (or commenced) during the Performance Period of the Award (or a tranche of an Award);
- (b) a material miscalculation in determining the number of Shares over which the Award was granted or any determination by the Committee that, as a result of a material miscalculation during the Performance Period, the benefit received by the Participant on vesting of an Award (or a tranche of an Award) was incorrect; or
- (c) material misconduct by the Participant which occurred (or commenced) prior to the Vesting Date which the Committee reasonably considers would: (i) justify the summary dismissal of the Participant; (ii) result in significant reputational damage to the Company; (iii) have a material adverse effect on the Company's financial position; or (iv) reflect a significant failure of the Company's risk management or internal control policies and procedures.

7.4 For the purposes of rule 7.2, in determining the amount recoverable or by which an Award should be reduced under rule 7.2 (the **Clawback Benefit**), the Committee shall have regard to the Participant's tax position (including, without limitation, whether the value recovered under rule 7.2 has previously suffered income tax and national insurance contributions (**Taxation**), and, if so, whether that value would benefit from a refund of, or relief from, Taxation). For this purpose, the Committee may specify that the amount of the Clawback Benefit shall be dependent on the Participant's Taxation treatment as finally determined.

7.5 If the Committee decides to exercise its discretion under rule 7.1 or 7.2, it shall confirm this in writing to each affected Participant.

## **8. HOLDING PERIODS**

8.1 At the Date of Grant, the Committee shall in its absolute discretion determine whether or not to impose a mandatory Holding Period on the Shares to be allotted or transferred on realisation of an Award. Notwithstanding any other provisions of these rules, the Shares subject to the Holding Period may not be transferred, assigned, sold, pledged or otherwise disposed of during the Holding Period save as to satisfy any tax liability of the Participant incurred in connection with the Award. The Committee may impose such requirements as it considers necessary or desirable to ensure Participants observe the Holding Period including, but not limited to, requiring Participants to hold the Shares via a nominee. A Participant shall take such steps as the Committee may reasonably require to satisfy the Committee as to the Participant's observance of the Holding Period.

## **9. LAPSE OF AWARDS**

9.1 No Option shall be capable of being exercised after the expiry of the Option Period.

9.2 All Options shall lapse automatically at the end of any period during which they are exercisable under rule 6 or at the end of the Option Period. For the avoidance of doubt an Option exercisable under rule 6 may lapse at an earlier date by virtue of rules 10.1 to 10.6.

9.3 If a bankruptcy order is made in respect of a Participant, all Awards held by him shall lapse forthwith.

## **10. CORPORATE EVENTS**

### **General Offer**

10.1 If any person (either alone or together with any person acting in concert with them) makes a general offer to acquire the whole of the share capital of the Company (other than those shares which are already owned by them and/or any person acting in concert with them), the Company shall, as soon as reasonably practicable thereafter, give notice to each Participant of such general or other offer. Subject to the provisions of rule 10.7, all outstanding Awards shall vest on the date on which the offer becomes unconditional in all respects and each Participant may exercise their Options within the period of six months following such date. Failing any permitted realisation, the Awards shall lapse automatically provided that, if an event as described in rule 10.2 occurs during the six month period, the period during which the Awards may be exercised shall be the shorter of the periods specified under this rule 10.1 and rule 10.2.

### **Compulsory Acquisition**

10.2 Subject to the provisions of rule 10.7, if any person becomes bound or entitled to acquire Shares under sections 979 to 989 of the Companies Act 2006, all outstanding Awards shall vest on the date on which such person becomes so bound or

entitled and each Participant may exercise their Options, at any time during the period of 30 days from such date. Failing any permitted realisation, the Awards shall lapse automatically.

### **Scheme of Arrangement**

10.3 Subject to rule 10.4, if a court shall direct that a meeting of the holders of Shares be convened pursuant to section 895 to 900 of the Companies Act 2006 for the purposes of considering a scheme of arrangement of the Company:

- (a) subject to the provisions of rule 10.7, all outstanding Awards shall vest and each Participant may exercise their Options during such period as the Committee may determine, with such vesting and, if relevant, exercise conditional upon either the scheme of arrangement being approved by the shareholders' meeting or sanctioned by the court (as determined by the Committee in its absolute discretion) (the *Relevant Condition*);
- (b) failing any permitted realisation, the Awards (or such part thereof as the Committee may specify) shall cease to be realisable between the last time upon which permitted realisation may occur and the first date on which it can be determined whether or not the Relevant Condition is satisfied. If the Relevant Condition is not satisfied, the Awards shall continue. If the Relevant Condition is satisfied any Awards not realised (or such part thereof as the Committee may specify) shall lapse automatically on the date on which the scheme of arrangement is sanctioned by the court;
- (c) the Committee shall endeavour to procure that where a Participant has conditionally realised their Awards in accordance with (a) above prior to twelve noon on the day immediately preceding the date for which the shareholders' meeting is initially convened the scheme of arrangement shall, so far as it relates to Shares, be extended to such Participant as if each Share in respect of which the Award was conditionally realised had been allotted and issued, or transferred, to them by that time; and

