

CARD FACTORY PLC

RULES OF THE CARD FACTORY LONG TERM INCENTIVE PLAN

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1 Introduction

The Plan allows for the grant of Awards in the form of:

- conditional awards (i.e. rights to receive shares for free automatically to the extent the award vests);
- options (i.e. awards under which the participant can buy shares, to the extent his award has vested, at a price (which may be zero) set when the option is granted);
- forfeitable shares (i.e. awards under which the participant receives free shares on grant which are subject to a requirement that the participant gives the shares back to the extent the award lapses); or
- cash awards (i.e. conditional awards or options which will only ever be settled with a cash payment equal to the value of the shares which would otherwise be acquired).

Awards will vest over a period set by the Committee for each award and vesting may be subject to ~~performance conditions~~ Vesting Conditions. Before vesting, awards will normally lapse if the participant leaves.

After vesting, they may also be subject to an additional holding period during which satisfaction of the award is subject to malus.

This introduction does not form part of the rules.

2 Granting Awards

2.1 Eligibility

The Grantor may select any employee of a member of the Group to be granted an Award. Except in exceptional circumstances where the Committee decides otherwise, an Award will not be made to an employee who has given or been given notice terminating his employment.

2.2 Timing of Awards

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

~~2.2.1 the day after the announcement of the Company's results for any period;~~

~~2.2.1 the end of any closed period under the UK version of the Market Abuse Regulation (EU) 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018;~~

2.2.2 the date of the Company's annual general meeting or any special general meeting;

~~2.2.3 the commencement of the Participant's employment with any member of the Group;~~

~~2.2.3~~ ~~2.2.4~~ any day on which the Committee resolves that exceptional circumstances exist which justify the grant of Awards;

~~2.2.4 the day on which the Shares are first admitted to the Official List and traded on the London Stock Exchange;~~

2.2.5 any day on which changes to the legislation or regulations affecting share plans are announced, effected or made; or

2.2.6 if the granting of Awards during any period specified above is prevented by any Dealing Restrictions, the date on which it is no longer prevented.

No Awards may be granted after the tenth anniversary of ~~IP~~[the Company's 2024 annual general meeting](#) or such earlier date as the Committee may specify.

2.3 Terms set at grant

When granting an Award the Committee will set the following terms:

2.3.1 whether the Award will take the form of:

- (i) a Conditional Award;
- (ii) an Option;
- (iii) Forfeitable Shares,

or a combination of these;

2.3.2 the number of Shares subject to the Award [or how it will be determined](#) (subject to the limits in rule 4);

2.3.3 the terms of any [PerformanceVesting](#) Condition set under rule 2.4;

2.3.4 one or more Normal Vesting Dates and, if there is more than one, the proportion of the Award which can Vest on each one (or how that will be determined);

2.3.5 whether or not a Holding Period will apply and if so, when it will normally end and how the number of Holding Shares will be determined;

2.3.6 if the Award will not carry a Dividend Equivalent. Where it does then details will be included on the basis on which the amount of the Dividend Equivalent will be determined (see also rule 6.4);

2.3.7 the Award Date;

2.3.8 whether the Award will be cash settled as described in rule 6.5;

2.3.9 in the case of an Option, the Option Price and the Final Lapse Date; and

2.3.10 any other terms or conditions of the Award.

2.4 [PerformanceVesting](#) Conditions

The Committee may decide that Vesting of an Award will be conditional on the satisfaction of one or more conditions, [underpins or overrides](#) set by the Committee on grant. ~~The conditions will~~[These may](#) be linked to the performance of the Company, the Participant and/or any member of the Group or any other matter and may provide that the Award will lapse to the extent that ~~it is~~[they are](#) not satisfied.

The Committee may change a [PerformanceVesting](#) Condition in accordance with its terms or if anything happens which causes the Committee reasonably to consider it appropriate to do so.

2.5 No payment for Awards

A Participant is not required to pay for the grant of an Award.

3 Documentation of Awards

3.1 Conditional Awards and Options

An Award (other than an Award of Forfeitable Shares) will be granted by deed and the Participant will be notified of the grant of the Award and the terms set under rule 2.3.

3.2 Forfeitable Shares

Where an Award takes the form of Forfeitable Shares, the Participant must enter into:

- 3.2.1 an agreement with the Grantor that, to the extent that the Award lapses under the Plan, the Shares are forfeited and ~~he~~they will immediately transfer ~~his~~their interest in them, for no consideration or nominal consideration, to any person (which may include the Company, where permitted) specified by the Grantor;
- 3.2.2 any elections required by the Committee, including elections under Part 7 of the Income Tax (Earnings and Pensions) Act 2003 and elections to transfer any liability, or agreements to pay social security contributions;
- 3.2.3 any other documentation which the Committee considers necessary or desirable to give effect to the terms of the Award, including a power of attorney or blank stock transfer form.

If ~~he does~~they do not do so within a period specified by the Committee, the Award will lapse at the end of that period.

On or after the grant of an Award of Forfeitable Shares, the Grantor will procure that the relevant number of Shares is issued or transferred to the Participant or to another person to be held for the benefit of the Participant under the terms of the Plan. The share certificates or other documents of title relating to any Forfeitable Shares may be retained by the Grantor.

