

Rules of the Persimmon 2017 Performance Share Plan

Approved by Shareholders of Persimmon Plc on 27 April 2017

Adopted by the Board of Directors of Persimmon Plc on 27 April 2017

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THE PERSIMMON 2017 PERFORMANCE SHARE PLAN

1. DEFINITIONS AND INTERPRETATION

1.1 In this Plan, unless otherwise stated, the words and expressions below have the following meanings:

“Award”	a Conditional Award or a Nil-Cost Option (or a Cash Conditional Award or Cash Option granted under the Schedule to the Plan);
“Board”	<p>i. as regards any decision relating to an Eligible Employee or Participant who is or has been an executive director of the Company or other person whose remuneration is set by the remuneration committee of the Company’s board, and subject to rule 13.8, the remuneration committee of the Company’s board or any committee or person duly authorised by the remuneration committee; and</p> <p>ii. as regards any decision relating to an Eligible Employee or Participant who does not fall within i above, and subject to rule 13.8, the Company’s executive directors or any committee or person duly authorised by the Company’s executive directors,</p> <p>or, in either case, any duly appointed successor body to the relevant body determined as above;</p>
“Company”	Persimmon Plc registered in England and Wales under number 01818486;
“Conditional Award”	a right to receive Shares subject to the rules of the Plan;
“Control”	the meaning given by section 995 of the Income Tax Act 2007;
“Dealing Day”	any day on which the London Stock Exchange is open for business;
“Dealing Restrictions”	restrictions imposed by the Company’s share dealing code, the Listing Rules, the MAR or any applicable laws or regulations which impose restrictions on share dealing;
“Eligible Employee”	an employee (including an executive director) of the Company or any of its Subsidiaries;
“FCA”	the United Kingdom Financial Conduct Authority, or any successor body;
“Grant Date”	the date on which an Award is granted;
“Grant Period”	<p>the period of 42 days beginning on:</p> <p>i. the day on which the Plan or any amendment to it is approved by the shareholders of the Company in general meeting;</p> <p>ii. the first Dealing Day after the day on which the Company makes an announcement of its results for any period; or</p> <p>iii. the day on which Policy is approved by Shareholders; or</p> <p>iv. any day on which the Board resolves that exceptional circumstances exist which justify the grant of Awards;</p>

unless the Company is restricted from granting Awards under the Plan during the periods specified above as a result of any Dealing Restrictions, in which case the relevant Grant Period will be 42 days beginning on the Dealing Day after such Dealing Restrictions are lifted;

“Group Member”

the Company, any Subsidiary of the Company, any company which is (within the meaning of section 1159 of the Companies Act 2006) the Company’s holding company or a Subsidiary of the Company’s holding company or, if the Board so determines, any body corporate in relation to which the Company is able to exercise at least 20% of the equity voting rights and “**Group**” will be construed accordingly;

“Holding Period”

a period of up to two years, as determined by the Board, beginning on the Vesting Date;

“Internal Reorganisation”

where immediately after a change of Control of the Company, all or substantially all of the issued share capital of the acquiring company is owned directly or indirectly by the persons who were shareholders in the Company immediately before the change of Control;

“Listing Rules”

the FCA’s listing rules, as amended from time to time;

“London Stock Exchange”

the London Stock Exchange plc or any successor body;

“MAR”

the EU Market Abuse Regulation 596/2014 and any associated EU Regulation to the extent each is incorporated into the law of the United Kingdom by virtue of section 3 of the European Union (Withdrawal) Act 2018 and as amended by any instrument related to their incorporation into the law of the United Kingdom;

“Nil-Cost Option”

a right to acquire Shares subject to the rules of the Plan;

“Normal Release Date”

the date on which an Award will normally be Released, which:

- i. in relation to an Award to which no Holding Period applies, will be the Vesting Date; and
- ii. in relation to an Award to which a Holding Period applies, will be the first Dealing Day immediately after the end of the Holding Period;

“Participant”

any person who holds an Award or following their death, their personal representatives;

“Performance Condition”

a condition or conditions imposed under rule 3.1 which relates to performance;

“Performance Period”

the period over which a Performance Condition will be measured which, unless the Board determines otherwise, will be at least three years;

“Plan”

the Persimmon 2017 Performance Share Plan as amended from time to time;

“Policy”

[the Company’s directors’ remuneration policy that has most recently been approved by the Company’s shareholders;](#)

Recruitment Award

an Award granted in connection with a person's recruitment and which is granted in respect of remuneration they forfeit in connection with their joining a Group Member;

"Release"

- i. in relation to a Conditional Award, the point at which a Participant becomes entitled to receive the Shares under their Award in accordance with the rules of the Plan; and
- ii. in relation to a Nil-Cost Option, the point at which it becomes capable of exercise in accordance with the rules of the Plan,

and **"Released"** will be construed accordingly;

"Release Date"

the date on which an Award is Released;