10.4 Awards shall not without the consent of the Committee be realisable under the provisions of rule 10.3 if the purpose and effect of the scheme of arrangement is to create a new holding company for the Company, such company having substantially the same shareholders and proportionate shareholdings as those of the Company immediately prior to the scheme of arrangement. An Award will in such circumstances continue and be treated as an Award over such number of shares in the holding company as is determined to be appropriate by the Committee, and references in this Scheme to "the Company" shall be construed as references to such holding company as appropriate. For the avoidance of doubt any conditions imposed under rule 3.1 shall continue to apply.

### **Demerger**

10.5 Subject to the provisions of rule 10.7, if the Committee becomes aware that the Company is or is expected to be affected by any demerger, dividend in specie,

super-dividend or other transaction which, in the opinion of the Committee, would affect the current or future value of any Awards, the Committee may, in its absolute discretion, allow Awards to be realised. The Committee shall specify the period in which any such Options shall be exercisable and whether such Options shall lapse at the end of the specified period. The Committee shall notify any Participant who is affected by the Committee exercising its discretion under this rule.

### **Winding up**

10.6 If notice is duly given of a resolution for the voluntary winding up of the Company then the Committee acting fairly, reasonably and objectively and taking account of the extent to which any conditions imposed under rule 3.1 have been satisfied, the period of time which has elapsed since the start of the relevant Performance Period and any other criteria they may consider to be relevant, may allow Awards to vest and a Participant to exercise their Options within the period of two months from the date of the resolution, failing which realisation the Awards will lapse automatically.

### **Application of performance condition and pro-rating**

10.7 Where any Awards become realisable before the end of the Performance Period under rules 10.1 to 10.5 the number of Shares over which an Award may be realised shall be determined by the Committee by reference to the extent that the performance conditions as set out in rule 3.1 are met as at the date of the relevant event. This number of Shares shall then be multiplied by the fraction  $A/B$  where  $A$  is the number of complete months from the start of the relevant Performance Period applicable to the Award (or the relevant tranche thereof), to the date of the relevant event and  $B$  is the number of complete months from the start of the relevant Performance Period applicable to the Award (or the relevant tranche thereof) to the end of the relevant Performance Period, save that the Committee may, in its absolute discretion, modify the number of Shares over which an Award may be realised if it considers that the performance condition would have been met to a greater or lesser extent at the end of the full Performance Period. The Committee may also at its absolute discretion in appropriate circumstances (but not so as to result in an unjustifiably large vesting level) disapply or alter the fraction stated above to release a greater number of Shares if it considers that the contribution of the Participant to the creation of shareholder value during the Performance Period would not otherwise be properly recognised.

## **11. ADJUSTMENT OF AWARDS**

In the event of any Reorganisation of the share capital of the Company, the total number of Shares which may be issued under the Plan, the definition of *Shares*, the performance conditions under rule 3.1 to which the Award relate and the number of Shares comprised in an Award may be adjusted in such manner as the Committee may determine and such decision of the Committee shall be final and binding on the Participant and the Company.

## **12. ALLOTMENT OR TRANSFER OF SHARES**

12.1 Subject to any necessary consents and to compliance by the Participant with the terms of the Plan, and subject to any Dealing Restrictions and any arrangements to give effect to the Holding Period, the Company shall as soon as practicable and in any event not later than 28 days after: (i) in case of a Conditional Award, the Vesting Date; or (ii) in case of an Option, any notice of exercise takes effect in accordance with rule 5.4, either allot and issue, or procure the transfer of Shares (including Treasury Shares) to the Participant (or to their nominee) of the number of Shares vested in respect of an Conditional Award or specified in the notice of exercise in respect of an Option. The Company (unless the Shares are to be issued in uncertificated form) as soon as practicable shall deliver to the Participant (or their nominee) a definitive share certificate or other evidence of title in respect thereof together with, in the case of a partial realisation of an Award, an Award Notification in respect of (or the original Award Notification endorsed so as to show) the unrealised part of the Award. Where the Shares are issued or transferred to a nominee of the Participant, the Participant shall remain the beneficial owner of the Shares.