4 Limits

4.1 Individual limit

~~An Award must not be made to an employee if it would, at the proposed Award Date, cause the market value of Shares subject to Awards that he has been granted in respect of that financial year under the Plan, to exceed 175% of his annual basic salary. For these purposes market value will be the average middle market quotation of a Share as derived from the London Stock Exchange Daily Official List over the three months prior to the Award Date, or such longer period as the Committee determines, provided that for Awards made on IPO it shall be the offer price.~~

An Award made to a director of the Company must not exceed the maximum amount or value permitted by the last approved Directors' Remuneration Policy. ~~If that permits an Award over more Shares than this rule 4.1, then that limit will apply instead of this one.~~

~~The limit in this Rule 4 shall not apply to Awards made in respect of a bonus, provided that the market value (as determined by the Committee) of Shares comprised in such Award will not, at the proposed Award Date, exceed the amount of the relevant bonus.~~

4.2 Plan limits - 10 per cent

An Award must not be granted if the number of Shares committed to be issued under that Award exceeds 10 per cent of the ordinary share capital of the Company in issue

immediately before that day, when added to the number of Shares which have been issued, or committed to be issued, to satisfy Awards under the Plan, or options or awards under any other employee share plan operated by the Company, granted in the previous 10 years.

4.3 Plan limits - 5 per cent

An Award must not be granted if the number of Shares committed to be issued under that Award exceeds 5 per cent of the ordinary share capital of the Company in issue immediately before that day, when added to the number of Shares which have been issued, or committed to be issued, to satisfy Awards under the Plan, or options or awards under any other discretionary employee share plan adopted by the Company, granted in the previous 10 years.

4.4 Scope of Plan limits

When calculating the limits in rules 4.2 and 4.3, Shares will be ignored:

- 4.4.1 where they are issued or issuable pursuant to a right granted before IPO or at the time of the IPO;
- 4.4.2 where the right to acquire them is released or lapses;
- 4.4.3 which are committed to be issued under any Dividend Equivalent.

As long as so required by the [Investment Association of British Insurers](#), shares transferred from treasury are counted as part of the ordinary share capital of the Company, and as shares issued by the Company.

4.5 Awards in breach of limits

If the Grantor tries to grant an Award which is inconsistent with rules 4.1, 4.2 or 4.3, the Award will be limited and will take effect from the Award Date on a basis consistent with those rules.

5 Before Vesting

5.1 Voting and dividends

- 5.1.1 A Participant is not entitled to vote, to receive dividends or to have any other rights of a shareholder in respect of Shares subject to an Option or a Conditional Award until the Shares are issued or transferred to the Participant.
- 5.1.2 Except to the extent specified in the Forfeitable Share Agreement, a Participant will have all rights of a shareholder in respect of Forfeitable Shares until the Award lapses.

5.2 Transfer

A Participant may not, without the consent of the Committee, transfer, assign or otherwise dispose of an Award or any rights in respect of it. If ~~he does~~[they do](#), whether voluntarily or involuntarily, then it will immediately lapse. This rule 5.2 does not apply:

- 5.2.1 to the transmission of an Award on the death of a Participant to ~~his~~[their](#) personal representatives; or

5.2.2 to the assignment of an Award where the Committee considers that the Participant is no longer in a position to manage ~~his~~their own affairs.

5.3 Adjustment of Awards

5.3.1 If there is:

- (i) a variation in the equity share capital of the Company, including a capitalisation or rights issue, sub-division, consolidation or reduction of share capital;
- (ii) a demerger (in whatever form) or exempt distribution by virtue of Section 1075 of the Corporation Tax Act 2010;
- (iii) a special dividend or distribution, or
- (iv) any other corporate event which might affect the current or future value of any Award,

the Committee may adjust the number and/or class of Shares or securities subject to the Award and or, in the case of an Option, the Option Price.

5.3.2 Subject to the Forfeitable Share Agreement, a Participant will have the same rights as any other shareholders in respect of Forfeitable Shares where rule 5.3.1 applies. Any shares, securities or rights allotted to a Participant as a result of such an event will be:

- (i) treated as if they were awarded to the Participant under the Plan in the same way and at the same time as the Forfeitable Shares in respect of which the rights were conferred; and
- (ii) subject to the rules of the Plan and the terms of the Forfeitable Share Agreement.

6 Vesting

6.1 ~~Timing and extent~~ Extent of Vesting

Where an Award is subject to any Vesting Condition, the Committee will determine the extent to which it is satisfied as soon as reasonably practicable after the end of the period over which it is tested.

Notwithstanding the terms of the Vesting Condition, the Committee may override the formulaic outcome of the Performance Condition if it considers that that outcome is inappropriate in all the circumstances.¹

6.2 Timing of Vesting

Subject to the rest of these rules, an Award will Vest on the later of the following:

~~6.1.16.2.1~~ 6.2.1 the Normal Vesting Date;

¹ This paragraph, allowing override of formulaic outcomes, only applies to Awards granted after the 2024 Annual General Meeting.

~~6.1.26.2.2~~ the date on which the Committee determines the extent to which any PerformanceVesting Condition is satisfied (~~which it will do as soon as reasonably practicable after the end of the period over which it is tested~~); under rule 6.1.