"Relevant Liability"

means any tax, social security contributions, levy, charge or other payroll deductions required by law arising out of or in connection with an Award for which a Participant is liable (or which may be recovered from the Participant) and for which any Group Member or former Group Member is obliged to pay or account to any relevant authority, or any reasonable estimate thereof;

"Share"

a fully paid ordinary share in the capital of the Company;

"Shareholding Requirement"

means any requirement, guideline or policy determined by the Board from time to time pursuant to which a person must hold Shares either during their office or employment with a Group Member or following their ceasing to hold office or employment with a Group Member;

"Subsidiary"

the meaning given by section 1159 of the Companies Act 2006;

"Trustee"

the trustee or trustees for the time being of any employee benefit trust, the beneficiaries of which include Eligible Employees;

"Vest"

in relation to an Award, the occurrence of its Vesting Date and **"Vesting"**, **"Vested"** and **"Unvested"** will be construed accordingly;

"Vesting Date"

the later of:

- i. date on which the Board determines the extent to which any Performance Condition has been satisfied in accordance with rule 9.1; and
- ii. the date on which the Board determines whether or not an adjustment should be made in accordance with rule 9.2,

or, in either case, such later date determined by the Board; and

"Vesting Period"

means:

- i. in relation to an Award that is subject to a Performance Condition, the Performance Period (or such other period as the Board may determine on or before the Grant Date); and
- ii. in relation to an Award that is not subject to a Performance Condition, the period commencing on the first day of the Company's financial year in respect of which the Award is granted (or such other date as the

Board may determine) and ending three years later (or on such other date as the Board may determine on or before the Grant Date).

1.2 References in the Plan to:

1.2.1 any statutory provisions are to those provisions as amended or re-enacted from time to time; and

1.2.2 the singular include the plural and vice versa.

1.3 Headings do not form part of the Plan.

2. GRANT OF AWARDS

2.1 Subject to rule 2.2, during a Grant Period, the Board may grant an Award to an Eligible Employee in its discretion subject to the rules of the Plan and upon such additional terms as the Board may determine. An Award may be granted subject to a Holding Period.

2.2 The grant of an Award will be subject to obtaining any approval or consent required by the FCA (or other relevant authority), any Dealing Restrictions and any other applicable laws or regulations (whether in the UK or overseas).

2.3 Awards must be granted by deed (or in such other written form as the Board determines) and, as soon as reasonably practicable after the Grant Date, Participants must be notified of the terms of their Award including any Performance Condition, any Holding Period and such additional terms as the Board may consider appropriate.

2.4 An Award may be divided into distinct tranches with different Vesting Periods, Performance Conditions (if any) and/or Holding Periods (if any), and, if so, the rules of the Plan will be construed as if each tranche were itself a separate Award.

2.5 An Award may be satisfied:

2.5.1 by the issue of new Shares; and/or

2.5.2 by the transfer of treasury Shares; and/or

2.5.3 by the transfer of Shares (other than the transfer of treasury Shares).

The Board may decide to change the way in which it is intended that an Award may be satisfied after it has been granted, having regard to the provisions of rule 7.

2.6 No Award may be granted under the Plan after the tenth anniversary of the date on which [amendments to the Plan ~~was~~ were approved by the shareholders of the Company at the Company's 2026 Annual General Meeting](#).

2.7 A Participant may be required to accept an Award in such form as the Board reasonably requires. If the Board has not received such acceptance on or before the last day of the financial year in which the Award is granted (or such other date as the Board determines on or before the Grant Date) and has not waived the requirement for such acceptance:

2.7.1 the Award may not Vest; and/or

2.7.2 the Board may determine that the Award will lapse.

3. PERFORMANCE CONDITION

- 3.1 Awards ~~may will~~ be subject to the satisfaction of a Performance Condition. Subject to rules 12 and 13, any the Performance Condition will be measured over the Performance Period. Any Award granted to an executive director of the Company will be subject to a Performance Condition to the extent required by the Policy.
- 3.2 The Board may amend or substitute a Performance Condition if it considers that a substituted or amended Performance Condition would be more appropriate and that amendment or substitution is required so that the Performance Condition achieves its original purpose.

4. RESTRICTIONS ON TRANSFER

- 4.1 An Award must not be transferred, assigned, charged or otherwise disposed of in any way (except, in the event of the Participant's death, to their personal representatives) and will lapse immediately on any attempt to do so.
- 4.2 An Award will lapse immediately if the Participant is declared bankrupt, enters into or is subject to any similar arrangement (such as an Individual Voluntary Arrangement (IVA)) or, if the Participant is outside the UK, any analogous event occurs.

5. DIVIDEND EQUIVALENTS

- 5.1 The Board may decide at any time prior to the issue or transfer of the Shares in respect of which an Award is Released that the Participant will receive an amount (in cash and/or additional Shares) equal in value to any dividends that would have been paid on those Shares over the "**Dividend Equivalent Period**" (as defined in rule 5.2) on such terms as the Board may determine. This amount may assume the reinvestment of dividends (on such basis as the Board may determine) and may exclude or include special dividends.
- 5.2 For the purposes of rule 5.1 the "**Dividend Equivalent Period**" shall be:
 - 5.2.1 the period commencing at the start of the financial year in respect of which the Award is granted and ending on the Release Date; or
 - 5.2.2 such other period as the Board shall determine, beginning no earlier than the start of the financial year in respect of which the Award is granted and ending no later than the Release Date.
- 5.3 Any such amount will be payable within 30 days after Release or, in the case of a Nil-Cost Option, exercise, of the relevant Award.

