

RULES OF THE MARSTON'S PLC SHARESAVE SCHEME

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1. INTERPRETATION AND CONSTRUCTION

1.1 Definitions

In this Scheme, the following words and expressions shall bear, unless the context otherwise requires, the meanings set out below:

"Appropriate Period"	the relevant period referred to in paragraph 38(3) of Schedule 3;
"Associated Company"	an associated company of the Company within the meaning of the expression in paragraph 47 of Schedule 3;
"Board"	the board of directors for the time being of the Company or a duly authorised committee thereof PROVIDED THAT if any person obtains Control of the Company, the Board shall consist of the members of the Board immediately prior to such Control being obtained;
"Bonus"	any sum payable to an Option Holder by way of a terminal bonus on completion of a Sharesave Contract;
"Bonus Date"	in respect of any Option, the earliest date on which a Bonus becomes payable (or would have become payable if the applicable bonus rate had been above 0%) under the related Sharesave Contract;
"the Company"	Marston's PLC (registered in England and Wales under No. 00031461)
"Close Company"	the meaning given by section 989 of the Income Tax Act 2007, as varied by paragraph 11(4) of Schedule 3;
"Constituent Company"	(a) the Company; (b) any Subsidiary which is under the Control of the Company and which the Board has determined shall be a Constituent Company;
"Control"	the meaning given by section 995 of the Income Tax Act 2007;
Date of Invitation	the date on which the Grantor invites applications for Options;
"Dealing Day"	any day on which the London Stock Exchange is open for the transaction of business;
"Eligible Employee"	means (a) any person who is an employee or Full-Time Director of a Constituent Company who: (i) has such qualifying period (if any) of continuous service (being a period not exceeding five years prior to the Grant Date) as the Board may in its absolute discretion and from time to time determine; and

	<ul style="list-style-type: none"> (ii) whose earnings from the office or employment by reason of which he satisfies the requirement in paragraph (a) are (or would be if there were any) general earnings to which section 15 of ITEPA applies (<i>earnings for year when employee UK resident</i>) for a tax year in which he is ordinarily resident in the United Kingdom; and (b) any other director or employee of any Constituent Company whom the Board may in its absolute discretion and from time to time select;
"Employees' Share Scheme"	the meaning given by section 1166 of the Companies Act 2006;
"Full Time Director"	an employee who is a director of any Constituent Company and required under his contract of employment to work for more than 25 hours per week (excluding meal breaks);
"Grant Date"	the date on which the Grantor grants an Option to an eligible employer;
"Grantor"	the Board (acting on behalf of the Company);
"Group Member"	the Company and any Subsidiary of which the Company has Control;
"HMRC"	HM Revenue & Customs or any successor tax authority;
Invitation Period"	<p>the period of 42 days commencing on any of the following:</p> <ul style="list-style-type: none"> (a) the day on which the Scheme is registered with HMRC; (b) the day after the Company makes an announcement of its results for any period; (c) the day on which changes are announced, effected or made to the legislation or regulations affecting UK tax-advantaged share option schemes; (d) any day on which a new Sharesave Contract prospectus is announced or takes effect; (e) any day on which the Board determines that exceptional circumstances exist which justify the issue of invitations,
	<p>PROVIDED THAT if the Grantor cannot issue invitations due to primary or secondary legislation, regulations or government directive or due to any code adopted by the Company (including by reason of its capital being listed on a stock exchange) the relevant Invitation Period shall be 42 days commencing on the day after the restriction is lifted;</p>
"ITEPA"	the Income Tax (Earnings and Pensions) Act 2003;
"Market Value"	<p>in relation to a Share on any day</p> <ul style="list-style-type: none"> (a) if and so long as the Shares are listed on the Official List their closing middle market quotation (as derived from the Daily Official List) for the immediately preceding Dealing Day; or

	(b) if paragraph (a) does not apply, the market value as determined in accordance with Part VIII of the Taxation of Chargeable Gains Act 1992 and agreed in advance with the Shares and Assets Valuation Division of HMRC;
"Maximum Contribution"	the maximum aggregate Monthly Contribution which a Participant may make under all Savings Contracts linked to options granted to him under this Scheme or any other Schedule 3 SAYE Option Scheme, being the lesser of: <ul style="list-style-type: none"> (a) £500 per month or any other maximum amount permitted under paragraph 25 of Schedule 3; and (b) such maximum Monthly Contribution as may be determined from time to time by the Grantor;
"Member of a Consortium"	the meaning given by paragraph 48(2) of Schedule 3;
"Minimum Contribution"	£5 or such greater amount as the Grantor may determine from time to time but not exceeding the minimum monthly contribution specified in paragraph 25(3)(b) of Schedule 3;
"Monthly Contributions"	monthly contributions agreed to be paid by an Option Holder under the Sharesave Contract;
"Official List"	the list maintained by the Financial Conduct Authority in accordance with section 74(1) of and for the purposes of Part VI of the Financial Services and Markets Act 2000;
"Option"	a right to acquire Shares under the Scheme which is either subsisting or (where the context so admits or requires) is proposed to be granted;
"Option Holder"	a director or employee, or former director or employee, to whom an Option has been granted or (where the context so admits or requires) the personal representatives of any such person;
"Option Price"	the price per Share, as determined by the Grantor, at which an Eligible Employee may acquire Shares upon the exercise of an Option being not less than the higher of:

