SAGA PLC
ANNUAL GENERAL MEETING

5 July 2022

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the action you should take, we recommend you seek advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000. If you have sold or otherwise transferred all your shares in Saga plc, please send this document at once to the purchaser or transferee; or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee.

SAGA

ABOUT THE AGM

Please read the following important information about attendance at the Annual General Meeting (AGM) and viewing the AGM online.

The AGM begins at 11.00am.

ABOUT THE AGM

The resolutions set out on pages 4 to 6 will be considered at the AGM. You will be asked to vote on each of these resolutions. Voting on each resolution will be conducted by way of a poll.

ATTENDING THE AGM

Attending in person

You may be asked to provide proof of identity on arrival at the venue. If you have been appointed as proxy for a shareholder entitled to vote, please let the admission team know. You should bring proof of identity with you and you will also be asked to confirm the details of the shareholder you are representing. Please do not attend the event if you test positive for, or develop symptoms associated with, COVID-19 or similar viruses such as influenza.

The safety of Saga's visitors, shareholders and colleagues is of paramount importance to us. Therefore, in order to maximise safety precautions, we may introduce additional security measures as appropriate, including the search of bags which are brought into the AGM by visitors.

Viewing online

You may view the AGM online using your smartphone, tablet or computer. If you choose to view online, you will be able to view a live webcast of the meeting and ask the Directors questions electronically. Please note, you will not be able to vote during the meeting when viewing online.

Access to the AGM will be available from 10.00am on 5 July 2022.

To view the meeting electronically, please visit:
www.corporate.saga.co.uk/investors/agm

Additional details of how to view the AGM electronically are set out on page 16.

Asking questions at the AGM

During the meeting, shareholders will have the opportunity to ask questions relevant to the business of the meeting in an open forum. The Directors and senior Saga colleagues will also be available after the AGM for informal discussion.

If you wish to ask questions electronically, please do so by using the 'Questions' functionality from within the webcast player.

Shareholders can also submit questions to the Board in advance of the AGM by emailing **investor.relations@saga.co.uk**, by writing to the Group Company Secretary at Saga, Enbrook Park, Sandgate, Folkestone CT20 3SE, or by calling our share registrar, Equiniti Group on +44 (0) 371 384 2640.

Do you have any other questions about the AGM?

Call the Company's Registrar, Equiniti Group (**Equiniti**), on +44 (0) 371 384 2640 or write to them at Equiniti Group, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA.

GETTING TO THE VENUE

By train

The nearest station is Folkestone West, about one mile from Enbrook Park. Transport from the station to the venue can be arranged by request. Please contact us on 0800 015 5429 at least two working days prior to the meeting to request transport from the station to the venue.

By car

Please note that parking will be limited and allocated on a first come, first served basis. The postcode for navigation is CT20 3SE. Leave the M20 at Junction 12 and exit the roundabout on the road signposted to Cheriton. Follow the road to the first set of traffic lights and turn right into Risborough Lane. Remain on this road until you arrive at a T-junction (Sandgate High Street). Turn left and then immediately left again into Enbrook Park.

By bus

A number of bus routes stop at Sandgate War Memorial which is the nearest bus stop to Enbrook Park. For details of local bus routes, please visit **www.stagecoachbus.com**. Please be aware that the short walk from the bus stop to the venue is uphill. Should you require assistance, please contact us as soon as possible.

KEY DATES

11.00am 30 June 2022	Deadline for receipt of online or postal voting forms for Corporate Sponsored Nominee holders
11.00am 1 July 2022	Deadline for receipt of online or postal voting forms for direct shareholders
11.00am 5 July 2022	Annual General Meeting

If you are generally happy to view shareholder and Company documents online, please update your communication preferences (if necessary) by contacting Equiniti on +44 (0) 371 384 2640 or via Shareview Portfolio which can be accessed at **www.sagashareholder.co.uk**.

ACTION REQUIRED

The attached notice includes the resolutions (**Resolutions**) to be considered at the AGM. You are requested to complete and submit a Form of Proxy as soon as possible. In any event, the Proxy instruction should reach the Company's Registrar by 11.00am on 1 July (11.00am on 30 June 2022 if you hold your shares in the Corporate Sponsored Nominee). You can complete a Form of Proxy via Shareview Portfolio which can be accessed at **www.sagashareholder.co.uk**.

We no longer send paper forms by default (see Note 16 on page 15). If you would like to request a paper Form of Proxy, please contact Equiniti.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the eighth Annual General Meeting (AGM) of Saga plc (the Company) will be held at Enbrook Park, Sandgate, Folkestone, Kent CT20 3SE on 5 July 2022 at 11.00am.

You will be asked to consider and vote on the Resolutions below. Resolutions 1 to 15 will be proposed as ordinary resolutions and Resolutions 16 to 19 will be proposed as special resolutions. The Directors believe that the resolutions to be proposed at the AGM are in the best interests of the Company and its shareholders as a whole, and they unanimously recommend that you vote in favour of them as the Directors propose to do so in respect of their own shareholdings.

Capitalised terms used but not defined herein have the meanings set out in the glossary section at the end of this Notice.

The Board thanks you for your continued support.

ORDINARY RESOLUTIONS

Resolution 1:

To receive the Company's Annual Report and Accounts for the financial year ended 31 January 2022 together with the Directors' Report and the Auditor's Report on those accounts.

Resolution 2:

To receive and approve the Directors' Remuneration Report, as set out on pages 85 to 106 of the 2022 Annual Report and Accounts.

Resolution 3:

To receive and approve the Directors' Remuneration Policy, as attached to this Notice, to take effect immediately after the end of the AGM on 5 July 2022.

Resolution 4:

Subject to the passing of Resolution 3, that the rules of the Saga Transformation Plan (the **STP**), a copy of which is produced to the meeting and initialed by the Chairman of the meeting for the purposes of identification, be, and are, hereby approved and adopted and the Directors of the Company be, and are, hereby authorised to do all such things in accordance with applicable law as may be necessary or desirable to carry the STP into effect and to adopt further schemes based on the STP but modified to take account of local tax, exchange control or securities law in overseas territories, provided that any shares made available under such further schemes are treated as counting against any limits on individual or overall participation in the STP.

Resolution 5:

To re-elect Roger De Haan as a director of the Company.

Resolution 6:

To re-elect Euan Sutherland as a director of the Company.

Resolution 7:

To re-elect James Quin as a director of the Company.

Resolution 8:

To re-elect Orna NiChionna as a director of the Company.

Resolution 9:

To re-elect Eva Eisenschimmel as a director of the Company.

Resolution 10:

To re-elect Julie Hopes as a director of the Company.

Resolution 11:

To re-elect Gareth Hoskin as a director of the Company.

Resolution 12:

To re-appoint KPMG LLP as the Company's auditor to hold office from the conclusion of the AGM until the conclusion of the next general meeting at which accounts are laid before the shareholders.

Resolution 13:

To authorise the Audit Committee to agree KPMG LLP's remuneration as the Company's auditor.

Resolution 14:

That the Company and all companies that are its subsidiaries at any time up to the end of the next annual general meeting of the Company to be held in 2023, be authorised to:

1. make political donations to political parties and/or independent election candidates not exceeding £100,000 in aggregate;
2. make political donations to political organisations other than political parties not exceeding £100,000 in aggregate; and
3. incur political expenditure not exceeding £100,000 in aggregate

   provided that the aggregate amount of any such donations and expenditure shall not exceed £100,000 during the period commencing on the date of this Resolution and ending on the conclusion of the Company's next annual general meeting after the date on which this Resolution is passed.

For the purposes of the authority to be granted by such ordinary resolution, the terms 'political donations', 'political parties', 'independent election candidates', 'political organisations' and 'political expenditure' have the meanings given by Sections 363 to 365 of the Companies Act 2006 (the **Act**).