6.26.3 Consequences of Vesting

~~6.2.16.3.1~~ If an Award takes the form of a Conditional Award, within 30 days of Vesting (or as soon as reasonably practicable after that), the Grantor will arrange (subject to the rest of this rule 6 and rules 7, 9 and 13.6) for the issue or transfer to, or to the order of, the Participant, of the number of Shares in respect of which the Award has Vested.

~~6.2.26.3.2~~ A Participant can only exercise an Option to the extent it has Vested. To exercise it, hethey must give notice in the prescribed form to the Grantor and pay or make arrangements satisfactory to the Grantor for the payment of the Option Price (if any). Subject to the rest of this rule 6 and rules 7, 9 and 13.6, the Grantor will arrange for Shares to be issued or transferred to the Participant within 30 days of the date on which the Option is exercised or as soon as reasonably practicable after that. An Option will lapse on the Final Lapse Date if it does not lapse earlier under these rules.

~~6.2.36.3.3~~ To the extent an Award of Forfeitable Shares Vests, the restrictions referred to in rule 3 and contained in the Forfeitable Share Agreement will cease to apply.

~~6.2.46.3.4~~ To the extent that an Award is to be cash settled, rule 6.5 will apply.

6.36.4 Dividend Equivalent

If an Award carries a Dividend Equivalent, the Participant will be entitled to an amount based on dividends from the Award Date on the number of Shares in respect of which the Award is Vesting or has Vested, determined on the basis determined under rule 2.3.6. That basis may (without limitation):

~~6.3.16.4.1~~ relate to dividends paid prior to Vesting or those with a record date prior to Vesting;

~~6.3.26.4.2~~ allow for notional reinvestment of dividends in further Shares;

~~6.3.36.4.3~~ in the case of an Option:

- (i) be paid on exercise instead of Vesting; and/or
- (ii) relate to dividends up to the date of exercise instead of the date of Vesting; and/or
- (iii) be paid in respect of the number of Shares in respect of which the Option is exercised; and/or.

~~6.3.46.4.4~~ exclude any special dividend or other distribution.

The Dividend Equivalent will be paid in additional Shares unless the Committee decides that it will be paid in cash.

6.46.5 Cash and share alternative

Where a Participant becomes entitled to Shares under an Option or Conditional Award, the Grantor can satisfy that entitlement by paying the Participant an amount in cash equal to the

market value of the number of Shares on the date ~~he becomes~~they become entitled. In the case of an Option, the Option Price will be deducted from the amount of cash and the Participant need not pay it.

An Award may be granted on the basis that it will always be satisfied in this way.

Where a Participant becomes entitled to a cash payment under these rules, the Grantor can satisfy that entitlement by issuing or transferring a number of Shares which have a market value on the date of entitlement equal to the amount of cash.

6-56.6 Delay in Vesting or issue or transfer of Shares

If Vesting or the issue or transfer of Shares in satisfaction of an Award is prevented by any Dealing Restriction, the period for Vesting, issue or transfer will be delayed for that Award until the Dealing Restriction no longer prevents it.

6-66.7 Tax

The Participant will be responsible for all taxes, employee social security contributions and other liabilities arising out of or in connection with an Award or acquisition, holding or disposal of Shares. The method of payment of any such tax or contribution will be determined by the Grantor and may include:

6-6-16.7.1 allowing the Participant to fund the liability directly;

6-6-26.7.2 selling Shares to which the Participant becomes entitled on ~~his~~their behalf and using the proceeds to meet the liability;

6-6-36.7.3 deducting the amount of the liability from any cash payment due under the Plan;

6-6-46.7.4 reducing the number of Shares to which the Participant would otherwise be entitled; and/or

6-6-56.7.5 deducting the amount from any payment of salary, bonus or other payment due to the Participant.

Notwithstanding anything else in these rules, the Vesting of an Award or the issue or transfer of Shares or any payment of cash may be delayed until the Participant has done all things reasonably required by the Directors to give effect to this rule 6.7.

6-76.8 Payments to Directors

Nothing in these rules will require the Grantor or any member of the Group to make any payment, or transfer or issue any Shares, if such payment, issue or transfer would breach Section 226B of the Companies Act 2006 (restriction on payment to directors) or any such other similar legislation. The Company will not be obliged to seek shareholder approval for any such payment, transfer or issue but may make such changes as are necessary to ensure that no breach occurs.

6-86.9 Automatic exercise of Options

6-8-16.9.1 To the extent that:

- (i) an Option has not been exercised by the close of the business day before the date on which it lapses;

(ii) a Dealing Restriction prevents the Participant from exercising it on that day; and

(iii) it is in the money on that day,

the Company will, unless the Committee decides otherwise, treat it as having been exercised on that day.

6.8.26.9.2 If it does treat the Option as having been exercised, the Company will arrange for sufficient of the Shares resulting from the exercise to be sold on behalf of the Participant to raise an amount (after costs of sale) equal to the Option Price and any tax or social security required to be withheld under rule 6.7. The remaining Shares subject to the Option will be issued or transferred as set out in rule 6.3.2.

6.8.36.9.3 An Option is ‘in the money’ on any day, if the Committee estimates that, if all the Shares resulting from exercise were sold on that day, the sale proceeds (after making a reasonable allowance for any costs of sale) would be more than the Option Price.