12.2 In addition to allotting, issuing or procuring the transfer of Shares to a Participant in accordance with rule 12.1 and subject to any necessary consents and to compliance by the Participant with the terms of the Plan, the Company shall as soon as practicable and in any event not later than 28 days after: (i) in case of a Conditional Award, the Vesting Date; or (ii) in case of an Option, any notice of exercise takes effect in accordance with rule 5.4 pay to the Participant Dividend Equivalents. Instead of making a cash payment, the Committee may in its absolute discretion satisfy any entitlement to Dividend Equivalents by issuing or transferring Shares with an equivalent value as determined on the Vesting Date.

12.3 If for any reason the Committee considers that it is impractical or legally onerous to deliver Shares in satisfaction of a realised Award, it may instead pay or procure the payment to the Participant of a cash sum equal to the Market Value of the Shares on the date on which the Award is realised plus the value of Dividend Equivalents under rule 12.2, subject to such deductions as are required by applicable law. The Committee may in its discretion procure the payment of any cash sum in sterling or the equivalent in the Participant's local currency (converted on the basis of such exchange rate as the Committee may in its discretion determine).

## **13. RIGHTS ATTACHING TO SHARES ALLOTTED OR TRANSFERRED PURSUANT TO AWARD**

13.1 All Shares allotted or transferred pursuant to the realisation of any Award shall, as to voting, dividend, transfer and other rights, including those arising on a liquidation of the Company, rank pari passu in all respects and as one class with the Shares in issue at the date of such realisation save as regards any rights attaching to such Shares by reference to a record date prior to the date of such realisation.

13.2 Any Shares acquired on realisation of Awards shall be subject to the articles of association of the Company from time to time.

13.3 For the avoidance of doubt, Participants shall have no voting or dividend rights in respect of the Shares under an Award prior to the realisation of the Award.

#### **14. AVAILABILITY AND LISTING OF SHARES**

14.1 The Company shall at all times keep available sufficient authorised but unissued Shares to permit the realisation of all unrealised Awards under which Shares may be allotted or shall otherwise procure that Shares are available for transfer in satisfaction of the realisation of Awards.

14.2 If and so long as the Shares are admitted to listing by the UKLA and admitted to trading by the London Stock Exchange, the Company shall, at its expense, make application to the UKLA and the London Stock Exchange for Shares allotted pursuant to the realisation of any Award to be admitted to such listing and trading respectively.

#### **15. POWERS OF THE COMMITTEE**

15.1 The decision of the Committee shall be final and binding in all matters relating to the Plan and it may at any time discontinue the grant of further Awards or amend any of the provisions of the Plan in any way it thinks fit PROVIDED THAT:

- (a) the Committee shall not make any amendment that would materially prejudice the interests of existing Participants except with the prior consent or sanction of Participants who, if they realised their Awards in full, would thereby become entitled to not less than three-quarters of all the Shares which would fall to be allotted or transferred upon realisation in full of all outstanding Awards; and
- (b) no amendment to the advantage of Executives or Participants may be made to:
  - (i) the definition of *Executive* in Schedule 1;
  - (ii) the limits on the numbers of Shares available for issue under the Plan;
  - (iii) the maximum entitlement of an Executive under the Plan;
  - (iv) the basis for determining an Executive's entitlement to Shares under the Plan;
  - (v) the terms of Shares to be provided under the Plan; or
  - (vi) the adjustment provisions of rule 11 of the Plan,

without the prior approval of the Company in general meeting except in the case of minor amendments to benefit the administration of the Plan, to take account of a change in legislation or developments in the law affecting the Plan or to obtain or maintain favourable tax, exchange control or regulatory treatment for Executives and Participants or any member of the Group; and

- (c) without prejudice to any provision of the Plan which provides for the lapse of an Award, the Committee may not cancel an Award unless the Participant agrees in writing to such cancellation.

15.2 Notwithstanding any other provision of the Plan, the Committee may establish appendices to the Plan for the purpose of granting Awards to Executives who are or may become primarily liable to tax outside the United Kingdom on their remuneration, subject to such modifications as may be necessary or desirable to take account of overseas tax, exchange control, securities laws or other applicable laws provided that any Shares made available under such appendices shall count towards the limits set out in rule 4.

## **16. DURATION OF THE PLAN**

Notwithstanding any other provision in the Plan no Award may be granted under the Plan later than ten years after the Adoption Date.