Resolution 15:

(a) That: the Directors of the Company be generally and unconditionally authorised for the purposes of Section 551 of the Companies Act 2006 (the **Act**) to:

(i) allot shares in the Company, and to grant rights to subscribe for or to convert any security into shares in the Company:

(A) up to an aggregate nominal amount of £7,009,847; and

(B) comprising equity securities (as defined in the Act) up to an aggregate nominal amount of £14,019,693 (including within such limit any shares issued or rights granted under paragraph (a)(i)(A) above) in connection with an offer by way of a rights issue:

(I) to holders of ordinary shares in proportion (as near as may be practicable) to their existing holdings; and

(II) to people who are holders of other equity securities if this is required by the rights of those securities or, if the Directors consider it necessary, as permitted by the rights of those securities;

but subject to such exclusions, restrictions or other arrangements as the Directors may deem necessary or expedient to deal with treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems arising under the laws or requirements of any territory or any other matter;

for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) at the end of the next annual general meeting of the Company after the date on which this Resolution is passed (or, if earlier, at the close of business on 31 July 2023); and

(ii) make an offer or agreement which would or might require shares to be allotted, or rights to subscribe for or convert any security into shares to be granted, after expiry of this authority and the Directors may allot shares and grant rights in pursuance of that offer or agreement as if this authority had not expired;

(b) subject to paragraph (c) below, all existing authorities given to the Directors pursuant to Section 551 of the Act be revoked by this Resolution; and

(c) paragraph (b) above shall be without prejudice to the continuing authority of the Directors to allot shares or grant rights to subscribe for or convert any security into shares, pursuant to an offer or agreement made by the Company before the expiry of the authority pursuant to which such offer or agreement was made.

SPECIAL RESOLUTIONS

Resolution 16:

That, subject to the passing of Resolution 15 above, the Directors be generally authorised pursuant to Sections 570 and 573 of the Companies Act 2006 (the **Act**) to allot equity securities (as defined in Section 560 of the Act) of the Company wholly for cash pursuant to the authority of the Directors conferred by Resolution 15 above, and/or by way of a sale of treasury shares for cash, in each case as if Section 561(1) of the Act did not apply to any such allotment or sale provided that:

(a) the power conferred by this Resolution shall be limited to:

(i) the allotment of equity securities or sale of treasury shares in connection with an offer of, or invitation to apply for, equity securities (but in the case of the authority granted under Resolution 15 (a)(i)(B), by way of a rights issue only):

(A) to holders of ordinary shares in the capital of the Company in proportion (as nearly as may be practicable) to their existing respective holdings; and

(B) to holders of any other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,

but subject to such exclusions, restrictions or other arrangements as the Directors may deem necessary or expedient to deal with treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems arising under the laws or requirements of any territory or any other matter; and

(ii) the allotment of equity securities or sale of treasury shares (otherwise than pursuant to sub-paragraph (a) above) up to an aggregate nominal amount of £1,052,529; and

(b) the power conferred by this Resolution shall expire (unless previously revoked, varied or extended by the Company in general meeting) at the end of the next annual general meeting of the Company after the date on which this Resolution is passed (or, if earlier, at the close of business on 31 July 2023) except that the Company may before the expiry of this power make an offer or agreement which would or might require equity securities to be allotted (or treasury shares to be sold) after such expiry and the Directors may allot equity securities (or sell treasury shares) in pursuance of such an offer or agreement as if this power had not expired.

Resolution 17:

That, subject to the passing of Resolution 15, the Directors be generally authorised pursuant to Sections 570 and 573 of the Companies Act 2006 (the **Act**), in addition to any authority granted under Resolution 16, to allot equity securities (as defined in Section 560 of the Act) of the Company wholly for cash pursuant to the authority of the Directors conferred by Resolution 15 above, and/or by way of a sale of treasury shares for cash, in each case as if Section 561(1) of the Act did not apply to any such allotment or sale provided that:

(a) the power conferred by this Resolution shall be:

- (i) limited to the allotment of equity securities or sale of treasury shares up to an aggregate nominal amount of £1,052,529; and
- (ii) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this Notice, and

(b) the power conferred by this Resolution shall expire (unless previously revoked, varied or extended by the Company in general meeting) at the end of the next annual general meeting of the Company after the date on which this Resolution is passed (or, if earlier, at the close of business on 31 July 2023) except that the Company may before the expiry of this power make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if this power had not expired.

Resolution 18:

That the Company be, and is hereby generally and unconditionally, authorised for the purposes of Section 701 of the Companies Act 2006 (the **Act**) to make market purchases (within the meaning of Section 693(4) of the Act) of its ordinary shares of 15p each (**Ordinary Shares**) provided that:

(a) the maximum aggregate nominal value of Ordinary Shares authorised to be purchased is £2,105,059 (representing 10% of the issued share capital);

(b) the minimum price (exclusive of expenses) which may be paid for an Ordinary Share is 15p;

(c) the maximum price (exclusive of expenses) which may be paid for an Ordinary Share is an amount equal to the higher of:

- (i) 105% of the average of the middle market quotations for an Ordinary Share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which that Ordinary Share is contracted to be purchased; and
- (ii) the higher of the price of the last independent trade of an Ordinary Share and the highest current independent bid for an Ordinary Share on the exchange where the purchase is carried out as derived from the London Stock Exchange Trading System;

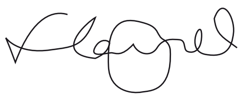
(d) this authority shall, unless previously renewed, revoked, varied or extended, expire at the conclusion of the next annual general meeting of the Company; and

(e) the Company may enter into any contract for the purchase of Ordinary Shares under this authority before the expiry of this authority which would or might be completed wholly or partly after the expiry of this authority.

Resolution 19:

That a general meeting of the Company, other than an annual general meeting, may be called on not less than 14 clear days' notice.

By order of the Board



Vicki Haynes

Group Company Secretary

30 May 2022

Saga plc

T: 01303 771111. saga.co.uk

Registered office: Enbrook Park, Sandgate, Folkestone, Kent CT20 3SE

Registered in England & Wales, No. 8804263

EXPLANATORY NOTES TO THE RESOLUTIONS

The notes on the following pages explain the proposed Resolutions.

Resolutions 1-15 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 16-19 are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three quarters of the votes cast must be in favour of the resolution.

RESOLUTION 1 – ANNUAL REPORT AND ACCOUNTS:

Under Section 437 of the Companies Act 2006 (the **Act**), the Directors of the Company are required to lay before the Company, in general meeting, its annual accounts and reports for the financial year ended 31 January 2022. The report of the Directors, the accounts, and the report of the Company's auditor on the accounts and on those parts of the Directors' Remuneration Report that are capable of being audited are contained within the 2022 Annual Report and Accounts.

RESOLUTION 2 – DIRECTORS' REMUNERATION REPORT:

In accordance with Section 439 of the Companies Act 2006 (the **Act**), shareholders are requested to approve the Directors' Remuneration Report. The Directors' Remuneration Report, which is set out on pages 85 to 106 of the 2022 Annual Report and Accounts, gives details of Directors' remuneration for the financial year ended 31 January 2022 and sets out the way in which the Company will implement its policy on Directors' remuneration. The Company's auditor, KPMG LLP, have audited those parts of the Directors' Remuneration Report capable of being audited (as set out on pages 94-95 and 98-100 of the 2022 Annual Report and Accounts). The vote on the Directors' Remuneration Report is advisory in nature in that payments made or promised to Directors will not have to be repaid, reduced or withheld in the event that this Resolution is not passed.

At the previous AGM held on 14 June 2021, the Company received a significant vote against its resolution to approve the Directors' Remuneration Report. A shareholder consultation was undertaken to understand reasons for 22.28% of the votes being cast against the resolution to approve the Remuneration Report. More details regarding this, and the action taken as a result, can be found on our website **www.corporate.saga.co.uk/about-us/governance**.

RESOLUTION 3 – DIRECTORS' REMUNERATION POLICY:

The Company proposes an ordinary resolution to approve the Directors' Remuneration Policy as attached to this Notice of AGM. This Resolution is required to be put to shareholders in accordance with Section 439A of the Companies Act 2006 (the **Act**). The vote is binding in nature in that the Company may not make a remuneration payment or payment for loss of office to a person who is, is to be, or has been a director of the Company unless that payment is consistent with the approved Directors' Remuneration Policy, or has otherwise been approved by a resolution of members. If Resolution 3 is passed, the Directors' Remuneration Policy will take effect immediately after the end of the AGM on 5 July 2022. Shareholder approval for the remuneration policy must be sought at least every three years. Shareholder approval must additionally be sought if the Directors wish to change the remuneration policy within such three-year period. The previous Directors' Remuneration Policy was approved by the shareholders at the AGM held on 22 June 2020.

RESOLUTION 4 - SAGA TRANSFORMATION PLAN:

Resolution 4 seeks approval of the Saga Transformation Plan (the **STP**).

The STP is a long-term incentive plan under which it is intended that awards be made to the Executive Directors and other employees. The principal terms of the STP are summarised in Schedule 3 to this Notice.

Awards under the STP will be subject to stretching financial and strategic performance targets measured over a five-year period and subject to continued employment over this period. A post-vesting holding period will apply to vested awards under the STP. Other features of the STP include the following:

- the Remuneration Committee will have overriding discretion to change formulaic outcomes if they are out of line with Company or individual performance.
- Cessation of employment and malus and clawback provisions will apply.