	<p>(a) 80 per cent (or such other percentage as may be specified from time to time in paragraph 28(1) of Schedule 3) of:</p> <p>(i) the Market Value of a Share on the Date of Invitation; or</p> <p>(ii) the average of the Market Values of a Share on the Date of Invitation and the two immediately preceding Dealing Days; and</p> <p>(b) if the Shares are to be subscribed (which they may only be after the Scheme has been approved by the Company's shareholders), their nominal value</p> <p>subject to any adjustment pursuant to Rule 11 (Adjustments)</p>
"Repayment"	in relation to a Sharesave Contract, the aggregate of the Monthly Contributions which the Option Holder has made and, subject to Rule 2.4(d) (Contents of Invitation), any Bonus due at the Bonus Date;
"Rules"	these rules together with any schedules or appendices to these rules;
"Schedule 3"	Schedule 3 to ITEPA;
"Schedule 3 SAYE Option Scheme"	a scheme which meets the requirements of Schedule 3;
"Scheme"	the Marston's Plc Sharesave Scheme in its present form or as from time to time amended in accordance with the provisions hereof;
"Scheme-Related Employment"	the office or employment by reference to which an Option Holder is eligible to participate in the Scheme within the meaning of paragraph 10 of Schedule 3;
"Share"	a share in the ordinary share capital of the Company which satisfies the conditions specified in paragraphs 18 to 20 and paragraph 22 of Schedule 3;
"Sharesave Contract"	a contract under a certified SAYE savings arrangement (within the meaning of section 703(1) of the Income Tax (Trading and Other Income) Act 2005) which has been approved by HMRC for the purpose of Schedule 3;
"Standard Bonus"	<p>(a) for a three-year Sharesave Contract, the Bonus payable after completion of 36 Monthly Contributions; and</p> <p>(b) for a five-year Sharesave Contract, the Bonus payable after completion of 60 Monthly Contributions;</p>
"Subsidiary"	the meaning given by section 1159 of the Companies Act 2006;
"Trustees"	the trustees for the time being of any employee benefit trust established for the benefit of all or substantially all of the Eligible Employees, and

“UK MAR” the retained EU law version of the EU Market Abuse Regulation (596/2014) which applies in the United Kingdom.

- 1.2 References in the Scheme to any statutory provisions are to those provisions as amended, extended or re-entered from time to time and shall include any regulations made thereunder.
- 1.3 Unless the context otherwise requires, references in the Scheme to the singular shall include the plural (and vice versa), words importing a gender shall include every gender and references to a person shall include bodies corporate and unincorporated and vice versa.
- 1.4 Headings and captions are provided for reference only and shall not be considered as part of the Scheme.

2. APPLICATION FOR OPTIONS

2.1 Issue of Invitations: Invitation Period

Subject to Rules 2.2 and 2.3, during an Invitation Period, the Grantor may invite applications for Options from Eligible Employees.

2.2 Issue of Invitations: Timing of determination of Option Price

If the Option Price is determined by reference to the average Market Values of a Share in accordance with paragraph (a)(ii) of the definition of Option Price, the Date of Invitation must be chosen such that the Option Price is determined by reference to Dealing Days falling within an Invitation Period.

2.3 No Invitations before registration application or in breach of UK MAR

No invitations may be issued:

- (a) before the Company has applied to register the Scheme with HMRC, or
- (b) at any time when it would be unlawful, or in breach of UK MAR or any other regulation or guidance with which the Company complies.

2.4 Contents of Invitation

Any invitation to apply for Options shall be sent in writing to all Eligible Employees and shall include details of:

- (a) the Option Price or the mechanism by which the Option Price will be notified to Eligible Employees (which for the avoidance of doubt, may be different in respect of three and five year Sharesave Contracts);
- (b) the Maximum Contribution payable;
- (c) whether the Eligible Employees may elect for a three or five year Sharesave Contract;
- (d) whether, for the purpose of determining the number of Shares over which an Option is to be granted, the Repayment under the Sharesave Contract is to be taken as including the Standard Bonus, or no Bonus;
- (e) the date by which applications must be received (being neither earlier than 14 days nor later than 21 days after the Date of Invitation);
- (f) whether or not the Shares may be subject to any restriction and, if they are, the details of the restriction(s)

and the Grantor may determine and include in the invitations details of the maximum number of Shares over which applications for Options are to be invited.