6.8.46.9.4 The Participant may give notice, at any time before the day referred to in rule 6.9.1, requesting that this rule 6.9 not apply to the Option.

7 Holding Period

This rule 7 applies if the Committee determines under rule 2.3 that an Award is subject to a Holding Period.

7.1 How the Holding Period will apply to an Award

7.1.1 Before the Award Vests, the Committee will determine whether:

(i) the Award will continue in respect of the Holding Shares through the Holding Period (subject to this rule 7); or

(ii) the Holding Shares will be issued or transferred into the beneficial ownership of the Participant (“**Owned Shares**”) and held in accordance with this rule 7.

7.1.2 Where the Committee determines that the Award will continue through the Holding Period, it shall calculate the number of Shares which Vest in accordance with rule 6.1 but the Holding Shares will only be issued or transferred or cash paid under rule 6.3 at the end of the Holding Period and subject to this rule 7.

7.1.3 Where the Committee determines that Owned Shares will be issued or transferred to the Participant, it will calculate the number of Shares which Vest in accordance with rule 6.1 and will issue or transfer the beneficial ownership of the Holding Shares (if not already held in respect of an Award of Forfeitable Shares), for no consideration, to any person specified by the Committee to be held during the Holding Period under this rule 7.

7.1.4 Unless the Committee decides otherwise, where the Award is an Option and the Committee has determined that it will continue during the Holding Period, the Option will become exercisable as described in rule 6.3 and any Holding Shares acquired on the exercise of the Option during the Holding Period (less any tax paid) will continue to be held as Owned Shares.

7.2 Tax

Where tax is payable at the start of the Holding Period then rule 6.7 (Tax) will apply and the Holding Period will apply in respect of the remainder of the Shares. Shares may be issued or transferred and sold to the extent necessary to satisfy the liability under that rule.

7.3 Rights during the Holding Period

7.3.1 The following additional provisions will apply to Owned Shares during the Holding Period:

- (i) The Participant will be entitled to vote [\(or give instructions on how to vote\)](#) and to receive dividends and have all other rights of a shareholder in respect of the Owned Shares from the date the Participant becomes the beneficial owner.
- (ii) The Participant may not transfer, assign or otherwise dispose of the Owned Shares or any interest in them (or instruct anyone to do so) except in the case of:
 - (a) the sale of sufficient entitlements nil-paid in relation to a Share to take up the balance of the entitlements under a rights issue;
 - (b) a forfeiture as described in rule 7.3.4; or
 - (c) to fund any tax in accordance with rule 7.2.
- (iii) Any securities which the Participant receives in respect of Owned Shares as a result of an event described in rule 5.3.1 during the Holding Period will, unless the Committee decides otherwise, be subject to the same restrictions as the corresponding Owned Shares. This will not apply to any Shares which a Participant acquires on a rights issue or similar transaction to the extent that they exceed the number [hethey](#) would have acquired on a sale of sufficient rights under the rights issued nil-paid to take up the balance of the rights.

7.3.2 The following additional provisions will apply during the Holding Period where an Award continues through the Holding Period:

- (i) Except as required under rule 7.2 (tax), the Participant will have no rights in respect of the Holding Shares until the Shares are acquired at the end of the Holding Period.
- (ii) The Participant may not transfer, assign or otherwise dispose of the Holding Shares subject to any Award or any interest in them.

7.3.3 For the avoidance of doubt, rule 8 (leaving employment) will not apply during the Holding Period.

7.3.4 To the extent that Owned Shares are forfeited under rule 9, the Participant is deemed to consent to the immediate transfer of [his/their](#) beneficial ownership of the Shares, for no consideration or nominal consideration, to any person (which may include the Company, where permitted) specified by the Committee.

7.4 End of the Holding Period

7.4.1 The Holding Period will end on earliest of the following:

- (i) the date on which the Holding Period will normally end, as set by the Committee in relation to the Award under rule 2.3;
- (ii) the date on which the Committee decides that the number of Holding Shares is sufficiently small that the continuation of the Holding Period is not warranted;
- (iii) the date on which the Participant dies;
- (iv) the date on which a Takeover or other transaction by virtue of which rule 11.1 applies, unless the Award is exchanged.

7.4.2 At the end of a Holding Period:

- (i) the restrictions relating to Owned Shares in rule 7.3.1 will cease to apply and the Shares will be transferred to the Participant or as they may direct; and
- (ii) where the Award has continued through the Holding Period, rule 6 will apply and Shares will be issued or transferred or cash paid pursuant as if the Award had Vested to the relevant extent on that date.

8 Leaving employment

8.1 General rule

An Award will lapse if the Participant leaves employment before Vesting.

8.2 Exceptions

~~If a Participant leaves employment for one of the following reasons, his~~ A Participant's Award will not lapse but will continue in effect if they leave employment for one of the following reasons:

- 8.2.1** death;
- 8.2.2** ill-health, injury or disability, as established to the satisfaction of the Company;
- 8.2.3** retirement with the agreement of the Participant's employer;
- 8.2.4** the Participant's employing company ceasing to be a member of the Group; (unless exchanged under rule 8.7);
- 8.2.5** a transfer of the undertaking, or the part of the undertaking, in which the Participant works to a person which is not a member of the Group; (unless exchanged under rule 8.7);
- 8.2.6** redundancy within the meaning of the Employment Rights Act 1996; or
- 8.2.7** any other reason, if the Committee so decides within 30 days of the Participant leaving.