RESOLUTIONS 5 TO 11 – ELECTION OF DIRECTORS:

Resolutions 5-11 propose the re-election of Directors. In accordance with the UK Corporate Governance Code, all Directors will submit themselves for re-election at this AGM. If re-elected, the re-election of Directors will take effect at the conclusion of the Company's AGM.

Biographical details of each of the Directors standing for re-election and the specific reasons why their contribution is, and continues to be, important to the Company's long-term sustainable success are as follows.

Board of Directors

Roger De Haan, Non-Executive Chairman

Appointed: 5 October 2020.

Key strengths, experience and contribution:

- Experienced business leader and board director with extensive experience in travel and financial services industries.
- Significant history with Saga having worked for it for 39 years, including over 20 years as Chairman and Chief Executive.
- Instrumental in transforming Saga from a specialist tour operator to one that offered its own cruises and expanded to cover publishing, insurance and financial services, creating the Saga brand.
- Knighted in the 2014 New Year Honours List for services to education and to charity in Kent and overseas.

Previous roles include: Managing Director/Chairman of Saga.

Individual contribution: Brings to the role of Chairman considerable experience of Saga and its customers. He is making an important contribution to the development of future strategy.

Other roles: Director of Folkestone Harbour Holdings Limited (and subsidiary companies), Trustee of Creative Folkestone, Friends of Folkestone Academy; and Trustee of Roger De Haan Charitable Trust and The Kings School, Canterbury.

Committee membership: Nomination.

Euan Sutherland, Group Chief Executive Officer

Appointed: 6 January 2020.

Key strengths, experience and contribution:

- Significant experience in leading major consumer-facing businesses through periods of change to deliver a more efficient organisation.
- Leadership, senior operational experience and marketing specialist.
- Corporate strategy creation, branding, large workforce direction and motivation.
- Implementing strategy focused on customer insight, digital innovation and wholesale expansion.

Previous roles include: CEO of Superdry plc, the global digital brand and The Co-op Group; Group COO & CEO UK at Kingfisher plc, and background in global fast-moving consumer goods brands including Mars and Coca-Cola.

Individual contribution: Since Euan joined the Board, his wealth of leadership experience from major customer-facing businesses has proved invaluable. He quickly laid out and executed a detailed plan to streamline the organisation, removing multiple management layers and silos and to accelerate the disposals of the final small businesses that had been underperforming. Euan also led initiatives to galvanise the focus of the business on its customers, and did so by making far smarter use of the data and digital tools that had been invested in. The core target customer has been simplified; and customer needs have been more sharply identified, alongside a comprehensive programme of capability change to ensure that customer expectations could be exceeded in a distinctive way, at acceptable cost. In addition, Euan has sharp focus on the welfare and wellbeing of colleagues and customers.

Other roles: Non-Executive Director and member of the Audit and Nomination Committees of Britvic plc (appointed February 2016).

Committee membership: Executive.

James Quin, Group Chief Financial Officer

Appointed: 1 January 2019.

Key strengths, experience and contribution:

- Fellow of the Institute of Chartered Accountants in England and Wales.
- Seasoned insurance executive with over 29 years of senior leadership experience.
- Experience in delivering corporate strategy, investor communications and internal/external analysis and reporting.
- Extensive strategic, investor and operational finance experience within the insurance industry.

Previous roles include: Zurich Insurance Group (UK CFO, Global Life CFO and Head of Investor Relations); Partner at PwC and Managing Director at Citigroup Global Markets.

Individual contribution: James has displayed impressive financial leadership since joining Saga, and his executive experience is greatly valued by the Board. He has built strong relationships with Saga's lenders and led the divestment of subscale businesses. James played a major role in devising and implementing the financial control structure for the Insurance division's groundbreaking three-year fixed-price product and in the capital raise which saw Roger De Haan return to the business. James is viewed as a strong plc CFO by stakeholders.

Committee membership: Executive.

Orna NiChionna, Senior Independent Non-Executive Director

Appointed: Senior Independent Non-Executive Director on 31 March 2017 and 29 May 2014 as Non Executive Director.

Key strengths, experience and contribution:

- Substantial experience as advisor to retailers on strategy and operations.
- Significant experience in plc governance and leadership.

Previous roles include: Senior Independent Director of Royal Mail plc, HMV plc, Northern Foods plc and Bupa; Non- Executive Director of Bank of Ireland UK Holdings plc and Bristol & West plc; Chair of Founders Intelligence Limited; Deputy Chair of the National Trust; Trustee of Sir John Soane's Museum; and former Partner at McKinsey & Company.

Individual contribution: Orna's significant experience with Saga and other major brands including Burberry and Royal Mail continue to be highly valuable to the Board. Orna provides an important challenge to the Executive Directors in her role as Senior Independent Director and provides an important governance function through her membership of the Audit, Risk and Remuneration Committees and in chairing the Nomination Committee.

Other roles: Senior Independent Director (appointed April 2022) and Chair of the Remuneration Committee at Burberry Group plc (appointed January 2018) and Trustee of the Institute of Fiscal Studies (appointed July 2020).

Committee membership: Nomination (Chair), Audit, Remuneration and Risk.

Eva Eisenschimmel, Independent Non-Executive Director and People Champion

Appointed: 1 January 2019.

Key strengths, experience and contribution:

- Over 30 years' experience as a brand and marketing professional.
- Extensive experience in customer relations and all aspects of human resources and people strategy.
- Appointed 'People Champion'.

Previous roles include: Non-Executive Director (and a member of the Audit, Nomination, Remuneration and Risk Committees) of Virgin Money plc; Managing Director of Marketing, Brands and Culture at Lloyds Banking Group plc; Chief Customer Officer at Regus plc; Chief People and Brand Officer at EDF Energy; senior positions at Allied Domecq and British Airways.

Individual contribution: Eva brings extensive experience in marketing and brand management to the Board and fills key roles as People Champion, Chair of the Remuneration Committee and member of the Nomination Committee. Eva has demonstrated outstanding commitment to ensuring that colleague's voices are heard in the boardroom.

Other roles: Group Chief Risk Officer (appointed May 2021) at Lowell (previously Chief of Staff appointed February 2016).

Committee membership: Remuneration (Chair) and Nomination.

Julie Hopes, Independent Non-Executive Director and Chair of Saga Services Limited and Saga Personal Finance Limited

Appointed: 1 October 2018.

Key strengths, experience and contribution:

- Associate with the Chartered Institute of Bankers.
- Wealth of insurance experience coupled with over 20 years in a variety of roles, specialising in general insurance and predominantly in personal lines.
- Highly customer-focused, with a breadth of functional, membership and affinity experience and a track record of driving growth.

Previous roles include: Chair of Police Mutual and its Remuneration Committee; Non-Executive Director and Chair of the Risk Committee of Co-operative Insurance and Tesco Bank; and CEO of The Conservation Volunteers, a UK community volunteering charity.

Individual contribution: Julie brings extensive experience in insurance and provides valuable contributions to the Saga plc Board and as Non-Executive Chair of Saga Services Limited and Saga Personal Finance Limited. Julie is a strong Chair of the Saga plc Risk Committee and acts as an important link between the Insurance division and the Board and demonstrates a driven approach to ensuring a customer-focus for Saga's insurance products.

Other roles: Deputy Chair, Senior Independent Non-Executive Director and Remuneration Committee Chair of West Bromwich Building Society (appointed April 2016); and Non-Executive Director (appointed August 2021) and Chair of the Risk Committee (appointed December 2021) of MS Amlin Underwriting Limited.

Committee membership: Risk (Chair), Audit, Nomination and Remuneration.

Gareth Hoskin, Independent Non-Executive Director and Chair of Acromas Insurance Company Limited

Appointed: 11 March 2019.

Key strengths, experience and contribution:

- Over 20 years' experience in Insurance, in a variety of roles.
- Chartered Accountant with recent and relevant financial experience and competence in accounting (Institute of Chartered Accountants in England and Wales).

Previous roles include: Main Board Director and CEO International, and finance, retail marketing and HR roles in Legal & General; accountant at PwC; Trustee and Non-Executive Director and Chair of the Audit and Risk Committees at Diabetes UK.

Individual contribution: Gareth brings a breadth of insurance and accountancy experience to the Board and is highly effective in his role as Non-Executive Chair of Saga's underwriter, Acromas Insurance Company Limited (AICL). Gareth continues to provide important challenge and leadership and is a vital link between the Board and AICL. His financial background and experience make Gareth a strong Audit Committee Chair.