6. INDIVIDUAL LIMIT

- 6.1 No Eligible Employee may be granted an Award (other than a Recruitment Award) which would, at the time it is granted, cause the "**Market Value**" (as defined in rule 6.2) of all the Shares subject to Awards (other than Recruitment Awards) granted to that Eligible Employee in respect of a particular financial year of the Company to exceed:
 - 6.1.1 200% of their base salary; or
 - 6.1.2 300% of their base salary if the Board determines that exceptional circumstances exist.
- 6.2 For the purposes of rule 6.1, the "**Market Value**" of a Share shall be calculated in relation to an Award as:
 - 6.2.1 the closing middle market quotation of a Share derived from the London Stock Exchange Daily Official List for the Dealing Day immediately preceding the Grant Date or, at the election of the Board, the

average of such quotations for the period of up to five Dealing Days immediately preceding the Grant Date; or

6.2.2 such other value as the Board shall determine, which may be based on the value of a Share other than at the date the Award is granted.

6.3 To the extent any Award exceeds the applicable limit in rule 6.1 it will be scaled back accordingly.

7. PLAN LIMIT

7.1 An Award shall not be granted in any calendar year if, at the time of its proposed Grant Date, it would cause the number of Shares allocated (as defined in rule 7.2) in the period of 10 calendar years ending with the calendar year of the proposed Grant Date under the Plan and under any other employee share plan adopted by the Company to exceed such number as represents 10% of the ordinary share capital of the Company in issue at that time.

7.2 For the purposes of rule 7.1:

7.2.1 Shares are allocated under the Plan and under any other employee share plan adopted by the Company when:

- (i) an Award or other right to acquire unissued Shares or treasury Shares is granted; and
- (ii) Shares are issued or treasury Shares are transferred to employees or former employees of a Group Member or former Group Member (otherwise than pursuant to an Award or other right to acquire Shares);

7.2.2 any Shares which have been issued or which may be issued (or any Shares transferred out of treasury or which may be transferred out of treasury) to any trustees to satisfy the exercise of an Award or other right granted under any employee share plan shall count as allocated unless they are already treated as allocated under this rule.

7.3 The Board may determine that Shares transferred from treasury will cease to count as allocated for the purposes of rule 7.2 if guidelines published by institutional investor representative bodies no longer require such Shares to be counted.

7.4 The number of Shares allocated does not include:

7.4.1 Shares that were allocated to satisfy awards to the extent that such awards have lapsed or been relinquished;

7.4.2 existing Shares (other than treasury Shares) which have been allocated to satisfy awards or which have been transferred to satisfy awards; and

7.4.3 Shares allocated in respect of awards which are then satisfied in cash.

7.5 If the Board purports to grant one or more Awards which are inconsistent with the limit in this rule 7:

7.5.1 if only one Award is purported to be granted, it will be reduced and will take effect from the Grant Date over the maximum number of Shares permitted by that limit; and

7.5.2 if more than one Award is purported to be granted, they will be reduced as determined by the Board and will take effect from the Grant Date over the reduced number of Shares.

7.6 The Board may make such adjustments to the method of assessing the limit set out in rule 7.1 as it considers appropriate in the event of any variation of the Company's share capital.

8. REDUCTION OF AWARDS AND CLAWBACK

- 8.1 Notwithstanding any other rule of the Plan this rule 8 applies to each Award and will continue to apply after the termination of a Participant's office or employment with a Group Member for any reason whether or not the termination is lawful.

Reduction of Awards prior to Vesting (malus)

- 8.2 The Board may, in its discretion, determine that the provisions of rule 8.4 (malus) should be applied to an Award if the circumstances referred to in rule 8.3 arise within the period beginning on the first day of the financial year in respect of which the Award is granted and ending on the Vesting Date. The Board, acting fairly and reasonably, may determine on or before the Grant Date that this period shall start on an earlier date.

- 8.3 The relevant circumstances are:

- 8.3.1 a material misstatement of any Group Member's financial results;
- 8.3.2 gross misconduct on the part of the Participant which, in the opinion of the Board, affects substantially (or, in the reasonable opinion of the Board, is likely to affect substantially) the financial performance of a Group Member or the reputation of a Group Member;
- 8.3.3 an error in assessing a Performance Condition applicable to the Award or in the information or assumptions on which the Award was granted or is Released;
- 8.3.4 a material failure of risk management by the Company, any Group Member or relevant business unit
- 8.3.5 serious reputational damage to the Company, any Group Member or relevant business unit;
- 8.3.6 serious misconduct or material error on the part of the Participant;
- 8.3.7 a material corporate failure as determined by the Board;
- 8.3.8 a failure of what the Board considers to be acceptable health and safety standards, which may include a fatality;
- 8.3.9 any other circumstances which the Board, in its discretion and acting fairly and reasonably, considers to be similar in their nature or effect to those set out in rules 8.3.1 to 8.3.8.