8.3 Extent of Vesting

Where rule 8.2 applies:

- 8.3.1** the Award will Vest (if at all) to the extent any PerformanceVesting Condition is satisfied on the date of Vesting; and

8.3.2 unless the Committee decides otherwise, the number of Shares in respect of which it would otherwise Vest will be reduced by the proportion which the number of calendar days from the date ~~he~~they left to the end of the Pro-Rating Period bears to the number of calendar days in the Pro-Rating Period;

8.3.3 may be further reduced in such manner as the Committee decides.

The “**Pro-Rating Period**” means the period over which any [PerformanceVesting](#) Condition is tested or, if there is no [PerformanceVesting](#) Condition, the period from the Award Date to the Normal Vesting Date.

8.4 Early Vesting

If rule 8.2 applies, the Committee may decide that the Participant’s Award will Vest, to the extent described in rule 8.3, on the date of leaving or a later date determined by ~~them~~it.

The Committee will determine the extent to which any [PerformanceVesting](#) Condition is satisfied in accordance with its terms or if they do not provide for it, in such manner as it considers reasonable.

8.5 Treatment of Options after leaving

If the holder of an Option leaves employment for one of the reasons in rule 8.2, ~~his~~their Option will be exercisable for 6 months from the later of the date on which they leave employment and the date on which it Vests, after which it will lapse but the Committee may extend that period (but not beyond the Final Lapse Date).

8.6 Award subject to a Holding Period

If rule 8.2 applies and an Award is subject to a Holding Period, the Committee may decide that the Holding Period will not apply. If they do not, it will apply from the date on which it would otherwise Vest.

8.7 Exchange of Award on sale of employer²

If the Participant leaves employment in the circumstances described in rules 8.2.4 or 8.2.5, the Committee may decide that the Award will not Vest, but will instead be exchanged as described in rule 11.4 for an equivalent Award.

8.7.8 General

~~8.7.18.8.1~~ A Participant will only be treated as ‘**leaving employment**’ when ~~he is~~they are no longer an employee or director of any member of the Group.

~~8.7.28.8.2~~ The Committee may decide that a Participant will be treated as leaving employment on the date ~~he gives~~they give or ~~is~~are given notice terminating ~~his~~their office or employment.

² [This provision only applies to Awards granted after the 2024 Annual General Meeting.](#)

9 **Malus ~~adjustment~~ and clawback**

9.1 ~~Application~~

9.1 This Malus

~~Where any of the events described in rule applies if 9.3 has occurred, the Committee considers that:~~

~~9.1.1 results announced for any financial year before Vesting have subsequently appeared materially financially inaccurate or misleading;~~

~~9.1.2 the Participant has engaged in misconduct (or did so before leaving employment) or other behaviour, action or inaction which has lead or may have lead to significant reputational damage for any member of the Group.~~

9.2 ~~The action the Committee may take~~

~~Where this rule applies and, notwithstanding anything else in these rules, the Committee may, at any time before an Award has been satisfied and at its absolute discretion, decide that:~~

~~9.2.19.1.1~~ the number of Shares subject to any Award will be reduced or some or all of the Holding Shares will be forfeited;

~~9.2.29.1.2~~ the Award will lapse;

~~9.2.39.1.3~~ Vesting or satisfaction of the Award and/or the end of any Holding Period will be delayed;

~~9.2.49.1.4~~ additional conditions will be imposed on the Vesting of the Award or the end of the Holding Period; and/or

~~9.2.59.1.5~~ any Award, bonus or other benefit which might have been granted or paid to the Participant in any later year will be reduced or not awarded.

9.2 Clawback³

Where any of the events described in rule 9.3 has occurred, the Committee may decide at any time in the two years after Vesting of the Award, that the Participant:

9.2.1 must transfer to or to the order of the Company a number of Shares which is equal to (or less than) the number of Shares issued or transferred to them pursuant to the Award; and/or

9.2.2 pay to or to the order of the Company an amount representing the value of the Shares acquired under the Award; and/or

9.2.3 pay to or to the order of the Company an amount equal to any cash payment made to them pursuant to the Award.

In addition, the Committee may decide that any Award, bonus or other benefit which might have been granted, Vested or paid to the Participant under this or any other arrangement will be reduced or not awarded.

³ This provision only applies to Awards granted after the 2024 Annual General Meeting.

9.3 Triggers⁴

These are the events mentioned above:

9.3.1 Results announced for any period before Vesting have subsequently appeared materially financially inaccurate or misleading.

9.3.2 There has been a material misstatement or error in the information used to calculate the size or level of Vesting of any Award.

9.3.3 The Participant has engaged in:

(i) misconduct (including failure to report misconduct of others);

(ii) other behaviour, action or inaction which has lead or may lead to significant reputational damage for any member of the Group.

9.3.4 The Company or entities representing a material proportion of the Group has become insolvent or otherwise suffered a corporate failure so that ordinary shares in the Company cease to have material value, provided that the Committee determines, following an appropriate review of accountability, that the Participant should be held responsible (in whole or in part) for that insolvency or failure.