2.5 Application for Sharesave Contract

Applications for Options must incorporate or be accompanied by an application for a Sharesave Contract.

2.6 Contents of Application

An application for an Option shall be in writing or in electronic format and in such form as the Grantor may from time to time prescribe save that it shall provide for the applicant to state:

- (a) the Monthly Contribution (being a multiple of £1 and not less than the Minimum Contribution) which he wishes to make under the Sharesave Contract to be made in connection with the Option for which application is made;
- (b) that his proposed Monthly Contribution (when taken together with any monthly contribution he makes under any other Sharesave Contract whether entered into in connection with the grant of an Option under the Scheme or in connection with the grant of an option under any other Schedule 3 SAYE Option Scheme) will not exceed the Maximum Contribution; and
- (c) if the Eligible Employee may elect for a three or five year Sharesave Contract, his election in that respect.

2.7 Provision for Scaling Down

Each application for an Option shall provide that, in the event of excess applications, each application shall be deemed to have been modified or withdrawn in accordance with the steps taken by the Grantor to scale down applications pursuant to Rule 3 (Scaling Down).

2.8 Number of Shares Applied for

Each application shall be deemed to be for an Option over the largest whole number of Shares which can be acquired at the Option Price with the expected Repayment at the Bonus Date under the Sharesave Contract entered into in connection with the Option.

2.9 Multiple Applications

Eligible Employees may apply for more than one Option in response to any invitation. However, if an Eligible Employee applies for more than one Option, he shall be deemed for the purposes of Rule 3 (Scaling Down) to have applied for a single Option.

3. SCALING DOWN

3.1 Process for Scaling Down

If valid applications are received for a total number of Shares in excess of any maximum number of Shares determined by the Grantor pursuant to Rule 2.4 (Contents of Invitation) or any limitation under Rule 5 (Scheme Limits) the Grantor shall scale down applications by taking the following steps (in any order it considers appropriate) until the number of Shares available equals or exceeds such total number of Shares applied for provided always that in reducing the number of Shares applied for, any adjustments shall ensure that an Eligible Employee's Monthly Contribution remains a multiple of £1:

- (a) by treating each election for a Bonus as an election for no Bonus; and/or
- (b) imposing a maximum Monthly Contribution; and/or
- (c) by reducing the proposed Monthly Contributions pro rata to the excess over such amount as the Grantor shall determine for this purpose being not less than £5; and/or
- (d) so far as necessary, selecting by lot.

3.2 Cancellation of Offer

If the number of Shares available is insufficient to enable an Option based on Monthly Contributions of £5 a month to be granted to each Eligible Employee making a valid application, the Grantor may, as an alternative to selecting by lot, determine in its absolute discretion that no Options shall be granted.

3.3 Modification of Process

If the Grantor so determines, the provisions in Rule 3.1 may be modified or applied in any manner as may be agreed in advance with HMRC.

4. GRANT OF OPTIONS

4.1 Grant Date

Within 30 days, or if Rule 3 (Scaling Down) applies, 42 days, of the earliest date by reference to which the Option Price is determined, the Grantor shall grant to each Eligible Employee who has submitted a valid application (within any applicable time limit), an Option over the largest whole number of Shares which can be acquired at the Option Price with the expected Repayment (and any applicable Bonus) under that Eligible Employee's Sharesave Contract at the applicable Bonus Date.

4.2 Persons to whom Options may not be granted

No Option shall be granted to any person if at the Grant Date that person shall have ceased to be an Eligible Employee.

4.3 Issue of Option Certificate

Options shall be granted by the Company executing a document, which may be in respect of an individual Option or any number of Options granted at the same time. This document shall be sealed or executed in such a manner as to take effect in law as a legally binding obligation of the Company. As soon as practicable after the Grant Date, the Company shall issue to each Option Holder an option certificate in such form (consistent with the provisions of the Scheme, and which may be in electronic form) as the Grantor may from time to time prescribe. Each such certificate shall specify the Grant Date of the Option, the number of Shares over which the Option is granted, the Bonus Date, the Option Price and whether or not the Shares are subject to any restriction and, if they are, the details of the restriction(s).

4.4 Limit on Contributions

No Eligible Employee shall be granted an Option to the extent it would at the proposed Grant Date cause the aggregate amount of his contributions under all Sharesave Contracts to exceed the Maximum Contribution.

4.5 Non-Transferability

Subject to the rights of exercise by an Option Holder's personal representatives pursuant to Rule 6.5 (Death), every Option shall be personal to the Option Holder to whom it is granted and shall not be transferable or in any way alienable.