- 8.4 The Board may, in its discretion, determine at any time prior to the Vesting of an Award to:

- 8.4.1 reduce (including to zero) the number of Shares to which an Award relates; and/or
- 8.4.2 impose further conditions on an Award.

Clawback after Vesting

- 8.5 The Board may, in its discretion, determine that the provisions of rule 8.6 (clawback) should be applied to an Award if the circumstances referred to in rule 8.3 arise within the period beginning on the first day of the financial year in respect of which the Award is granted and ending on the Vesting Date. The Board, acting fairly and reasonably, may determine on or before the Grant Date that this period shall start on an earlier date.
- 8.6 The Board may, in its discretion, determine at any time after the Vesting of an Award and, unless rule 8.7 applies, prior to the fifth anniversary of the Grant Date, to:

- 8.6.1 take the action referred to in rule 8.4 if Shares or cash have not been delivered to satisfy the Release or exercise of the Award;
- 8.6.2 require a Participant or former Participant to make a cash payment to the Company in respect of some or all of the Shares or cash delivered to them under the Award; and/or
- 8.6.3 require a Participant or former Participant to transfer for nil consideration some or all of the Shares delivered to them under the Award,

and the Board will have the discretion to determine the basis on which the amount of cash or Shares is calculated including whether and if so to what extent to take account of any tax or social security liability applicable to the Award.

- 8.7 If the action or conduct of any Participant, Group Member or relevant business unit is under investigation prior to the fifth anniversary of the Grant Date pursuant to this rule 8 and such investigation has not yet been concluded by that date, the period referred to in rule 8.5 will end on such later date as the Board considers appropriate to allow such investigation to be concluded.
- 8.8 In order to effect the recovery by the application of any malus or clawback provisions of sums paid or Shares delivered under any bonus plan or share plan (including the Plan) operated by any Group Member, the Board may decide to:
 - 8.8.1 reduce (including to zero) the number of Shares to which an Award relates;
 - 8.8.2 impose further conditions on an Award; and/or
 - 8.8.3 require a Participant or former Participant to transfer for nil consideration some or all of the Shares delivered to them under an Award or make a cash payment to the Company in respect of some or all of the Shares delivered to them under an Award.

If the Board decides to apply rule 8.8.3, the Board will have the discretion to determine the basis on which the amount of cash or Shares is calculated including whether and if so to what extent to take account of any tax or social security liability applicable to the Award.

- 8.9 For the purposes of this rule 8, references to Group Member or a relevant business unit include references to any former Group Member or former business unit.

9. VESTING, RELEASE AND EXERCISE

- 9.1 As soon as reasonably practicable after the end of the Performance Period relating to an Award which is subject to a Performance Condition, the Board will determine if and to what extent the Performance Condition has been satisfied and, accordingly, the extent to which the Award may, subject to rule 9.2, become capable of Release.
- 9.2 As soon as reasonably practicable after the end of the Performance Period (or in the case of an Award that is not subject to a Performance Condition, after the end of the Vesting Period) the Board may, in its discretion, adjust (including by reducing to nil) the extent to which an Award would (but for this rule 9.2) become capable of Release, if it considers that:
 - 9.2.1 such level does not reflect the underlying financial or non-financial performance of the Participant or the Group over the Vesting Period;
 - 9.2.2 such level is not appropriate in the context of circumstances that were unexpected or unforeseen at the Grant Date; or
 - 9.2.3 there exists any other reason why an adjustment is appropriate,

taking into account such factors as the Board considers relevant.

- 9.3 An Award will become capable of Release to the extent determined in accordance with rules 9.1 and 9.2, and any part of the Award that does not become capable of Release will lapse immediately.
- 9.4 Subject to rules 10, 12 and 13 an Award will be Released on the Normal Release Date unless on the Normal Release Date (or on any other date on which an Award is due to be Released under rule 12 or 13):
- 9.4.1 a Dealing Restriction applies to the Participant, in which case an Award will be Released on the date on which such Dealing Restriction lifts; or
- 9.4.2 the action or conduct of any Participant, Group Member or relevant business unit is under investigation pursuant to rule 8 and such investigation has not yet been concluded by that date, in which case an Award will be Released on such later date as the Board considers appropriate to allow such investigation to be concluded; and
- a Nil-Cost Option may then be exercised until the tenth anniversary of the Grant Date (or such earlier date as the Board may determine on or prior to the Grant Date) in such manner as the Board determines, after which time it will lapse.
- 9.5 Subject to rules 10 and 11, where a Conditional Award has been Released or a Nil-Cost Option has been exercised, the number of Shares in respect of which the Award has been Released or exercised together with any additional Shares or cash to which a Participant becomes entitled under rule 5 will be issued, transferred or paid (as applicable) to the Participant within 30 days thereafter.