Other roles: Audit Chair and Senior Independent Director at Leeds Building Society (appointed November 2015).

Committee membership: Audit (Chair), Nomination and Risk.

The Company has determined that each of the independent Non-Executive Directors being proposed for re-election (being Orna NiChionna, Julie Hopes, Gareth Hoskin and Eva Eisenschimmel) (together the **Independent Directors**) meet the independence criteria prescribed in the UK Corporate Governance Code. The Non-Executive Chairman, Roger De Haan, was not considered independent on appointment due to his shareholding in the Company. Taking into account Roger's history with the Saga brand and business, his proposed time commitment, and the terms of the Relationship Agreement entered into with him and his letter of appointment, the Directors supported the appointment, concluding that it was in the best interests of the Company. The Company confirms that there have been no other previous or existing relationships, transactions or arrangements between each of the Independent Directors, the Chairman and the Company or any of its directors. All of the Independent Directors and the Chairman are experienced and have a broad knowledge of the sectors in which the Company operates. In light of their career experience and knowledge, the Board considers that each Independent Director and the Chairman bring valuable skills to the Board and provide an impartial viewpoint.

A full evaluation of the Board, its Committees and its individual Directors took place during the year. A full explanation of the evaluation exercise can be found on page 69 of the 2022 Annual Report and Accounts. The Chairman confirms that each of the Directors being proposed for re-election or election continues to be effective and to demonstrate commitment to the role and has sufficient time to meet his or her commitments to the Company.

RESOLUTIONS 12 AND 13 – AUDITOR:

The Company is required to appoint or re-appoint an auditor at each general meeting at which accounts are presented to shareholders. It is also normal practice for the Audit Committee to be authorised to determine the level of the auditor's remuneration for the ensuing year. The current appointment of KPMG LLP as the Company's auditor will end at the conclusion of the AGM and they have advised of their willingness to stand for re-appointment. Resolution 12 proposes the re-appointment of KPMG LLP until the conclusion of the next general meeting of the Company at which accounts are laid. Resolution 13 grants authority to the Company's Audit Committee to determine the auditor's remuneration.

RESOLUTION 14 – POLITICAL DONATIONS:

The Companies Act 2006 (the **Act**) prohibits companies from making any political donations to political organisations or independent candidates, or incurring political expenditure, unless authorised by shareholders in advance. The Company does not make, and does not intend to make, donations to political organisations or independent election candidates, nor does it incur or intend to incur any political expenditure. It is not proposed or intended to alter the Company's policy of not making political donations, within the normal meaning of such expressions.

However, the definitions of political donations, political organisations and political expenditure used in the Act are very wide. As a result, it may be that some of the Company's activities could fall within the potentially wide definitions of political donations and political expenditure under the Act and, without the necessary authorisation, the Company's ability to communicate its views effectively to, for example, interest groups, lobbying organisations or bodies representing the business community in policy review or reform could be inhibited.

Shareholder approval is being sought, on a precautionary basis only, to allow the Company and its subsidiaries to fund activities in relation to which it is in the interests of shareholders that the Company should support. Such authority will enable the Company and its subsidiaries to be sure that they do not, because of any uncertainty as to the bodies or the activities covered by the Act, unintentionally commit a technical breach of the relevant sections of the Act.

The purpose of Resolution 14 is to authorise the Company and/or its subsidiaries to make limited political donations or incur limited political expenditure, within the meaning of such expressions as contained in the Act to a maximum amount of £100,000, in total. This resolution is put to shareholders annually rather than every four years as required by the Act in line with best practice guidelines. Any donations or expenditure, which may be made or incurred under the authority of Resolution 14, will be disclosed in next year's Annual Report and Accounts.

RESOLUTION 15 – DIRECTORS' AUTHORITY TO ALLOT SHARES:

The Directors may only allot shares or grant rights to subscribe for, or convert any security into, shares if authorised to do so by shareholders. The authority conferred on the Directors on 14 June 2021, under Section 551 of the Companies Act 2006 (the **Act**) to allot shares, expires on the date of the forthcoming AGM. Accordingly, this Resolution seeks to grant a new authority under Section 551 of the Act to authorise the Directors to allot shares in the Company or grant rights to subscribe for, or convert any security into, shares in the Company and will expire at the conclusion of the next AGM of the Company in 2023.

Paragraph (A) of Resolution 15 will, if passed, authorise the Directors to allot shares or grant rights to subscribe for, or to convert any security into, such shares in the Company up to a maximum nominal amount of £7,009,847 for capital management purposes (other than a rights issue). For example, this authority could include placings, open offers, vendor placings or converting other securities into equity. This amount represents 33.3% of the Company's existing issued ordinary share capital (the Company has no treasury shares) as at 23 May 2022 (being the latest practicable date prior to publication of this Notice).

Paragraph (B) of Resolution 15 authorises the Directors to allot, including the shares referred to in (A), further of the Company's unissued shares up to an aggregate nominal amount of £14,019,693, representing 66.6% of the Company's existing issued ordinary share capital (the Company has no treasury shares) as at 23 May 2022 (being the latest practicable date prior to publication of this Notice) in connection with a pre-emptive offer to existing shareholders by way of a rights issue (with exclusions to deal with fractional entitlements to shares and overseas shareholders to whom the rights issue cannot be made due to legal and practical problems).

This authority (sought under paragraphs (A) and (B)) is common practice for premium listed companies in the UK and is in accordance with the latest guidelines published by the Investment Association. It gives the Company flexibility to act in the best interests of the shareholders as and when opportunity arise by issuing new shares. This authority will expire on the conclusion of the annual general meeting of the Company next year. The Board has no present intention to exercise this authority. However, it is considered prudent to maintain the flexibility that this authority provides. The Directors intend to renew this authority annually. The Company currently holds no shares in treasury.

RESOLUTIONS 16 AND 17 – DISAPPLICATION OF PRE-EMPTION RIGHTS:

Under Section 561(1) of the Companies Act 2006 (the **Act**), if the Directors wish to allot ordinary shares, or grant rights to subscribe for, or convert securities into, ordinary shares, or sell treasury shares for cash (other than pursuant to an employee share scheme) they must, in the first instance, offer them to existing shareholders in proportion to their holdings. There may be exceptional occasions, however, when the Directors need the flexibility to finance business opportunities by the issue of shares without a pre-emptive offer to existing shareholders. These could include placings, open offers, vendor placings, cash box placings or converting other securities into equity. This Resolution also seeks a disapplication of the pre-emption rights on a rights issue so as to allow the Directors to make exclusions or such other arrangements as may be appropriate to resolve legal or practical problems which, for example, might arise with overseas shareholders. This cannot be done under the Act unless the shareholders have first waived their pre-emption rights.

Resolution 16 asks the shareholders to do this and, apart from rights issues or any other pre-emptive offer concerning equity securities, the authority contained in this Resolution will be limited to the issue of shares for cash up to an aggregate nominal value of £1,052,529 (which includes the sale on a non-pre-emptive basis of any shares held in treasury), which represents approximately 5% of the Company's issued ordinary share capital as at 23 May 2022 (being the latest practicable date prior to the publication of this Notice). This authority expires at the end of the next annual general meeting of the Company after the date on which this Resolution is passed (or, if earlier, at the close of business on 31 July 2023).

The Board intends to adhere to the provisions in the Pre-emption Group's Statement of Principles and to not allot shares for cash on a non-pre-emptive basis pursuant to the authority in Resolution 16: (i) in excess of an amount equal to 5% of the total issued ordinary share capital of the Company excluding treasury shares; or (ii) in excess of an amount equal to 7.5% of the total issued ordinary share capital of the Company excluding treasury shares within a rolling three-year period, without prior consultation with shareholders, in each case other than in connection with an acquisition or specified capital investment.

In addition to Resolution 16, Resolution 17 asks the shareholders to waive their pre-emption rights for an additional 5% for transactions which the Directors determine to be an acquisition or other capital investment as defined in the Pre-emption Group's Statement of Principles. This Resolution will be limited to the issue of shares for cash up to an aggregate nominal value of £1,052,529 (which includes the sale on a non-pre-emptive basis of any shares held in treasury), which represents approximately 5% of the Company's issued ordinary share capital as at 23 May 2022 (being the latest practicable date prior to the publication of this Notice). In accordance with the Pre-emption Group's Statement of Principles, the Directors confirm that they intend to use the authority sought in Resolution 17 only in connection with such an acquisition or specified capital investment which is announced contemporaneously with the issue, or which has taken place in the preceding six-month period and is disclosed in the announcement of the issue, and will provide shareholders with information regarding the transaction if the authority is used.