9.3.5 There has been a material failure of risk management.

9.3.6 Any other event or circumstances have occurred as a result of which the Committee considers the operation of this rule 9 to be appropriate.

9.39.4 General

9.3.19.4.1 Rule 9.1 Malus or clawback may be applied in different ways for different Participants in relation to the same or different events.

9.3.29.4.2 The Committee will notify the Participant of any adjustment under ~~this~~ rule 9.1.

9.4.3 Except to the extent the Committee so decides at the time of exchange, neither malus nor clawback will apply to an Award which has been exchanged in accordance with rule 11.4 (Exchange).

9.4.4 Clawback will not apply after Awards have Vested on a Takeover or an event described in rule 11.1 or 11.1.2.

9.3.39.4.5 Without limiting rule 13.1, the Participant will not be entitled to any compensation in respect of any ~~adjustment under operation of~~ this rule 9.

10 Vesting in connection with relocation

If a Participant who is not a director of the Company relocates to another jurisdiction before his Award Vests and, as a result:

- (a) the Participant or any member of the Group is or may be subject to less favourable tax or social security treatment; or

⁴ For Awards granted before the 2024 Annual General Meeting, the events are (a) results announced for any financial year before Vesting have subsequently appearing materially financially inaccurate or misleading and (b) the Participant having engaged in misconduct (or having done so before leaving employment) or other behaviour, action or inaction which has lead or may have lead to significant reputational damage for any member of the Group.

- (b) the Vesting, exercise or satisfaction of the Award is or may be subject to any regulatory restriction, approval or consent,

the Committee may decide that the Award will Vest on such earlier date or dates and subject to such additional conditions as it may determine – including the retention of any Shares acquired on Vesting. In the case of an Option the Committee may change the period during which it can be exercised or impose additional conditions upon the exercise.

11 Takeovers and other corporate events

11.1 Takeovers

11.1.1 Unless exchanged under rule 11.4, all Awards will Vest on a Takeover to the extent described in rule 11.2.

11.1.2 If the Company is or may be affected by:

- (i) any demerger, delisting, distribution (other than an ordinary dividend) or other transaction which, in the opinion of the Committee, might affect the current or future value of any Award, or
- (ii) any reverse takeover (not within rule 11.1.1 above), merger by way of a dual listed company or other significant corporate event, as determined by the Committee,

the Committee may allow an Award to Vest to the extent specified in rule 11.2.

11.2 Extent of Vesting

Where rule 11.1 applies, an Award will Vest:

11.2.1 to the extent any [PerformanceVesting](#) Condition is satisfied on the date of Vesting; and

11.2.2 unless the Committee decides otherwise, the number of Shares in respect of which Awards Vest will be reduced by the proportion which the number of calendar days from the date of Vesting to the end of the Pro-Rating Period bears to the number of calendar days in the Pro-Rating Period.

The Committee will determine the extent to which any [PerformanceVesting](#) Condition is satisfied in accordance with its terms or if they do not provide for it, in such manner as it considers reasonable.

11.3 Exercise period for Options

Options will lapse one month after it Vests under rule 11.1, to the extent not exercised or exchanged.

11.4 Exchange of Awards

An Award will not Vest under rule 11.1.1 but will be exchanged to the extent that:

11.4.1 an offer to exchange the Award is made and accepted by a Participant; or

11.4.2 the Committee, with the consent of the Acquiring Company, decides before the Takeover that the Award will be automatically exchanged.

Where an Award is exchanged, the Participant will be granted a new award in exchange for an existing Award. The new Award:

11.4.3 must confer a right to acquire shares in the Acquiring Company or another body corporate determined by the Acquiring Company;

11.4.4 must:

- (i) be over shares with a market value on the date of exchange which is, so far as is practicable, the same as the market value of the Shares subject to the original Award at that time (and in the case of an Option must have an aggregate Option Price which is, so far as is practicable, the same); or
- (ii) subject to rule 11.4.6, have a fair value on the date of exchange, as determined by the Committee on such basis as it considers reasonable, which is, so far as is practicable, the same as that of the original Award.

11.4.5 will be treated as having been acquired at the same time as the existing Award and, subject to rule 11.4.6, will Vest in the same manner and at the same time and be subject to the same Holding Period;

11.4.6 must:

- (i) be subject to a [PerformanceVesting](#) Condition which is, so far as possible, equivalent to any [PerformanceVesting](#) Condition applying to the existing Award; or
- (ii) not be subject to any [PerformanceVesting](#) Condition but be in respect of the number of shares which is equivalent to the number of Shares comprised in the existing Award which would have Vested under rule 11.2

11.4.7 subject to these rules, will Vest as described in rule 6;

11.4.8 will be subject to such other terms as the Committee considers appropriate in all the circumstances; and

11.4.9 will be governed by the Plan, excluding rule 12.2, as if references to Shares were references to the shares over which the new award is granted and references to the Company were references to the Acquiring Company or the body corporate determined under rule 11.4.3 above.

11.5 Composition of the Committee

In this rule 10, “**Committee**” means those people who were members of the remuneration committee of the Company immediately before the event by virtue of which it applies.

12 Changing the Plan

12.1 Committee’s powers

Except as described in the rest of this rule 12, the Committee may at any time change the Plan (including the terms of any Award already granted) in any way.