10. TAXATION AND REGULATORY ISSUES AND SHAREHOLDING REQUIREMENT

- 10.1 A Participant will be responsible for and indemnifies each relevant Group Member and the Trustee against any Relevant Liability relating to their Award. Any Group Member and/or the Trustee may withhold an amount equal to such Relevant Liability from any amounts due to the Participant (to the extent such withholding is lawful) and/or make any other arrangements as it considers appropriate to ensure recovery of such Relevant Liability including, without limitation, the sale of sufficient Shares acquired subject to the Award to realise an amount equal to the Relevant Liability.
- 10.2 The Release of an Award, the exercise of a Nil-Cost Option and the issue or transfer of Shares under the Plan will be subject to obtaining any approval or consent required by the FCA (or any other relevant authority), any Dealing Restrictions or any other applicable laws or regulations (whether in the UK or overseas).
- 10.3 The Board may make the delivery of any Shares to satisfy the Release of a Conditional Award or the exercise of a Nil-Cost Option conditional on the Participant taking any action (including entering into any agreement) in relation to those Shares reasonably required by the Board in connection with any Shareholding Requirement. Any such action may include a requirement that the Participant agrees to the relevant Shares being held on their behalf by a nominee for so long as they are to be retained for the purposes of the Shareholding Requirement.

11. CASH EQUIVALENT

- 11.1 Subject to rule 11.2, at any time prior to the date on which Shares in respect of which an Award that has been Released or exercised have been issued or transferred to a Participant, the Board may determine that, in substitution for their right to acquire some or all of the Shares to which their Award relates, the Participant will instead receive a cash sum. The cash sum will be equal to the market value (as determined by the Board) of that number of the Shares which would otherwise have been issued or transferred and for these purposes:

11.1.1 in the case of a Conditional Award, market value will be determined on the Release Date;

11.1.2 in the case of a Nil-Cost Option, market value will be determined on the date of exercise; and

11.1.3 the cash sum will be paid to the Participant within 30 days after the Release of the Conditional Award or the exercise of the Nil-Cost Option (or, if later, the date of the determination by the Board under this rule 11.1) net of any Relevant Liability.

11.2 The Board may determine that this rule 11 will not apply to an Award, or any part of it.

12. CESSATION OF EMPLOYMENT

Death

12.1 If a Participant dies, unless the Board determines otherwise:

12.1.1 an Unvested Award will be Released in accordance with rule 12.2 as soon as reasonably practicable after the date of their death; and

12.1.2 a Vested Award which has not yet been Released will be Released as soon as reasonably practicable after the date of their death to the extent already determined in accordance with rule 9.1.

12.2 The number of Shares in respect of which an Unvested Award is Released pursuant to rule 12.1.1 will be determined by the Board in its discretion, taking into account:

12.2.1 the extent to which any Performance Condition has been satisfied;

12.2.2 whether it is appropriate to adjust (including by reducing to nil) the extent to which the Award would (but for this rule 12.2.2) be Released, if it considers that rule 9.2.1, 9.2.2 or 9.2.3 applies, taking into account such factors as the Board considers relevant; and

12.2.3 unless the Board determines otherwise, the period of time that has elapsed from the start of the Vesting Period to the date of death (or such other period of time as the Board determines) as a proportion of the Vesting Period,

and to the extent that an Award is not Released in full, the remainder will lapse immediately.

12.3 If a Participant dies, a Nil-Cost Option may be exercised until the first anniversary of the date of death (or such other period as the Board may determine) after which time it will lapse unless it lapses earlier under rule 13.

Cessation of employment prior to the Vesting Date

12.4 If a Participant ceases to hold office or employment with a Group Member prior to the Vesting Date other than in accordance with rule 12.1 or 12.5, their Unvested Award will lapse at that time.

12.5 If a Participant ceases to hold office or employment with a Group Member prior to the Vesting Date as a result of:

12.5.1 ill-health, injury or disability as established to the satisfaction of the Board;

12.5.2 the Participant's employing company ceasing to be a Group Member or the transfer of an undertaking or part of an undertaking (in which the Participant is employed) to a person who is not a Group Member; or

12.5.3 any other reason at the Board's discretion, except where a Participant is summarily dismissed,

unless the Board determines rule 12.6 applies, an Award will continue and, subject to it being Released or lapsing earlier under rule 13, will be Released in accordance with rule 12.7 on the Normal Release Date.