## **17. GENERAL**

17.1 Any member of the Group may provide money to the trustees of any trust or any other person to enable them to acquire Shares to be held for the purposes of the Plan, or enter into any guarantee or indemnity for those purposes, to the extent not prohibited by sections 687 to 680 of the Companies Act 2006.

17.2 The existence of any Award shall not affect in any way the right or power of the Company or its shareholders to make or authorise any or all adjustments, recapitalisations, Reorganisations or other changes in the Company's capital structure, or any merger or consolidation of the Company, or any issue of shares, bonds, debentures, preferred or prior preference stocks ahead of or convertible into, or otherwise affecting the Shares or the rights thereof, or the dissolution or liquidation of the Company or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

17.3 An Award will not constitute a contract of employment. The rights and obligations of any individual under the terms of their office or employment with the Group shall not be affected by their participation in the Plan or any right they may have to participate in the Plan. An individual who participates in the Plan waives all and any rights to compensation or damages in consequence of the termination of their office or employment with any company for any reason whatsoever (whether lawfully or unlawfully), insofar as those rights arise or may arise from their ceasing to have rights under the Plan as a result of such termination, or from the loss or diminution in value of such rights or entitlements. In the event of any conflict between the terms of this rule and the Participant's terms of employment, this rule will take precedence.

17.4 Benefits under the Plan shall not be pensionable.

17.5 The Company, or where the Committee so directs any Subsidiary, shall pay the appropriate stamp duty on behalf of Participants in respect of any transfer of Shares on the realisation of Awards.

17.6 These rules and any non-contractual obligations arising out of or in connection with these rules shall be governed by, and interpreted in accordance with, English law.

17.7 The English courts shall have exclusive jurisdiction in relation to all disputes (including claims for set-off and counterclaims) arising out of or in connection with these rules including, without limitation, disputes arising out of or in connection with: (i) the creation, validity, effect, interpretation, performance or non-performance of, or the legal relationships established by, these rules; and (ii) any non-contractual obligations arising out of or in connection with these rules. For such purposes each party irrevocably submits to the jurisdiction of the English courts and waives any objection to the exercise of such jurisdiction.

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

- (a) sent by post to their home address according to records held by the Company;
- (b) sent by email or fax to any email address or fax number according to records held by the Company or, in either case, such other address as may appear to the Company to be appropriate; or
- (c) provided electronically through a website hosted by the Company or an agent of the Company, provided that the Participant is notified by email, fax or post that such notice or document has been or will be provided in this manner.

17.9 Notices sent by post will be deemed to have been given two days after the date of posting. Notices sent by email or fax, in the absence of evidence to the contrary, will be deemed to have been received on the day after sending.

17.10 Notices provided through a website will be deemed to have been received on the day they are posted on the website or, if later, the day the Participant is deemed to have received the notice in accordance with Rule 17.9.

## **18. DATA PROTECTION**

18.1 By accepting the grant of an Award, a Participant acknowledges that the Company or any member of the Group may hold, process and transfer personal data relating to them to other members of the Group or to any third parties engaged by them for any and all purposes related to the operation and administration of the Plan in accordance with Company privacy and data protection policies and notices and where the processing is necessary for:

- (a) the operation of the Plan;
- (b) the Company or any member of the Group to comply with its legal obligations; or
- (c) the purposes of the legitimate interests pursued by the Company or any member of the Group.



18.2 A Participant also acknowledges that the Company or any member of the Group may, in accordance with Company privacy and data protection policies and notices and applicable law, transfer or store personal information outside the EEA, and that personal data may also be processed outside the EEA by the Company or any member of the Group or for one or more of its or their service providers.

## SCHEDULE 1

### DEFINITIONS

***Adoption Date*** means the date of the adoption of the Plan by the Company in general meeting;

***Award*** means an award granted under rule 2 in the form of an Option or a Conditional Award (which may comprise separate tranches where the performance conditions applicable to the Award are tested over different periods and, references to Awards in the rules shall, where the context permits or requires, include references to tranches thereof, irrespective of whether there is a reference to a tranche in the relevant rule);

***Award Notification*** means the notification to a Participant setting out the terms of an Award, whether issued to the Participant electronically or in hard copy;

***Basic Salary*** means an Executive's annual basic salary in respect of their employment with the Group;

***Board*** means the board of directors of the Company;

***the Committee*** means the Remuneration Committee of the Board of the Company or a duly appointed committee thereof;

***the Company*** means Caledonia Investments plc;

***Conditional Award*** means an Award which takes the form of a conditional right to acquire or receive Shares at no or nominal cost;