4.6 Options granted Free of Charge

No amount shall be paid in respect of the grant of an Option.

4.7 Approvals

The grant of an Option shall be subject to obtaining any approval or consent required under any applicable laws, regulations or relevant authority (including the United Kingdom's Financial Conduct Authority) any code adopted by the Company and based on the "Model Code" on directors' dealings in securities or any applicable laws or regulations (whether in the UK or overseas).

Options must not be granted at any time when that grant is prohibited by, or in breach of UK MAR or any other law or regulation with the force of law; or any rule of an investment exchange on which Shares are listed or traded, or any non-statutory rule with a purpose similar to any part of UK MAR that binds the Company or with which the Board has resolved to comply.

5. NUMBER OF SHARES IN RESPECT OF WHICH OPTIONS MAY BE GRANTED

5.1 The number of Shares that may be allocated under the Scheme on any day shall not, when added to the aggregate of the number of Shares which have been allocated during that and the previous ten years under the Scheme and under any other Employees' Share Scheme adopted by the Company, exceed such number as represents ten percent of the ordinary share capital of the Company in issue immediately prior to that day.

5.2 In determining the above limit:

- (a) any shares allocated to the Trustees under the Scheme and any other Employees' Share Scheme adopted by the Company shall be included;
- (b) no account shall be taken of any Shares if the right to acquire such Shares was released or lapsed without being exercised;
- (c) no account shall be taken of any Shares if the right to acquire such Shares has been or is to be satisfied other than by the issue or allotment of any part of the share capital of the Company; and
- (d) Shares which have been or which may be transferred out of treasury to satisfy an Option or an option or award under any other Employees' Share Scheme shall be included (until such time as the Investment Association determines otherwise).

5.3 For the avoidance of doubt, references in this Rule 5 to the "allocation" of Shares shall mean, in the case of any share option plan or any other plan providing for the grant of an award to acquire a Share, the placing of unissued Shares under option or award, and, in relation to other types of Employees' Share Scheme, shall mean the issue and allotment of Shares.

6. RIGHTS TO CHOOSE OPTIONS

6.1 No Exercise Before Bonus Date

Save as provided in Rules 6.5 (Death), 6.6 (Termination of Employment), and 8 (Takeover, Reconstruction and Liquidation), an Option shall not be exercised earlier than the Bonus Date under the relevant Sharesave Contract.

6.2 No Exercise More Than Six Months After Bonus Date

Save as provided in Rule 6.5 (Death), an Option shall not be exercised later than six months after the Bonus Date under the relevant Sharesave Contract.

6.3 Partial Exercise

An Option may be exercised in part only, however, if such partial exercise occurs the unexercised part shall lapse at the date of exercise.

6.4 Requirement of Continued Employment

Save as provided in Rules 6.5 (Death) 6.6 (Termination of Employment), and 6.7 (Option Holder ceasing to be employed by Constituent Company) an Option Holder may exercise an Option only while he continues to hold a Scheme-Related Employment.

6.5 Death of the Option Holder

The personal representatives of a deceased Option Holder may exercise his Option to the extent of the Repayment due under the Sharesave Contract at the date of death within:

- (a) one year following the date of his death, if such death occurs before the Bonus Date;
- (b) one year following the Bonus Date if such death occurs on or within six months of the Bonus Date.

6.6 Termination of Employment

An Option may be exercised by an Option Holder within six months following his cessation of a Scheme-Related Employment by reason of:

- (a) injury or disability proved to the satisfaction of the Board;
- (b) redundancy within the meaning of the Employment Rights Act 1996 (or The Employment Rights (Northern Ireland) Order 1996, as applicable);
- (c) retirement;
- (d) a relevant transfer within the meaning of the Transfer of Undertakings (Protection of Employment) Regulations 2006;
- (e) if the Option Holder holds office or is employed by a company which is an associated company (as defined in paragraph 35(4) of Schedule 3) of the Company, that company ceasing to be such an associated company by reason of a change of control (determined as referred to in paragraph 34(2) of Schedule 3);
- (f) the transfer or sale of the undertaking or part-undertaking in which he is employed to a person who is not an Associated Company where the transfer is not a relevant transfer within the meaning of the Transfer of Undertakings (Protection of Employment) Regulations 2006; or
- (g) provided more than three years have elapsed since the relevant Grant Date, any reason other than summary dismissal.

6.7 Option Holder Ceasing To Be Employed by Constituent Company

If an Option Holder ceases to be a director or employee of a Constituent Company, but on the Bonus Date is an employee or director of an Associated Company, he may exercise his Option within six months of that date.

6.8 Transfer of Employment within Group

No person shall be treated for the purposes of this Rule 6 as ceasing to hold an office or employment by virtue of which that person is eligible to participate in the Scheme until that person ceases to hold any office or employment in the Company or any company which is an associated company of the Company for the purposes of paragraph 35(4) of Schedule 3.