- 12.6 If this rule 12.6 applies, the relevant Award will be Released in accordance with rule 12.7 as soon as reasonably practicable following the date of the Participant's cessation of office or employment (or on such other date as determined by the Board).
- 12.7 The number of Shares in respect of which the Award is Released pursuant to rule 12.5 or 12.6 will be determined by the Board in its discretion, taking into account:
- 12.7.1 the extent to which, any Performance Condition has been satisfied at the end of the Performance Period (if rule 12.5 applies or if rule 12.6 applies and the Award is Released following the end of the Vesting Period) or at the date of the Participant's cessation of office or employment (if rule 12.6 applies and the Award is Released before the end of the Vesting Period);
- 12.7.2 whether it is appropriate to adjust (including by reducing to nil) the extent to which the Award would (but for this rule 12.7.2) be Released, if it considers that rule 9.2.1, 9.2.2 or 9.2.3 applies, taking into account such factors as the Board considers relevant; and
- 12.7.3 unless the Board determines otherwise, the period of time that has elapsed from the start of the Vesting Period to the date of such cessation of office or employment (or such other period as the Board determines) as a proportion of the Vesting Period,

and to the extent that an Award is not Released in full, the remainder will lapse immediately.

- 12.8 If a Participant ceases to hold office or employment with a Group Member for a reason referred to in rule 12.5, a Nil-Cost Option may be exercised for a period of six months from the Release Date (or such other period as the Board may determine) after which time it will lapse unless it lapses earlier under rule 13.

Cessation of employment on or after the Vesting Date

- 12.9 Subject to rule 12.1, if a Participant ceases to hold office or employment with a Group Member on or after the Vesting Date but prior to the Normal Release Date for any reason (except summary dismissal, in which case the Award will lapse on the date of such cessation), unless the Board determines rule 12.10 applies, the relevant Award will continue and be Released on the Normal Release Date, subject to it being Released or lapsing earlier under rule 13.
- 12.10 If this rule 12.10 applies, the relevant Award will be Released as soon as reasonably practicable following the date of the Participant's cessation of office or employment to the extent already determined in accordance with rule 9.1.
- 12.11 Subject to rule 12.3, where a Participant ceases to hold office or employment with a Group Member on or after the Vesting Date (except where they cease to hold office or employment with a Group Member because of summary dismissal, in which case their Nil-Cost Option will lapse on the date of such cessation), their Nil-Cost Option may be exercised for a period of six months (or such other period as the Board may determine) from:
- 12.11.1 the date of such cessation, if it has already been Released on that date; or
- 12.11.2 the Release Date, to the extent that it is Released in accordance with rule 12.9 or 12.10,
- after which time it will lapse unless it lapses earlier under rule 13.

Meaning of cessation of employment

12.12 For the purposes of the Plan, no person will be treated as ceasing to hold office or employment with a Group Member until that person no longer holds:

12.12.1 an office or employment; or

12.12.2 a right to return to work

with any Group Member unless the Board determines that a person will be treated as ceasing to hold office or employment with a Group Member on the date such person or their employer serves notice of termination of office or employment.

Leavers – Shareholding Requirement

12.13 The Board may determine that any Award held by a Participant after they have ceased to hold office or employment with a Group Member will lapse if the Participant fails to abide by any applicable Shareholding Requirement.

Leavers – post-cessation change in circumstances

12.14 If an Award continues in accordance with rule 12.5 following a Participant ceasing to hold office or employment with a Group Member, the Board may:

12.14.1 require the Participant to confirm, in such form and at such time or times as the Board requires that in the period between the date of cessation and the date on which the Award Vests they have not started or agreed to start employment with, or otherwise to provide services to, any other person;

12.14.2 make the delivery of any Shares to satisfy the Vesting of the Award (if it is a Conditional Award) or the exercise of the Award (if it is a Nil-Cost Option) conditional on the Participant giving the confirmation referred to in rule 12.14.1;

12.14.3 determine that the Award will lapse if:

- (a) the Participant does not give the confirmation referred to in rule 12.14.1; or
- (b) the Board determines that in the period between the date of cessation and the date on which the Award Vests the Participant has started or agreed to start employment with, or otherwise to provide services to, any other person.

13. CORPORATE EVENTS

13.1 Where any of the events described in rule 13.3 occur, subject to rules 13.6 and 13.7, all Awards which have not yet been Released will be Released (in the case of Unvested Awards, in accordance with rule 13.2 and in the case of Awards which have Vested but not been Released, to the extent already determined in accordance with rule 9.1) at the time of such event. A Nil-Cost Option will (whether it was Released under this rule 13.1 or earlier), subject to rules 13.6 and 13.7, lapse after a period of one month (or such other period as the Board may determine) from the date of the relevant event.

13.2 Any Unvested Award will be Released pursuant to rule 13.1 to the extent determined by the Board, taking into account:

13.2.1 the extent to which any Performance Condition has been satisfied;

13.2.2 whether it is appropriate to adjust (including by reducing to nil) the extent to which the Award would (but for this rule 13.2.2) be Released, if it considers that rule 9.2.1, 9.2.2 or 9.2.3 applies, taking into account such factors as the Board considers relevant; and

13.2.3 either:

- (i) if a Participant has already ceased to hold office or employment with a Group Member and so ceased prior to the Vesting Date, in accordance with rule 12.7.3 unless the Board determines otherwise; or
- (ii) in all other circumstances, unless the Board determines otherwise, the period of time that has elapsed from the start of the Vesting Period to the date of the relevant event (or such other period as the Board determines) as a proportion of the Vesting Period,

and to the extent that an Award is not Released, or is not exchanged in accordance with rules 13.6 and 13.7, it will lapse immediately.