The Company does not currently hold any shares in treasury.

These authorities are common practice for premium listed companies in the UK and are in accordance with the Pre-emption Group's Statement of Principles.

The Directors do not have any intention at the present time of exercising the power proposed to be granted under Resolutions 16 and 17. This power would be used only if considered to be in the best interest of the shareholders. The Directors intend to renew this authority annually.

RESOLUTION 18 – PURCHASE OF OWN SHARES:

This Resolution authorises the Directors to make market purchases of the Company's shares up to an aggregate nominal value of £2,105,059, representing 10% of the issued share capital of the Company as at 23 May 2022, being the latest practicable date before the publication of this Notice. Shares so purchased may be cancelled or held as treasury shares. This authority expires on the conclusion of the next annual general meeting of the Company. The Directors intend to seek renewal of this authority at subsequent annual general meetings of the Company.

The Directors have no current intention to exercise the authority sought by this Resolution but will keep the matter under review and so consider it prudent to obtain the flexibility that this Resolution provides. The Directors will use this authority with discretion, when they consider such purchase to be in the best interests of the Company. In reaching a decision to purchase shares of the Company, the Directors would take account of the Company's business and any impact on earnings per share and net tangible assets per share, as well as all other relevant factors. The decision as to whether such shares bought back will be cancelled or held in treasury will be made by the Directors on the same basis at the time of purchase. Any impact on earnings per share will, for the purposes of any incentive award, be adjusted to take account of the exercise of the share purchase authority.

The minimum price that can be paid for an Ordinary Share is 15p being the nominal value of an Ordinary Share. The maximum price that can be paid shall be the higher of (i) 5% over the average of the middle market prices for an Ordinary Share, derived from the Daily Official List of the London Stock Exchange, for the five business days immediately before the day on which the share is contracted to be purchased; and (ii) the higher of the price of the last independent trade of an Ordinary Share and the highest current independent bid for an Ordinary Share on the market where the purchase is carried out as derived from the London Stock Exchange Electronic Trading Service.

Any purchases of Ordinary Shares would be by means of market purchases through the London Stock Exchange. Any shares purchased under this authority may either be cancelled or held as treasury shares. Treasury shares may subsequently be cancelled, sold for cash or used to satisfy options issued to employees pursuant to the Company's employee share schemes. It is the Company's current intention to hold any shares purchased in treasury.

As at 23 May 2022, being the latest practicable date before publication of this Notice, there were outstanding options under the Company's discretionary share incentive plans and employee share savings schemes in respect of 1,053,886 Ordinary Shares, representing 0.75% of the Company's issued ordinary share capital (there are no treasury shares) at that date. If the authority under this Resolution to purchase the Ordinary Shares was exercised in full, the proportion of Ordinary Shares subject to such options would represent 0.75% of the Company's issued ordinary share capital as at 23 May 2022, being the latest practicable date before publication of this Notice. There are no warrants outstanding.

RESOLUTION 19 – NOTICE OF MEETINGS OTHER THAN ANNUAL GENERAL MEETINGS:

The Companies Act 2006 (the **Act**) sets the notice period required for general meetings of the Company at 21 days unless shareholders approve a shorter notice period, which cannot, however, be less than 14 clear days. This Resolution seeks such approval. Whilst the Company's Articles of Association already provide for a minimum notice period of 14 days for general meetings, the Act requires that the Company requests shareholders to authorise this minimum notice period at every annual general meeting in order to be able to take advantage of this provision. The approval will be effective until the Company's next annual general meeting, at which it is intended a similar resolution will be proposed. The Directors' intention is to only call general meetings on less than 21 days' notice where such shorter notice period is merited by the business of the meeting or thought to be in the interests of shareholders as a whole.

NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

1. Only those members entered on the register of members of the Company as at close of business as at 6.30pm on 1 July 2022 (or if the AGM is adjourned, close of business on the date which is 48 hours before the time fixed for the adjourned AGM excluding any UK non-working days) shall be entitled to attend and vote at the above AGM and a member may vote in respect of the number of Ordinary Shares registered in the member's name at that time. In each case, changes to entries in the register of members after such time shall be disregarded in determining the rights of any person to attend and vote at the AGM. These requirements reflect Part 13 of the Companies Act 2006 (the **Act**) and Regulation 41 of The Uncertificated Securities Regulations 2001 (as amended).

   A member may appoint a proxy (who need not be a member of the Company) to exercise all or any of their rights to attend and vote at the AGM. We strongly recommend that you appoint the Chairman of the meeting as your proxy at the AGM. If you appoint the Chairman of the meeting as your proxy, this will ensure your votes are cast in accordance with your wishes. You can, if you wish, appoint more than one proxy provided that each proxy is appointed to exercise the rights attached to a different share, or shares, held by you. A proxy need not be a member but must attend the AGM in order to represent you and must vote in accordance with your instructions.

2. You can vote in advance of the meeting either:

   (a) By logging on to **www.sharevote.co.uk** using your Voting ID, Task ID and Shareholder Reference Number provided on your voting material and following the instructions;

   (b) By requesting a hard copy proxy directly from the Registrars, Equiniti, by writing to Equiniti Group, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA or by telephoning +44 (0) 371 384 2640. Lines are open from 8.30am to 5.30pm, Monday to Friday (excluding public holidays in England and Wales); or

   (c) If you are a CREST member, by using the CREST electronic proxy appointments service in accordance with the procedures set out below.

3. **To be valid, the proxy, and any authority under which it was executed (or a notarially certified copy of such authority), must be submitted to the Company's Registrars, Equiniti, in accordance with the instructions set out on in this Notice by no later than 11.00am on 1 July 2022** (or if the AGM is adjourned, 48 hours before the time fixed for the adjourned AGM, excluding any UK non-working days). Completion of a Proxy will not preclude shareholders from viewing themeeting electronically.

   Members who prefer to vote online can do so through **www.sharevote.co.uk** where full instructions are provided. You will need your Voting ID, Task ID and Shareholder Reference Number to log in and these can be found on your online voting card. Alternatively, members who have already registered for Equiniti's Shareview Portfolio can vote online by logging on at **www.sagashareholder.co.uk** and clicking on the link to vote. If you wish to appoint a proxy and for them to view the AGM electronically on your behalf, please contact Equiniti on +44 (0) 371 384 2640.

   A proxy appointment made electronically will not be valid if sent to any address other than those provided or if received after 11.00am on 1 July 2022.

4. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM to be held on 5 July 2022 and any adjournment(s) thereof by using the procedures described in the CREST Manual (available at **www.euroclear.com**).

   CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA19) by 11.00am on 1 July 2022. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means in the manner prescribed by CREST.

   The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended).

5. If you hold your shares within the Corporate Sponsored Nominee (CSN), your shares are held on your behalf in the name of Equiniti Corporate Nominees Limited (ECNL), a wholly owned subsidiary of the administrators of the CSN, ECNL is the registered shareholder but you can tell them how you want the votes in respect of your shares to be cast at the AGM by completing a voting form. Please complete the voting form and return it to the Registrar or vote online at **www.sharevote.co.uk** by 11.00am on 30 June 2022 (or if the AGM is adjourned, 72 hours before the time fixed for the adjourned AGM, excluding any UK non-working days). **Your Voting ID, Task ID and Shareholder Reference Number will be required in order to log in to the system and these can be found on your voting material. If, however, you cannot find your voting credentials you may call Equiniti on +44 (0) 371 384 2640 before 30 June 2022 to obtain them. Voting online will not preclude you from viewing the meeting online. Notes 3 and 4 above do not apply to you.**

   An electronic vote will not be valid if sent to any address other than those provided or if received after 11.00am on 30 June 2022.

   If your shares are held within a nominee other than the CSN and you wish to attend the AGM, you will need to contact your nominee immediately. Your nominee will need to have completed a letter of representation and presented this to Equiniti no later than 72 hours before the start of the Annual General Meeting in order obtain your joining information. If you are in any doubt about your shareholding, please contact Equiniti.

6. In the case of joint holders of shares, the vote of the first named in the register of members who tenders a vote by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

7. The Non-Executive Directors terms and conditions of appointment, the Terms of Reference of the Board Committees and a copy of the Company's Articles of Association are available on the Company's website at **www.corporate.saga.co.uk/about-us/governance**.

8. If you are a person who has been nominated by a member under Section 146 of the Act to enjoy information rights in accordance with Section 146 of the Act, Notes 3 to 6 above do not apply to you (as the rights described in those Notes can only be exercised by members of the Company) but you may have a right under an agreement between you and the member by whom you were nominated to be appointed or to have someone else appointed, as a proxy for the AGM. If you have no such right or do not wish to exercise it, you may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.