7. LAPSE OF OPTIONS

7.1 General

Options shall lapse upon the occurrence of the earliest of the following events:

- (a) subject to Rule 7.1(b) (lapse following death), six months after the Bonus Date under the Sharesave Contract entered into in connection with the Option;

- (b) if the Option Holder dies before the Bonus Date, twelve months following the date of death, and if the Option Holder dies on the Bonus Date or in the period of six months after the Bonus Date, twelve months after the Bonus Date;
- (c) the expiry of any of the periods specified in Rule 6.6 (Termination of Employment) (save that if at the time any of the applicable periods under Rule 6.6 expire, time is running under the period in Rule 6.5 (Death), the Option shall not lapse by reason of this Rule 7.1(c) until the expiry of the period under Rule 6.5);
- (d) the expiry of any of the periods specified in Rules 8.1, 8.3, 8.4 (Takeover, Reconstruction and Liquidation) and 8.5 (Liquidation) save if an Option is released in consideration of the grant of a New Option pursuant to Rule 8.8 (Exchange of Options);
- (e) if Rule 8.7 applies, the expiration of the applicable Appropriate Period without the Option having been released in accordance with Rule 8.8 (Exchange of Options);
- (f) the Option Holder ceasing to hold an office or employment with a Constituent Company or an Associated Company, howsoever that cessation occurs whether lawful or unlawful, in any circumstances other than if the cessation of office or employment arises as referred to in Rules 6.5 (Death) or 6.6 (Termination of Employment);
- (g) subject to Rule 8.5 (Liquidation), the passing of an effective resolution, or the making of an order by the Court, for the winding-up of the Company; and
- (h) the Option Holder being deprived (otherwise than on death) of the legal or beneficial ownership of the Option by operation of law, or doing or omitting to do anything which causes him to be so deprived or he becomes bankrupt.

8. TAKEOVER, RECONSTRUCTION AND LIQUIDATION

8.1 General Offer

Subject to Rules 8.3 (Compulsory Purchase of Minority Shareholdings) and 8.7 (Internal Reorganisation), if any person obtains Control of the Company as a result of making either:

- (a) a general offer to acquire the whole of the issued ordinary share capital of the Company (which is either unconditional or is made on a condition such that if it is satisfied the person making the offer will have Control of the Company); or
- (b) a general offer to acquire all the shares in the Company which are of the same class as the Shares

(in either case disregarding any Shares already owned by it or by any company associated with it), any Option may be exercised within six months of such change of Control.

8.2 Control

For the purposes of Rule 8.1, a person shall be deemed to have obtained Control of the Company if he, and any others acting in concert with him, have together obtained Control of it.

8.3 Compulsory Purchase of Minority Shareholdings

Subject to Rule 8.7 (Internal Reorganisation), if any person becomes bound or entitled to acquire Shares under Sections 979 to 985 of the Companies Act 2006, an Option may be exercised while that person remains so bound or entitled.

8.4 Court Sanction of a Compromise or Arrangement

Subject to Rule 8.7 (Internal Reorganisation), if under section 899 or 901F of the Companies Act 2006, the Court sanctions a compromise or arrangement that is applicable to or affects:

- (a) all the ordinary share capital of the Company or all the shares of the same class as the shares to which the Option relates; or
- (b) all the shares, or all the shares of that same class, which are held by a class of shareholders identified otherwise than by reference to their employment or directorships or their participation in a Schedule 3 SAYE option scheme

an Option may be exercised within six months thereafter.

8.5 Liquidation

If the Company passes a resolution for voluntary winding-up, an Option may be exercised within six months of the passing of the resolution.

8.6 Change of Control where Shares will no longer satisfy the SAYE requirements

If, as a result of a change of Control in the circumstances set out in Rules 8.1, 8.3 and 8.4, Shares will no longer satisfy the requirements of Part 4 of Schedule 3, Options may be exercised within the period of 20 days following the change of Control.

8.7 Internal Reorganisation

Rules 8.1, 8.3, 8.4 and 8.6 shall not apply if:

- (a) the events are part of a scheme or arrangement whereby Control of the Company is obtained by another company ("**the Acquiring Company**");
- (b) immediately after the Acquiring Company obtains Control, at least 75% of the issued ordinary share capital of the Acquiring Company is owned by the same persons who were equity shareholders of the Company immediately prior to the Acquiring Company obtaining Control;
- (c) the Acquiring Company agrees to grant New Options in accordance with Rule 8.8 (Exchange of Options) in consideration for the release of any Options which have not lapsed.