13.3 The events referred to in rule 13.1 are:

13.3.1 General offer

If any person (either alone or together with any person acting in concert with them):

- (i) obtains Control of the Company as a result of making a general offer to acquire Shares; or
- (ii) already having Control of the Company, makes an offer to acquire all of the Shares other than those which are already owned by them and such offer becomes wholly unconditional.

13.3.2 Scheme of arrangement

A compromise or arrangement in accordance with section 899 or 901F of the Companies Act 2006 for the purposes of a change of Control of the Company is sanctioned by the Court.

13.4 Winding-up

On the passing of a resolution for the voluntary winding-up or the making of an order for the compulsory winding up of the Company, the Board will determine:

13.4.1 whether and to what extent Awards which have not yet been Released will be Released taking into account:

- (i) the extent to which any Performance Condition has, in the Board's opinion, been satisfied;
- (ii) whether it is appropriate to adjust (including by reducing to nil) the extent to which the Award would (but for this rule 13.4.1(ii)) be Released, if it considers that rule 9.2.1, 9.2.2 or 9.2.3 applies, taking into account such factors as the Board considers relevant; and
- (iii) unless the Board determines otherwise, the period of time that has elapsed from the start of the Vesting Period to the date of the relevant event (or such other period as the Board determines) as a proportion of the Vesting Period; and

13.4.2 the period of time during which any Released Nil-Cost Option may be exercised, after which time it will lapse.

To the extent that an Award is not Released it will lapse immediately.

13.5 Other events

If the Company is or may be affected by a demerger, delisting, special dividend or other event, which, in the opinion of the Board, may affect the current or future value of Shares, the Board may determine that an Award will be Released, in which case:

13.5.1 the Award will be Released taking into account:

- (i) the extent to which any Performance Condition has, in the Board's opinion, been satisfied;
- (ii) whether it is appropriate to adjust (including by reducing to nil) the extent to which the Award would (but for this rule 13.5.1(ii)) be Released, if it considers that rule 9.2.1, 9.2.2 or 9.2.3 applies, taking into account such factors as the Board considers relevant; and
- (iii) unless the Board determines otherwise, the period of time that has elapsed from the start of the Vesting Period to the date of the relevant event (or such other period as the Board determines) as a proportion of the Vesting Period; and

13.5.2 the period of time during which any Released Nil-Cost Option may be exercised, after which time it will lapse.

To the extent that the Award is not Released it will lapse immediately, unless the Board determines otherwise.

13.6 Exchange

An Award will not be Released and a Nil-Cost Option will not lapse under rule 13.1 but will be exchanged on the terms set out in rule 13.7 to the extent that:

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

13.6.2 there is an Internal Reorganisation, unless the Board determines that an Award should be Released under rule 13.1; or

13.6.3 the Board decides (before the relevant event) that an Award will be exchanged automatically.

The new award may be over shares in and/or other securities or instruments issued by a different company (whether an acquiring company or a different company) and/or a right to receive a cash amount.

13.7 Exchange terms

If this rule 13.7 applies, the Award will not be Released (if not already Released) but will be exchanged in consideration of the grant of a new award (the "**New Award**") which, in the opinion of the Board, is equivalent to the Award, but relates to shares in a different company (whether the acquiring company or a different company). The rules of this Plan will be construed in relation to the New Award as if:

13.7.1 the New Award was an Award granted under the Plan at the same time as the Award;

13.7.2 references to any Performance Conditions were references to such new performance conditions as the Board may consider appropriate in the circumstances;

13.7.3 references to the Company were references to the company whose shares and/or other securities are subject to the New Award; and

13.7.4 references to Shares were references to shares and/or other securities that are the subject of the New Award.

13.8 Meaning of Board

Any reference to the Board in this rule 13 means the members of the Board immediately prior to the relevant event.

14. ADJUSTMENTS

14.1 The number of Shares subject to an Award may be adjusted in such manner as the Board determines, in the event of:

14.1.1 any variation of the share capital of the Company; or

14.1.2 a demerger, delisting, special dividend or other event which may, in the opinion of the Board, affect the current or future value of Shares.

14.2 The Board may also adjust any Performance Condition.

15. AMENDMENTS

15.1 Except as described in this rule 15, the Board may at any time amend the rules of the Plan or the terms of any Award.

15.2 Subject to rule 15.3, no amendment to the advantage of Eligible Employees and/or Participants will be made under this rule 15 to the provisions relating to:

15.2.1 the persons to whom, or for whom, Shares or cash are provided under the Plan;

15.2.2 limitations on the number or amount of Shares or cash subject to the Plan;

15.2.3 the maximum entitlement for any one Participant;

15.2.4 the basis for determining a Participant's entitlement to, and the terms of, Shares or cash to be provided under the Plan;

15.2.5 the adjustments that may be made in the event of a variation of capital; and

15.2.6 the terms of this rule 15.2

without prior approval of the members of the Company in general meeting.