12.2 Shareholder approval

12.2.1 Except as described in rule 12.2.2, the Company in a general meeting must approve in advance by ordinary resolution any proposed change to the Plan to the advantage of present or future Participants, which relates to:

- (i) eligibility;
- (ii) the limits on the number of Shares which may be issued under the Plan;
- (iii) the individual limit for each Participant under the Plan;
- (iv) the basis for determining a Participant's entitlement to, and the terms of, securities, cash or other benefit to be provided and for the adjustment thereof (if any) if there is a capitalisation issue, rights issue or open offer, sub-division or consolidation of shares or reduction of capital or any other variation of capital; or
- (v) the terms of this rule 12.2.1.

12.2.2 The Committee can change the Plan or the terms of an Award and need not obtain the approval of the Company in general meeting for:

(i) any changes to a PerformanceVesting Condition in accordance with rule 2.4; or

(ii) any change to the terms of an existing Award such that a new Award could have been granted on those amended terms; or

~~(vi)~~(iii) for minor changes:

- (a) to benefit the administration of the Plan;
- (b) to comply with or take account of the provisions of any proposed or existing legislation;
- (c) to take account of any changes to legislation; or
- (d) to obtain or maintain favourable tax, exchange control or regulatory treatment of the Company, any Subsidiary or any present or future Participant.

~~12.2.2~~12.2.3 The Committee may, without obtaining the approval of the Company in general meeting, establish further plans (by way of schedules to the rules or otherwise) based on the rules, but modified to take account of local tax, exchange control or securities law in non-UK territories. However, any Shares made available under such plans are treated as counting against any limits on individual or overall participation in the Plan under rule 4.

12.3 Notice

The Committee is not required to give Participants notice of any changes.

13 General

13.1 Terms of employment

- 13.1.1** This rule 13.1 applies during an Employee's employment and after the termination of an Employee's employment, whether or not the termination is lawful.
- 13.1.2** Nothing in the rules or the operation of the Plan forms part of the contract of employment of an Employee. The rights and obligations arising from the employment relationship between the Employee and his employer are separate from, and are not affected by, the Plan. Participation in the Plan does not create any right to, or expectation of, continued employment.
- 13.1.3** No Employee has a right to participate in the Plan. Participation in the Plan or the grant of Awards on a particular basis in any year does not create any right to or expectation of participation in the Plan or the grant of Awards on the same basis, or at all, in any future year.
- 13.1.4** The terms of the Plan do not entitle the Employee to the exercise of any discretion in his favour.
- 13.1.5** The Employee will have no claim or right of action in respect of any decision, omission or discretion, which may operate to the disadvantage of the Employee (including, without limitation, any adjustment under rule 9) even if it is unreasonable, irrational or might otherwise be regarded as being in breach of the duty of trust and confidence (and/or any other implied duty) between the Employee and his employer.
- 13.1.6** No Employee has any right to compensation for any loss in relation to the Plan, including any loss in relation to:
- (i) any loss or reduction of rights or expectations under the Plan in any circumstances (including lawful or unlawful termination of employment);
 - (ii) any exercise of a discretion or a decision taken in relation to an Award or to the Plan, or any failure to exercise a discretion or take a decision;
 - (iii) the operation, suspension, termination or amendment of the Plan.

13.2 Committee's decisions final and binding

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

13.3 Documents sent to shareholders

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

13.4 Costs

The Company will pay the costs of introducing and administering the Plan. The Company may ask a Participant's employer or any other member of the Group to bear the costs in respect of an Award (including for example, any trading or other working costs) to that Participant.

13.5 Data protection

13.5 ByThe Participant's information

13.5.1 Use of information

Subject to rule 13.5.2, by participating in the Plan and accepting an Award, the Participant consents to the holding and processing of personal information provided by the Participant to any member of the Group, trustee or third party service provider, for all purposes relating to the operation of the Plan. These include, but are not limited to:

- (i) administering and maintaining Participant records;
- (ii) providing information to ~~Members~~members of the Group, trustees of any employee benefit trust, registrars, brokers or third party administrators of the Plan;
- (iii) providing information to future purchasers or merger partners of the Company, the Participant's employing company, or the business in which the Participant works;
- (iv) transferring information about the Participant to a country or territory that may not provide the same statutory protection for the information as the Participant's home country.

The Participant is entitled, on payment of a fee, to a copy of the personal information held about ~~him or her~~them, if anything is inaccurate the participant had the right to have it corrected.

13.5.2 EU Data Protection

The basis for any processing of personal information about the Participant under the EU's General Data Protection Regulation (2016/679) (or any successor laws) including its incorporation into UK law as the UK GDPR is set out in the Company's Data Protection Policy and is not the consent given under rule 13.5.1.

The Data Protection Policy also contains details about how the Participant's personal information is processed and the Participant's rights in relation to that information. The Participant has a right to review the Data Protection Policy.

13.6 Consents

All allotments, issues and transfers of Shares will be subject to any necessary consents under any relevant enactments or regulations for the time being in force in any relevant country. The Participant is responsible for complying with any requirements ~~he needs~~they need to fulfil in order to obtain or avoid the necessity for any such consent.