8.8 Exchange of Options

If any company (in this Rule 8.8 referred to as "**the Acquiring Company**"):

- (a) obtains Control of the Company as referred to in Rule 8.1;
- (b) becomes bound or entitled to acquire Shares as referred to in Rule 8.3; or
- (c) obtains Control of the Company as a result of a compromise or arrangement sanctioned by the Court under section 899 or 901F of the Companies Act 2006,

any Option Holder may at any time within the Appropriate Period, by agreement with the Acquiring Company, release any Option which has not lapsed ("**the Old Option**") in consideration of the grant to him of an Option ("**the New Option**") which is equivalent to the Old Option but relates to shares in a different company falling within paragraph 18(b) or (c) of Schedule 3 (whether the Acquiring Company or some other company).

8.9 Meaning of "equivalent"

The New Option shall not be regarded for the purposes of Rule 8.8 as equivalent to the Old Option unless the conditions set out in paragraph 39(4) of Schedule 3 are satisfied, but so that the provisions of the Scheme shall for this purpose be construed as if:

- (a) the New Option is an Option granted at the same time as the Old Option; and
- (b) except for the purposes of the definitions of "Constituent Company" and "Subsidiary" in Rule 1.1, the reference to Marston's PLC in the definition of "the Company" in Rule 1.1 were a

reference to the different company mentioned in Rule 8.8.

9. MANNER OF EXERCISES

9.1 Limitation to Repayment under Savings Contract

An Option may only be exercised during the periods specified in Rules 6 (Rights to exercise Option) and 8 (Takeover, Reconstruction and Liquidation), and only with monies not exceeding the amount of the Repayment under the Sharesave Contract as at the date of such exercise. For this purpose, no account shall be taken of any Monthly Contribution, the due date for the payment of which under the Sharesave Contract falls more than one month after the date of the Repayment.

9.2 Procedure on Exercise

An Option Holder may exercise their Option, in whole or in part, subject to applicable law, by submitting an instruction online via the Equiniti portal (or by such other method as the Grantor may from time to time prescribe). The instruction must specify the number of Shares in respect of which the Option is then to be exercised and be accompanied by a remittance for the aggregate Option Price, or an instruction to withdraw and apply monies from the Sharesave Contract equal to the aggregate Option Price, payable in respect of the Shares over which the Option is to be exercised.

10. ISSUE OR TRANSFER OF SHARES

10.1 Delivery of Shares

Subject to Rule 10.2 (Regulatory Consents), within 30 days following the effective date of exercise of the Option the Company shall arrange for the delivery to the Option Holder (or his nominee) of the Shares in respect of which the Option is exercised.

Until the Scheme is approved by the Company's shareholders, Options may not be satisfied with newly issued or treasury shares.

10.2 Regulatory Consents

The delivery of any Shares under the Scheme shall (a) be subject to obtaining any approval or consent required under any applicable laws, regulations or relevant authority (including the United Kingdom's Financial Conduct Authority) any code adopted by the Company and based on the "Model Code" on directors' dealings in securities or any applicable laws or regulations (whether in the UK or overseas) and (b) not occur during a period when such delivery is prohibited by or in breach of UK MAR or any other law or regulation.

10.3 Rights of Shares acquired by an Option Holder

Shares acquired by an Option Holder pursuant to the Scheme will rank *pari passu* in all respects with the Shares then in issue, except that they will not rank for any rights attaching to Shares by reference to a record date preceding the date of exercise.

10.4 Admission of Shares to Listing

If and so long as the Shares are admitted to listing by the Financial Conduct Authority and admitted to trading on the Official List, the Company shall apply to the Financial Conduct Authority for admission to listing and to the London Stock Exchange for admission to trading of any Shares issued pursuant to the Scheme as soon as practicable after the allotment thereof.

11. ADJUSTMENTS

11.1 Variation of Share Capital

The number of Shares over which an Option is granted and the Option Price thereof (and if an Option has been exercised but no Shares have been allotted or transferred pursuant to such exercise, the number of Shares which may be so allotted or transferred and the price at which they may be acquired) shall be adjusted in such manner as the Grantor shall determine following any variation of share capital, **PROVIDED THAT:**

- (a) the total Market Value of Shares subject to the Option must be substantially the same immediately after the variation of share capital as immediately before the variation of share capital; and
- (b) the total amount payable on the exercise of any Option immediately after the variation of share capital must be substantially the same as immediately before the variation of share capital.

For the purposes of this rule Market Value shall be determined as follows:

- (a) if the variation takes place at a time when the Shares are listed on the main market of the London Stock Exchange, the middle market quotation for a Share on the main market of the London Stock Exchange immediately before or after (as the case may be) the variation; or
- (b) if the variation takes place at a time when the Shares are not so listed, in accordance with Part VIII of the Taxation of Chargeable Gains Act 1992.