9. As at 23 May 2022 (being the latest practicable date before publication of this Notice) the Company's issued share capital consists of 140,337,271 Ordinary Shares, carrying one vote each. No shares were held in treasury. Therefore, the total number of voting rights in the Company as at 23 May 2022 is 140,337,271.

10. This Notice of AGM, together with the information listed below, is available on the Company's website **www.corporate.saga.co.uk/investors/agm/.**

    (a) the matters set out in this Notice of AGM;

    (b) the total number of:

        (i) shares in the Company, and

        (ii) shares of each class, in respect of which members are entitled to exercise voting rights at the AGM;

    (c) the totals of the voting rights that members are entitled to exercise at the AGM in respect of the shares of each class; and

    (d) members' statements, members' resolutions and members' matters of business received by the Company after the first date on which notice of the AGM is given.

11. Any member has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if:

    (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;

    (b) the answer has already been given on its website in the form of an answer to a question; or

    (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

12. It is possible that, pursuant to requests made by members of the Company under Section 527 of the Act (Members' power to require website publication of audit concerns), the Company may be required to publish on its website a statement setting out any matter relating to the audit of the Company's accounts (including the Auditor's Report and the Conduct of the Audit) that are to be laid before the AGM.

    The Company may not require the members requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Act (Requirements as to website availability). Where the Company is required to place a statement on its website under Section 527 of the Act, it must forward the statement to the Company's auditor no later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM will include discussion regarding any statement that the Company has been required under Section 527 of the Act to publish on its website.

13. A member that is a company or other organisation not having a physical presence can appoint someone to represent it. This can be done in one of two ways: either by the appointment of a proxy (described in Notes 3 and 4 above) or of a corporate representative. Members considering the appointment of a corporate representative should check their own legal position, the Company's Articles of Association and the relevant provisions of the Act. Corporate representatives may exercise on its behalf all of the powers of a shareholder, provided that (where there is more than one representative and the vote is otherwise than on a show of hands) they do not do so in relation to the same shares.

14. You may not use any electronic address provided either in this Notice of AGM or any related documents to communicate with the Company for any purpose other than those expressly stated.
15. The results of voting at the AGM will be announced through a Regulatory Information Service and will appear on our website, **www.corporate.saga.co.uk/investors/regulatory-news/**, as soon as they are available.
16. If you are generally happy to view shareholder and company documents online, please update your communication preferences (if necessary) by contacting our share registrar, Equiniti Group, or through Shareview Portfolio which can be accessed via **www.sagashareholder.co.uk**.

    We regularly review ways to improve communication with shareholders and encourage electronic communication where available. This has advantages including increasing the speed of communication, minimising our impact on the environment and reducing print and distribution costs. Previously, Saga sent over 53,000 paper proxy forms annually, 85% of which were not returned. We no longer send paper proxy forms to shareholders registered for paper communications unless you have specifically asked for one. Instead, you may cast your votes online at **www.sharevote.co.uk**. Online voting is quicker and more secure than paper voting. If you would like to receive a paper proxy form, you will need to request one each year from our Registrar, Equiniti.
17. Pursuant to Listing Rule 9.8.6(1) the table below sets out the interests (in respect of which transactions are notifiable to the Company under Article 19 of the Market Abuse Regulation) of each current Director as at 23 May 2022, being the latest practicable date prior to the date of this document.

Director	Shares beneficially owned	LTIP nil-cost options subject to performance conditions	RSP nil-cost options not subject to performance conditions	Deferred bonus nil-cost options subject to performance conditions	Vested but unexercised nil-cost options held	Unvested SIP shares not subject to performance conditions
Euan Sutherland	77,598	99,113	383,089	209,613	-	212
James Quin	14,825	121,566	192,376	139,560	-	212
Roger De Haan	37,196,970	-	-	-	-	-
Eva Eisenschimmel	4,288	-	-	-	-	-
Julie Hopes	4,419	-	-	-	-	-
Gareth Hoskin	19,018	-	-	-	-	-
Orna NiChionna	3,027	-	-	-	-	-

18. In accordance with DTR 5.1, the Company is required to disclose where it has been notified of interests in the Company's total voting rights. The obligation to notify sits with the shareholder. On 5 October 2020, the Company undertook a capital raise, which resulted in the new issue of 971,918,208 shares of 1p each. The Company undertook a share consolidation on 13 October 2020, consolidating every 15 ordinary shares of 1p each into a single ordinary share of 15p each. Pursuant to Listing Rule 9.8.6(2), the Company confirms that in accordance with DTR 5, as at 23 May 2022, being the latest practicable date, there have been no changes to the major shareholdings disclosed in the 2022 Annual Report & Accounts.

ONLINE SHAREHOLDERS' GUIDE

If you choose to view the AGM online, you will be able to view a live webcast of the meeting and submit questions to the Board. To do so you will need to visit **www.corporate.saga.co.uk/investors/agm** using your smartphone, tablet or computer and follow the link to the webcast. You will need the latest version of either Google Chrome, Safari, Internet Explorer, Microsoft Edge or Firefox.

After clicking on the link, you will be taken to the event landing page, prompting you to enter your details.

If you have already registered for this, or any other Saga plc webcast, you can log in with your email address. Otherwise, please complete the registration form and click 'Register'.

If you register prior to the event, you will be redirected to a post-registration page until the live event begins.

The live event will begin at 11.00am on 5 July 2022. The stream will start automatically once the meeting commences.

Questions

Any shareholder or appointed proxy viewing the meeting is eligible to ask questions. If you would like to ask a question, you can do so through the 'Questions' tab on the right-hand side of the media player.

Questions can be submitted at any time during the event and Q&A session, up until the Chairman closes the session. Type your question into the 'Ask a question' box and once you are happy, click the 'Send your question' button. Questions sent via the online platform will be moderated before being sent to the Chairman to avoid repetition.

GLOSSARY

2022 Annual Report and Accounts	The Company's Annual Report and Accounts for the financial year ended 31 January 2022.
Act	The Companies Act 2006.
AGM	The Annual General Meeting of Saga plc to be held at Enbrook Park, Sandgate, Folkestone, Kent CT20 3SE on 5 July 2022 at 11.00am.
Board	Board of directors of Saga plc.
Committee(s)	Committees of the Board of Saga plc.
Company	Saga plc.
Directors	Directors of the Company.
Directors' Remuneration Report	Includes the Annual Statement by the Chair of the Remuneration Committee as set out on pages 85 to 87 and the Directors' Remuneration Report as set out on pages 88 to 106 of the 2022 Annual Report and Accounts.
DTRs	Disclosure and Transparency Rules.
Equiniti	The Company's Registrar, Equiniti Group.
Ordinary Shares	The ordinary shares of 15p each in the capital of the Company.
Resolutions	Ordinary resolutions 1 to 15 and special resolutions 16 to 19 as specified in this Notice of AGM on pages 4 to 6.
Shareholder Reference Number	Unique identifying code available on your online voting card.

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NHB-AP6501

SAGA PLC ANNUAL GENERAL MEETING - SCHEDULES (REMUNERATION MATTERS)

SCHEDULE 1

LETTER FROM THE CHAIR OF THE REMUNERATION COMMITTEE OF SAGA PLC

Dear Shareholder,

NEW DIRECTORS' REMUNERATION POLICY AND INTRODUCTION OF THE 2022 SAGA PLC SAGA TRANSFORMATION PLAN

In the normal course of events, we would be seeking shareholder approval for a new Remuneration Policy in 2023, three years after the approval of the current Policy in 2020 (the **Current Remuneration Policy**). However, there are a number of reasons why the Remuneration Committee (the **Committee**) feels it is appropriate to bring forward a new policy in 2022.

By early 2020, new Executive Directors were appointed and set about putting in place the infrastructure and operational changes needed to stabilise the business and create the platform for future growth; this phase was always intended to take a couple of years and has been completed on time despite the pandemic.

The Restricted Share Plan (**RSP**) was introduced in 2020 to create a strong retention mechanic for Executive Directors and to enable alignment with shareholders through share ownership, while providing the Chief Executive Officer (**CEO**) and Chief Financial Officer (**CFO**) with the flexibility to develop the strategy and lay the foundations for the transformation process, as announced in our preliminary results on 23 March 2022. The Directors' Remuneration Policy, containing the RSP, was approved at the 2020 AGM, incorporating the RSP, with 98% shareholder support.