15.3 Rule 15.2 will not apply to any minor amendment which is to benefit the administration of the Plan or is necessary or desirable to take account of any change in legislation or to obtain or maintain favourable taxation, exchange control or regulatory treatment for any Group Member or Participant.

15.4 No amendment to the material disadvantage of existing rights of Participants (except in respect of a Performance Condition) will be made under rule 15.1 unless:

15.4.1 every Participant who may be affected by such amendment has been invited to indicate whether or not they approve the amendment; and

15.4.2 the amendment is approved by a majority of those Participants who have so indicated.

15.5 No amendment will be made under this rule 15 if it would prevent the Plan from being an employees' share scheme in accordance with section 1166 of the Companies Act 2006.

16. LEGAL ENTITLEMENT

16.1 This rule 16 applies during a Participant's employment with any Group Member and after the termination of such employment, whether or not the termination is lawful.

- 16.2 Nothing in the Plan or its operation forms part of the terms of employment of a Participant and the rights and obligations arising from a Participant's employment with any Group Member are separate from, and are not affected by, their participation in the Plan. Participation in the Plan does not create any right to continued employment with a Group Member for any Participant.
- 16.3 The grant of any Award to a Participant does not create any right for that Participant to be granted any further Awards or to be granted Awards on any particular terms, including the number of Shares to which Awards relate.
- 16.4 By participating in the Plan, a Participant waives all rights to compensation for any loss in relation to the Plan, including:
 - 16.4.1 any loss or reduction of any rights or expectations under the Plan in any circumstances or for any reason (including lawful or unlawful termination of the Participant's employment);
 - 16.4.2 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; and
 - 16.4.3 the operation, suspension, termination or amendment of the Plan.

17. GENERAL

- 17.1 The Plan will terminate upon the date determined in accordance with rule 2.6, 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 Plan will be without prejudice to the existing rights of Participants.
- 17.2 Shares issued or transferred from treasury under the Plan will rank equally in all respects with the Shares then in issue, except that they will not rank for any voting, dividend or other rights attaching to Shares by reference to a record date preceding the date of issue or transfer from treasury.
- 17.3 The personal data of any Eligible Employee, Participant or former Participant may be processed in connection with the operation of the Plan in accordance with the Group's prevailing data protection policy and as notified to Eligible Employees pursuant to a privacy notice or otherwise. If an Eligible Employee, Participant or former Participant is employed outside the European Economic Area and outside the United Kingdom and consent is needed for processing of their personal data in connection with the operation of the Plan, by participating in the Plan, they consent to such processing of their personal data.
- 17.4 The Plan will be administered by the Board. The Board will have full authority, consistent with the Plan, to administer the Plan, including authority to interpret and construe any provision of the Plan and to adopt regulations for administering the Plan. Decisions of the Board will be final and binding on all parties.
- 17.5 Any notice or other communication in connection with the Plan may be delivered personally or sent by electronic means or post, in the case of a company to its registered office (for the attention of the company secretary), and in the case of an individual to their last known address, or, where they are a director or employee of a Group Member, either to their last known address or to the address of the place of business at which they perform the whole or substantially the whole of the duties of their office or employment. Where a notice or other communication is given by post, it will be deemed to have been received 72 hours after it was put into 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.
- 17.6 No third party will have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Plan (without prejudice to any right of a third party which exists other than under that Act).

17.7 The rules of the Plan will be governed by and construed in accordance with the laws of England and Wales. Any person referred to in the Plan submits to the exclusive jurisdiction of the Courts of England and Wales.

SCHEDULE

1. CASH AWARDS

- 1.1 The rules of the Persimmon 2017 Performance Share Plan will apply to a right to receive a cash sum granted under this Schedule as if it was either a Conditional Award (a "**Cash Conditional Award**") or a Nil-Cost Option (a "**Cash Option**"), except as set out in this Schedule. Where there is any conflict between the rules of the Plan and this Schedule, the terms of this Schedule will prevail.
- 1.2 Each Cash Conditional Award or Cash Option will relate to a certain number of notional Shares.
- 1.3 On the Release of a Cash Conditional Award or the exercise of a Cash Option the Participant will be entitled to receive a cash sum, calculated by reference to the value of the number of notional Shares to which the Cash Conditional Award or the Cash Option relates, on the following basis:
 - 1.3.1 in the case of a Cash Conditional Award the cash sum will be equal to the market value (as determined by the Board) of the notional Shares to which the Cash Conditional Award relates on the Release Date; and
 - 1.3.2 in the case of a Cash Option the cash sum will be equal to the market value (as determined by the Board) of the notional Shares to which the Cash Option relates on the date of exercise.
- 1.4 The cash sum payable under paragraph 1.3 above will be paid to the Participant within 30 days after the Release of the Cash Conditional Award or the exercise of the Cash Option, net of any Relevant Liability as may be required by law.
- 1.5 A Cash Conditional Award or Cash Option will not confer any right on the holder to receive Shares or any interest in Shares.