***Control*** has the meaning given to that word by section 995 of ITA;

***Date of Grant*** means in relation to an Award, the date on which an Award is granted;

***Dealing Day*** means a day on which the London Stock Exchange is open for business in London;

***Dealing Restriction*** means a restriction imposed by any law, order, regulation or directive, the Listing Rules, the Market Abuse Regulation, the Share Dealing Code, the City Code on Takeovers and Mergers, the rules applying to any listing of the Company and/or any other code adopted by the Company regulating dealing in Shares;

***Dividend Equivalent*** means an amount reflecting the value of dividends for which the record date falls between: (i) the Date of Grant; and (ii) the later of the Vesting Date of the Award and the expiry of any applicable Holding Period, calculated in such manner as the Committee in its absolute discretion determines and in particular the Committee may determine on a case by case basis whether it will be calculated by reference only to ordinary dividends or also by reference to any special dividends or distributions, super dividends or dividends-in-specie multiplied by the number of Shares that have vested under the Award;

**EEA** means the European Economic Area;

**Employees' Share Scheme** has the meaning given by section 1166 of the Companies Act 2006;

**Executive** means any employee or executive director of any company within the Group;

**Executive Scheme** means any Employees' Share Scheme (other than the Plan) under which individuals may be selected for participation at the discretion of the body administering that scheme;

**FCA** means the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000;

**Financial Year** means a financial year of the Company within the meaning of section 390 of the Companies Act 2006;

**First Vesting Date** means the third anniversary of the Date of Grant, or such other date prior to the Second Vesting Date as the Committee may determine;

**Grant Period** means the period of six weeks commencing on any of the following;

- (a) the day immediately following the day on which the Company makes an announcement of its results for the last preceding Financial Year, half year or other period;
- (b) any day on which the Board resolves that exceptional circumstances exist which justify the grant of Awards; or
- (c) the day immediately following the lifting of any Dealing Restrictions which prevented the grant of Awards during the periods referred to in (a) and (b) above.

**Group** means the Company and the Subsidiaries and *member of the Group* shall be construed accordingly;

**Holding Period** means the post-vesting period applied to vested Awards in accordance with rule 8 during which the Participant must retain either the Shares received from a realised Award (including any Shares delivered in satisfaction of dividends) or, in the case of a vested but unexercised Option, the Option itself;

**ITA** means the Income Tax Act 2007;

**Listing Rules** means the Listing Rules issued by the FCA, as amended from time to time;

**London Stock Exchange** means London Stock Exchange plc or any successor body thereto;

**Market Abuse Regulation** means Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse;

**Market Value** means, in relation to Shares on any day, for so long as such Shares are listed on the London Stock Exchange, their mid-market closing price as derived from the Daily Official List of the London Stock Exchange on the Dealing Day immediately preceding such date or, if the Committee so determines, the mean average of the mid-market closing prices over not more than 30 Dealing Days preceding such date and otherwise shall mean their market value as defined by section 272 of the Taxation of Chargeable Gains Act 1992;

**Option** means an Award which takes the form of an option to acquire Shares without payment;

**Option Period** means the period commencing when an Option (or a tranche thereof) becomes exercisable and expiring on the tenth anniversary of the Date of Grant;

**Participant** means any individual who holds a subsisting Award (or, where the context permits, the legal personal representatives of a deceased Participant);

**Performance Period** means the period over which any performance condition applicable to an Award is tested, which shall be, unless the Committee determines otherwise at the Date of Grant, (i) with respect to the tranche of an Award vesting on the First Vesting Date, the period of three Financial Years commencing with the Financial Year in which the Date of Grant falls, and (ii) with respect to the tranche of an Award vesting on the Second Vesting Date, the period of five Financial Years commencing with the Financial Year in which the Date of Grant falls;

**the Plan** means this Caledonia Investments 2020 Performance Share Scheme as set out in these rules as amended from time to time;

**Reorganisation** means any capitalisation or rights issue, and any sub-division or consolidation, or reduction of, share capital of the Company or any other variation of the share capital of the Company;

**Second Vesting Date** means the fifth anniversary of the Date of Grant, or such other date as the Committee may determine;

**Share Dealing Code** means the Company's code on share dealing as in force from time to time;

**Shares** means fully paid and irredeemable ordinary shares of 5p each in the Company or shares representing those shares following any Reorganisation;

**Subsidiary** means any subsidiary of the Company within the meaning of section 1159 of the Companies Act 2006 over which the Company has Control;

**Treasury Shares** means Shares held in accordance with sections 724 to 732 of the Companies Act 2006; and

***Vesting Date*** means the First Vesting Date, the Second Vesting Date, or the date on which an Award vests in accordance with rule 6 or rule 10.