11.2 Nominal value: limitation on adjustment of Option Price

Apart from pursuant to Rule 11.3 (Nominal value: Capitalisation of reserves), no adjustment under Rule 11.1 above may have the effect of reducing the Option Price of an Option over unissued Shares to less than the nominal value of a Share. If an Option subsists over both issued and unissued Shares, any such adjustment may only be made if the reduction of the Option Price of Options over both issued and unissued Shares can be made to the same extent.

11.3 Nominal value: capitalisation of reserves

Any adjustment made to the Option Price of an Option over unissued Shares which reduces the Option Price to less than the nominal value of a Share shall only be made if and to the extent that the Board shall be authorised to capitalise from the reserves of the Company a sum equal to the amount by which the nominal value of the Shares in respect of which the Option is exercisable exceeds the adjusted Option Price and to apply such sum in paying up such amount on such Shares so that on exercise of any Option in respect of which such a reduction shall have been made, the Board shall capitalise such sum (if any) and apply the same in paying up such amount.

11.4 Notification to Option Holders

The Board may take such steps as it may consider necessary to notify Option Holders of any adjustment made under this Rule 11 and to call in, cancel, endorse, issue or reissue any option certificate subsequent upon such adjustment.

12. ADMINISTRATION

12.1 Notices and Communications

Any notice or other communication under, or in connection with, the Scheme may be given by personal delivery or by sending the same by electronic means or by post, in the case of a company to its registered office, and in the case of an individual to his last known address, or, if he is a director or employee of a Group Member, either to his last known address or to the

address of the place of business at which he performs the whole or substantially the whole of the duties of his office or employment. If a notice or other communication is given by post, it shall be deemed to have been received 72 hours after it was put in the post properly addressed and stamped and if by electronic means, when the sender receives electronic confirmation of delivery or if not available 24 hours after sending the notice.

12.2 Replacement of Option Certificate

If any option certificate shall be worn out, defaced or lost, it may be replaced on such evidence being provided as the Grantor may require.

12.3 Availability of Shares

The Company shall at all times keep available for allotment unissued Shares at least sufficient to satisfy all Options under which Shares may be subscribed and shall procure that sufficient Shares are available for transfer to satisfy all Options under which Shares may be acquired.

12.4 Decision of Board

The Scheme shall be administered by the Board. The Board shall have full authority, in accordance with the Scheme, including authority to interpret and construe any provision of the Scheme, to amend the Scheme to correct any errors or mistakes of procedure, and to adopt such regulations for administering the Scheme as it may deem necessary or appropriate. Decisions of the Board shall be final and binding on all parties.

12.5 Costs of Establishment and Administration

The costs of introducing and administering the Scheme shall be borne by the Constituent Companies.

13. ALTERATIONS

13.1 Power of Alteration

Subject to Rules 13.2 (Alterations to the Advantage of Option Holders), 13.4 (Consent of Option Holders), 13.5 (Amendment of Key Features) and 13.6 (Employees' Share Scheme), the Grantor may at any time alter or add to all or any of the provisions of the Scheme in any respect.

13.2 Alterations to the Advantage of Option Holders

Subject to Rule 13.3 (Alterations Without Consent of Shareholders), no alteration or addition to the advantage of present or future Option Holders or employees shall be made wider Rule 13.1 to such of the provisions of the Scheme as relate to any of the following:

- (a) the persons to whom Options may be granted;
- (b) the limit in Rule 5 on the number of Shares that may be allocated under the Scheme on any day;
- (c) the maximum entitlement for any one Option Holder;
- (d) the determination of the Option Price;
- (e) the basis for determining an Option Holder's entitlement to and the terms of Shares;
- (f) the rights of Option Holders in the event of a variation of the share capital under Rule 11 (Adjustments); and
- (g) the terms of Rule 13,

without the prior approval by ordinary resolution of the members of the Company in a general meeting.

13.3 Alterations Without Consent of Shareholders

Rule 13.2 (Alterations to the Advantage of Option Holders) shall not apply to any minor alteration or addition which is to benefit the administration of the Scheme, to take account of any change in legislation, or to obtain or maintain favourable taxation, exchange control or regulatory treatment for the Company, or any Group Member or any Option Holder.

13.4 Consent of Option Holders

No alteration or addition shall be made under Rule 13.1 which would abrogate or adversely affect the subsisting rights of an Option Holder unless it is made:

- (a) with the consent in writing of such number of Option Holders who hold Options under the Scheme to acquire 75 per cent of the Shares which would be issued or transferred if all Options granted and subsisting under the Scheme were exercised; or
- (b) by a resolution at a meeting of Option Holders passed by not less than 75 per cent of the Option Holders who attend and vote either in person or by proxy

and for the purpose of this Rule 13.4 the Option Holders shall be treated as the holders of a separate class of share capital and the provisions of the Articles of Association of the Company relating to class meetings shall apply mutatis mutandis.