Following a strategic review carried out by the Board in the early months of this year, the plans for future growth have now been established and coinciding with the expected abatement of the pandemic and the return to wider travel, this means the time is right to revisit the reward approach to ensure it is fully aligned with our transformation strategy. As recently announced, this is designed to focus on the following areas:

1. Maximise our existing businesses: through specific plans for each to enable focus, growth, accountability and efficiency.
2. Step-change our ability to scale while reducing debt: grow existing businesses while reducing debt and develop new businesses through capital-light innovation.
3. Create 'The Superbrand' for older people: deliver a step-change in brand perception and loyalty through focus on growing our database; building exceptional insights; delivering a brand re-positioning and creating a content platform where we reach millions of customers every day.

In revising the proposals, the overall objective is to retain the current stability and retention provided by the RSP but add an opportunity to reward exceptional levels of growth on delivery of the five-year plan.

The proposed new Remuneration Policy (the **New Policy**) is set out in Schedule 2 on pages 6 to 19. A full explanation of the New Policy and the Committee's rationale for the changes are set out there. In this letter, I am focusing on the new, proposed Saga plc 2022 Saga Transformation Plan (the **Saga Transformation Plan** or STP) which will form part of the New Policy and require separate shareholder approval.

Summary of key proposed changes to the Policy

- Addition of a new STP, which provides participants with a portion of the shareholder value created above a stretching hurdle over a five-year period.
- A 20% reduction to the ongoing RSP award level during the term of the STP, to moderate total remuneration outcomes prior to any value being realised from the STP.

Summary of the key elements of the New Policy

Saga Transformation Plan (STP)

- The STP has a five-year performance period, with 50% released immediately, 25% released after a one-year further holding period and 25% released after a two-year further holding period. The award therefore has a seven-year term overall.
- The STP will have a qualifying hurdle (the **Hurdle**) of £6.00 shareholder value (including dividends) over the period of the plan. Participants will only share in value once that threshold has been exceeded. This represents a material premium to current price – taking a base of £2.33, this represents a 258% increase - and well in excess of the current consensus forecast.

- The consequence of setting the Hurdle at this level means that participants only start to share in any value once this share price has been met.
- If the Hurdle is achieved, participants will be allocated 12.5% of this excess value (known as the **STP Pool**) up to a limit of 10% of the issued share capital of the Company (including awards under other share plans). As an illustration, at the point that the cap is reached, which is at a very ambitious growth rate of c.33% p.a. above the current market capitalisation, the overall dilution is around 5%.
- 18% of the STP Pool will be allocated to the CEO and 11% will be allocated to the CFO; the remaining 71% allocated for a company-wide plan for all colleagues.
- A cap will apply to the value of the total amount vesting under the STP of £15m for the CEO and £9.2m for the CFO. The total STP Pool is capped at £83m.
- Participation is subject to good conduct metrics, including risk performance, non-financial misconduct and customer outcomes. An annual performance assessment will be completed to ensure recipients remain eligible for plan participation, year on year during the plan duration, where fit and proper assessments and breaches of Conduct Rules under the Senior Manager & Certification Regime will be actively considered.
- A strong governance framework will operate for the awards, which will include:
    - Ability of the Committee to apply discretion to adjust the vesting outcome to reflect underlying performance;
    - Specific malus and clawback provisions, which together apply over a seven-year period from grant;
    - Regular monitoring of the progress of the plan by the Committee.

Restricted Share Plan (RSP)
- Restricted Shares continue to be granted annually, vesting after three years, with an additional two-year holding period after the vesting of each tranche, but with a 20% discount introduced to reflect the introduction of the STP.

Rationale behind the STP in the New Policy

Focus on retention and incentivisation
- While the STP will be introduced, the RSP remains in place to be retentive and maintain the greater certainty of award. The STP provides a significant incentive for a small number of leaders to deliver exceptional performance over the long-term, vesting over five years.
- Whilst the STP is focused on the long-term sustainable performance of the Company, the annual bonus works in parallel to reward and incentivise performance against key annual goals.

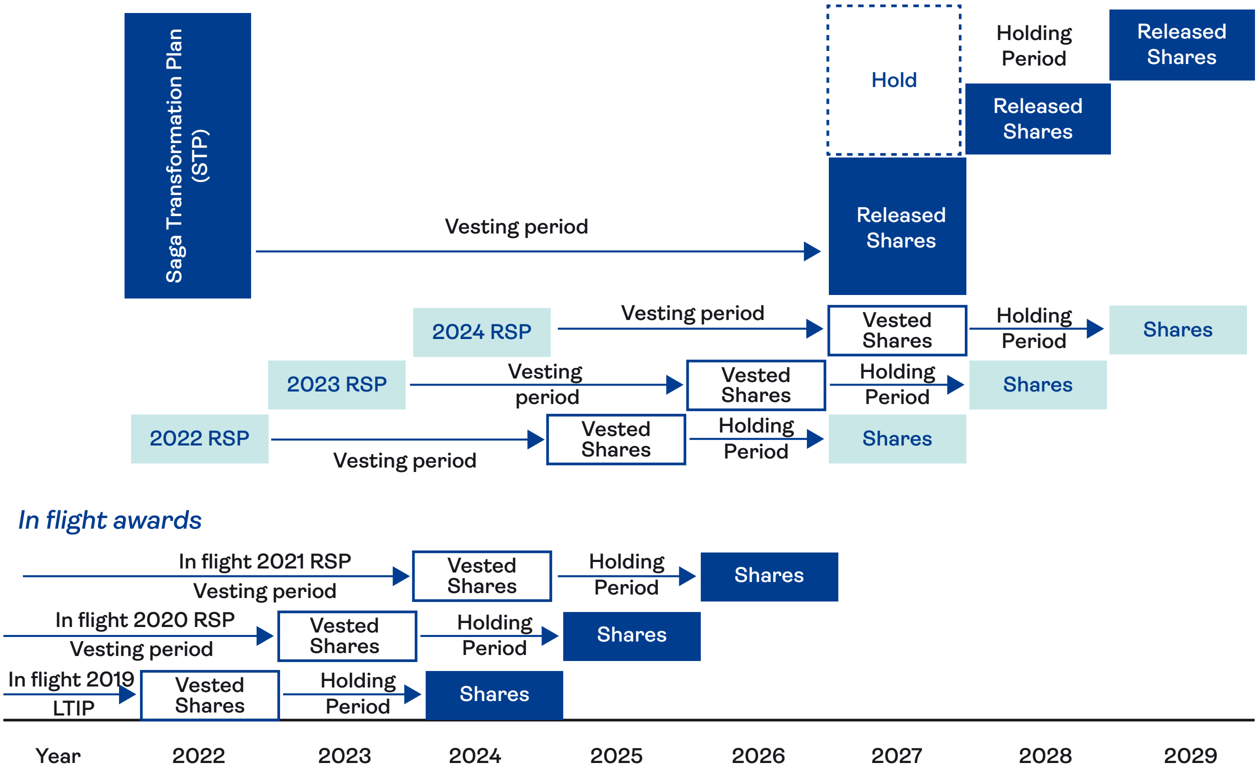
Link to business strategy and turnaround
- Following a period of market uncertainty and the strategic challenges the business has faced, the STP supports the turnaround of the business through promoting the aim of sustained performance and share price growth.
- The Committee will continue to operate the annual bonus which will provide a link to the delivery of the core strategic imperatives and financial key performance indicators of the business in the same manner as it currently does.
- It is intended that delivery of these annual objectives and targets will ultimately flow through to long-term sustainable performance of the Company and a recovery in the share price.

Structure of award
- The STP has a Hurdle based on a stretching growth in share price target; participants will only share in value once the hurdle threshold has been achieved.
- The proposed Hurdle will be significantly stretching as the existing RSP scheme retains and rewards for 'normal' performance.
- The continuation of the RSP provides retention during the critical 'early years' of the business turnaround, allowing the management team to focus on delivering shareholder value across the five-year period of the plan.

Provides the Committee with strong oversight and governance
- Through the malus and clawback triggers and the use of discretion, the Committee maintains oversight and governance over the STP.

Wider workforce continues to benefit
- A proportion of the STP pool will be available for distribution to all other colleagues.
- All colleagues continue to be awarded through Free Share Awards throughout the five-year term; the value of these awards will benefit from a higher share price.

Summary illustration of operation of the STP



Shareholder consultation

As a part of the New Policy design process, we held preliminary consultations with our largest shareholders, including our Chairman, Sir Roger De Haan, seeking feedback on the proposals. I am pleased that there has been a good level of engagement from the Company's shareholders and the Committee is grateful for all the feedback received. We are pleased that a number of our major shareholders that we consulted indicated that they would be supportive of the proposals.