13.7 Share rights

Shares issued to satisfy Awards under the Plan will rank equally in all respects with the Shares in issue on the date of allotment. They will not rank for any rights attaching to Shares by reference to a record date preceding the date of allotment. Where Shares are transferred to a Participant, including a transfer out of treasury, the Participant will be entitled to all rights attaching to the Shares by reference to a record date on or after the transfer date. The Participant will not be entitled to rights before that date.

13.8 Listing

If and so long as the Shares are listed and traded on a public market, the Company will apply for listing of any Shares issued under the Plan as soon as practicable.

13.9 Notices

13.9.1 Any information or notice to a person who is or will be eligible to be a Participant under or in connection with the Plan may be posted, or sent by electronic means, in such manner to such address as the Company considers appropriate, including publication on any intranet.

13.9.2 Any information or notice to the Company or other duly appointed agent under or in connection with the Plan may be sent by post or transmitted to it at its registered office or such other place, and by such other means, as the Committee or duly appointed agent may decide and notify Participants.

13.9.3 Notices sent by post will be deemed to have been given on the second day after the date of posting. However, notices sent by or to a Participant who is working overseas will be deemed to have been given on the seventh day after the date of posting. Notices sent by electronic means, in the absence of evidence to the contrary, will be deemed to have been received on the day after sending.

13.10 Governing law and jurisdiction

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

14 Definitions

In these rules:

“Acquiring Company” means a person who has or obtains control (within the meaning of Section 995 of the Income Tax Act 2007) of the Company or, where rule 8.7 applies, the person who acquires an interest in the Participant’s employing company or the undertaking, or the part of the undertaking, in which the Participant works (as the case may be) or any company nominated by that person and approved by the Committee;

“Award” means a conditional right to Shares or a right to acquire Shares which can take the form of a Conditional Award, Forfeitable Shares or an Option;

“Award Date” means the date on which an Award is granted by deed under rule 2.3;

“Committee” means, subject to rule 11.5, the board of directors of the Company or any duly authorised person or group of persons;

“Company” means Card Factory plc

“Conditional Award” means a conditional right to acquire Shares granted under the Plan;

“Dealing Restrictions” means restrictions imposed by statute, order, regulation or Government directive, or by ~~the Model Code or any code adopted by the Company based on the Model Code and for this purpose the Model Code means the Model Code on dealings in securities set out in Listing Rule 9, annex 1 (of the London Stock Exchange), as varied~~ any code adopted by the Company from time to time;

“Dividend Equivalent” means an amount linked to dividends paid on Shares subject to the Award;

“Final Lapse Date” means the latest date on which an Option will lapse which will be set by the Committee under rule 2.3;

“Financial Year” means a financial year of the Company;

“Forfeitable Shares” means Shares held in the name of or for the benefit of a Participant subject to the Forfeitable Share Agreement;

“Forfeitable Share Agreement” means the agreement referred to in rule 3.2;

“Grantor” means the Company or any other entity which grants an Award under the Plan;

“Group” means:

- (i) the Company;
- (ii) its Subsidiaries from time to time; or
- (iii) any other company which is associated with the Company and is so designated by the Committee and, for the avoidance of doubt, a company may be treated as an associated company for some purposes or in relation to some Participants but not in relation to others;

“Holding Period” means any period during which rule 7 will apply;

“Holding Shares” means the Shares which are subject to a Holding Period;

“IPO” means the date on which Shares are admitted to the Official List;

“London Stock Exchange” means London Stock Exchange plc;

“Normal Vesting Date” means the date set for Vesting of an Award under rule 2.3;

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

“Option” means a right to acquire Shares granted under the Plan;

“Option Price” means the amount (which may be zero) payable on the exercise of an Option set by the Committee under rule 2.3.9;

“Owned Shares” has the meaning given to it in rule 7.1.1(i);

“Participant” means a person holding an Award or his personal representatives who have produced a UK grant of representation;

~~**“Performance Condition”** means any performance condition imposed under rule 2.3;~~

“Plan” means these rules known as “The Card Factory Long Term Incentive Plan”, as changed from time to time;

“Pro-Rating Period” has the meaning given to it in rule 8.3;

“Shares” means fully paid ordinary shares in the capital of the Company and, unless the context requires otherwise, includes ADSs;

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

“Takeover” means

- (i) a person (or a group of persons acting in concert) obtaining control (within the meaning of Section 995 of the Income Tax Act 2007) of the Company as the result of a general offer to acquire Shares becoming wholly unconditional; or
- (ii) a court sanctioning a compromise or arrangement in connection with the acquisition of Shares under Section 895 of the Companies Act 2006 or equivalent procedure under local legislation; or
- (iii) a person (or a group of persons acting in concert) obtaining control (within the meaning of Section 995 of the Income Tax Act 2007) of the Company in any other way; ~~and~~

“Vesting” subject to the rules and any Holding Period:

- (i) in relation to an Option, means an Option becoming exercisable;
- (ii) in relation to a Conditional Award, means a Participant becoming entitled to have the Shares transferred to ~~him~~them; and
- (iii) in relation to Forfeitable Shares, means the restrictions set out in the Forfeitable Share Agreement ceasing to have effect as described in rule 6.3.3.; and

“Vesting Condition” means any condition, underpin or override for the Vesting of an Award as described in rule 2.4.