13.5 Amendment of Key Features

If an alteration or addition is made to a key feature of the Scheme, at a time when the Scheme is a Schedule 3 SAYE Option Scheme, it shall not have effect if it would cause the Scheme to no longer be Schedule 3 SAYE option scheme. If the Grantor amends a key feature, the Company shall make a declaration under paragraph 40B of Schedule 3 that the Scheme continues to meet the requirements of Parts 2 to 7 of Schedule 3. For the purposes of this Rule 13.5, a "**key feature**" is any provision of the Scheme which is necessary to meet the requirements of Schedule 3.

13.6 Employees' Share Scheme

No alteration shall be made to the Scheme if following the alteration the Scheme would cease to be an Employees' Share Scheme.

14. LEGAL ENTITLEMENT

- 14.1 For the purposes of this Rule 14, "**Employee**" means any Option Holder or Eligible Employee.
- 14.2 This Rule 14 applies:
- (a) whether the Grantor or Board has full discretion in the operation of the Scheme, or whether the Grantor or Board could be regarded as being subject to any obligations in the operation of the Scheme;
 - (b) during an Employee's employment or employment relationship; and
 - (c) after the termination of an Employee's employment or employment relationship, whether the termination is lawful or unlawful.
- 14.3 Nothing in the Scheme or its operation forms part of the contract of employment or employment relationship of an Employee. The rights and obligations arising from the employment relationship between an Employee and any Group Member are separate from, and are not affected by, the Scheme. Participation in the Scheme does not create any right to, or expectation of, continued employment or a continued employment relationship.
- 14.4 An Option shall not (except as may be required by taxation law) form part of the emoluments of individuals or count as wages or remuneration for pension or other purposes.
- 14.5 No Employee has any right to compensation for any loss in relation to the Scheme, including:
- (a) any loss or reduction of any rights or expectations under the Scheme in any circumstances or for any reason (including lawful or unlawful termination of employment or the employment relationship);
 - (b) any exercise of a discretion or a decision taken in relation to an Option or the Scheme, or any failure to exercise a discretion or take a decision; and
 - (c) the operation, suspension or termination of the Scheme.
- 14.6 The grant of any Option on any basis in any year does not infer any right to or expectation of the grant of any Option on the same basis, or at all, in any future year.
- 14.7 Without prejudice to an Employee's right to exercise an Option (subject to and in accordance with the express terms of the Option grant and the Rules), no Employee has any rights in respect of the exercise or omission to exercise any discretion, or the making or omission to make any decision, relating to an Option. Any and all discretions, decisions or omissions relating to an Option may operate to the disadvantage of the Employee, even if this could be regarded as in breach of any implied term between the Employee and any Group Member, including any implied duty of trust and confidence. Any such implied term is excluded and overridden by this Rule.
- 14.8 Participation in the Scheme is permitted only on the basis that the Employee accepts all the provisions of the Rules, including in particular this Rule. By participating in the Scheme, an Employee waives all rights under the Scheme, other than the right to exercise an Option (subject to and in accordance with the express terms of the Option and the Rules), in consideration for, and as a condition of, the grant of an Option under the Scheme.
- 14.9 Each of the provisions of each Rule under this Scheme is entirely separate and independent from each of the other provisions of each Rule. If any provision is found to be invalid then it will be deemed never to have been part of the Rules and to the extent that it is possible to do so, this will not affect the validity or enforceability of any of the remaining provisions of each Rule.

15. GENERAL

15.1 Termination of Scheme

The Scheme shall terminate upon the tenth anniversary of its adoption by the Board or at any earlier time by the passing of a resolution by the Board or an ordinary resolution of the Company in general meeting. Termination of the Scheme shall be without prejudice to the subsisting rights of Option Holders.

15.2 Financial Assistance

The Company and any Subsidiary of the Company may provide money to the Trustees or any other person to enable them or him to acquire Shares to be held for the purposes of the Scheme or enter into any guarantee or indemnity for those purposes to the extent permitted by section 678 of the Companies Act 2006. In addition, the Company may require any Subsidiary to enter into such other agreement or agreements as it shall deem necessary to oblige such Subsidiary to reimburse the Company for any other amounts paid by the Company hereunder, directly or indirectly in respect of such Subsidiary's employees.

15.3 Data Protection

For the purpose of operating the Scheme, the Company will collect and process information relating to Eligible Employees and Option Holders in accordance with the privacy notice which is available upon request from the Data Security Team (and, from 2023, available on the Company intranet).

15.4 Third Party Rights

No third party will have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Scheme (without prejudice to any right of a third party which exists other than under that Act).

15.5 Governing Law

These Rules shall be governed by and construed in accordance with the laws of England and Wales.