Board recommendation

The Board considers the proposed New Policy, including the new STP, to be in the best interests of the Company and shareholders. Accordingly, the Board unanimously recommends that shareholders vote in favour of the ordinary resolutions set out in this Notice of Annual General Meeting.

Yours faithfully,

Eva Eisenschimmel
Chair of the Remuneration Committee

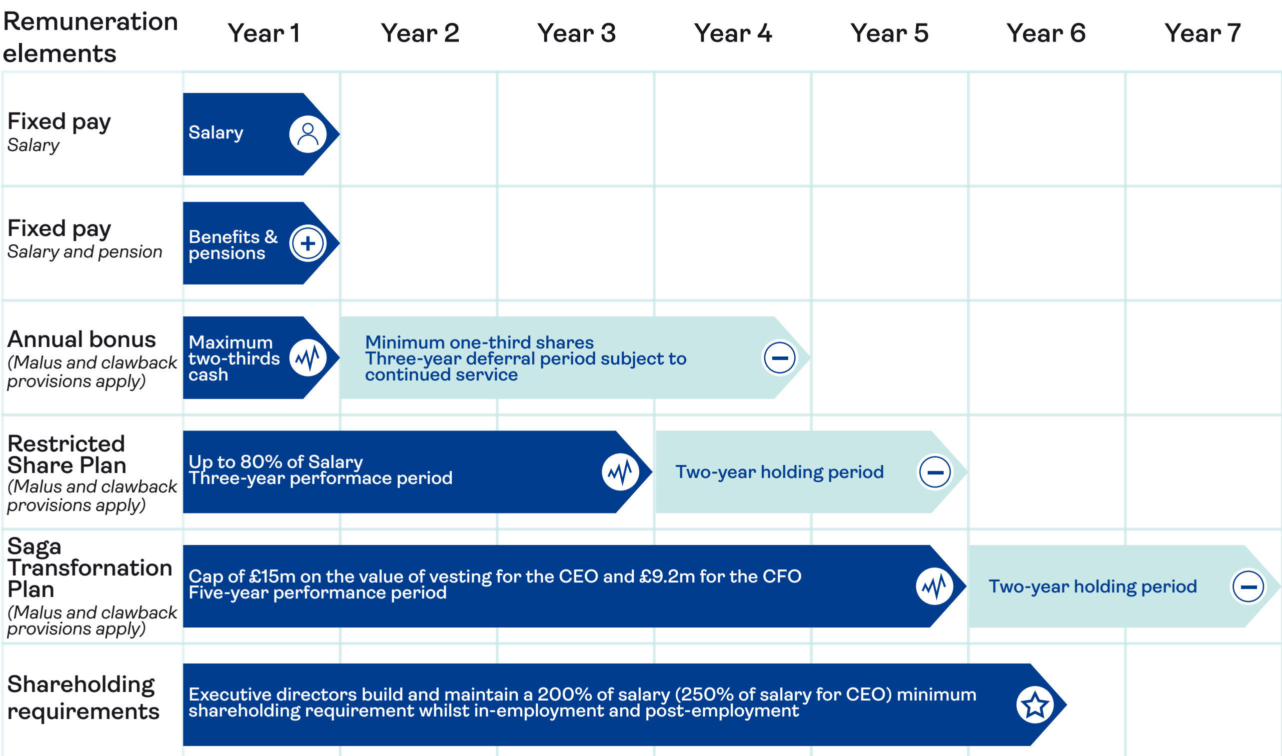
SCHEDULE 2

DIRECTORS' REMUNERATION POLICY

This document sets out the Saga plc (the **Company**) Policy on remuneration for Executive and Non-Executive Directors (the **Policy**) which will be subject to approval by shareholders at the 2022 Annual General Meeting (**AGM**) and if approved, will take effect immediately afterwards. The Policy has been prepared in accordance with the requirements of the UK Companies Act 2006 (the **Act**), Schedule 8 of the Large and Medium-Sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 (the **Regulations**) and the Listing Rules. The Remuneration Committee (the **Committee**) has built in a degree of flexibility to ensure the practical application of the Policy. Where such discretion is reserved, the extent to which it may be applied is described. The Company's Policy retains as its primary goal the ability to attract, retain and motivate its leaders and to ensure they are focused on delivering business priorities within a framework designed to promote the long-term success of Saga, aligned with shareholder interests.

The Board delegated its responsibility to the Committee to establish the Policy on the remuneration of the Executive Directors and the Chair. The Board has established the Policy on the remuneration of the other Non-Executive Directors.

Summary of the Policy to be approved at the 2022 AGM



Changes made to the previous policy

Element	Changes to policy	Rationale
Long-term incentives - Saga Transformation Plan (STP)	Addition of an STP which provides participants with a portion of the value created above a stretching hurdle over a five-year period.	To drive and reward exceptional levels of growth. Only once significant shareholder value has been delivered will any rewards become payable under the STP.
Long-term incentives - Restricted Share Plan (RSP)	A 20% reduction to the RSP award level during the term of the STP.	To retain the current stability and retention provided by the RSP but rebalance the package and recognise the introduction of the STP. The RSP rewards and retains for moderate to strong performance and delivery of shareholder value.

Directors' Remuneration Policy table

Base salary	
Element and link to strategy	Provides a base level of remuneration to support recruitment and retention of Executive Directors with the necessary experience and expertise to deliver the Group's strategy.
Operation	An Executive Director's basic salary is set on appointment and reviewed annually, or when there is a change in position or responsibility. When determining an appropriate level of salary, the Committee considers: • pay increases to other colleagues; • remuneration practices within the Group; • any change in scope, role and responsibilities; • the general performance of the Group and each individual; • the experience of the relevant Director; and • the economic environment. Individuals who are recruited or promoted to the Board may, on occasion, have their salaries set below the targeted policy level until they become established in their role. In such cases, subsequent increases in salary may be higher than the general rises for colleagues until the target positioning is achieved.
Maximum potential value	The Committee ensures that maximum salary levels are positioned in line with companies of a similar size and complexity to Saga and validated against an appropriate comparator group so that they are competitive against the market. The Committee intends to review the comparators each year and will add or remove companies from the comparator group as it considers appropriate. In general, salary increases for Executive Directors will be in line with the increase for colleagues. However, larger increases may be offered if there is a material change in the size and responsibilities of the role (which covers significant changes in Group size and/or complexity). The Company will set out the Executive Directors' salaries for the following financial year in each Directors' Remuneration Report, in the section headed 'Implementation of the Remuneration Policy.
Performance conditions and recovery provisions	A broad assessment of individual and business performance is used as part of the salary review. No recovery provisions apply.
Changes to previous policy	No changes.

Pension	
Element and link to strategy	Provides a fair level of pension provision for all colleagues.
Operation	The Company provides a pension contribution allowance that is fair, competitive and in line with governance best practice. Pension contributions will be a non-consolidated allowance and will not impact any incentive calculations.
Maximum potential value	The maximum value of the pension contribution allowance for both current and newly appointed Executive Directors is aligned with that of the wider workforce, currently 6% of salary.
Performance conditions and recovery provisions	No performance or recovery provisions apply.
Changes to previous policy	No changes.

Benefits	
Element and link to strategy	Provides a market-standard level of benefits.
Operation	Benefits may include family private health cover, death in service life assurance, car allowance, subsistence expenses and discounts in line with other colleagues. The Committee recognises the need to maintain suitable flexibility in the benefits provided to ensure it is able to support the objective of attracting, and retaining, colleagues in order to deliver the Group strategy. Additional benefits which are available to other colleagues on broadly similar terms may therefore be offered, such as relocation allowances on recruitment.

Maximum potential value	The maximum is the cost of providing the relevant benefits.
Performance conditions and recovery provisions	No performance or recovery provisions apply.
Changes to previous policy	No changes.

Annual bonus	
Element and link to strategy	The Annual Bonus Plan provides a significant incentive to the Executive Directors, linked to achievement of goals that are closely aligned with the Company's strategy and the creation of value for shareholders. In particular, the Annual Bonus Plan supports the Company's objectives, allowing the setting of annual targets based on the business' strategic objectives at that time, meaning that a wider range of performance metrics can be used that are relevant and achievable.
Operation	The Committee will determine the maximum annual participation in the Annual Bonus Plan for each year, which will not exceed 150% of salary. The Company will set out in the section headed 'Implementation of Remuneration Policy' within the Directors' Remuneration Report, in the following financial year, the nature of the targets and their weighting for each year. Details of the performance conditions, targets and their level of satisfaction for the year being reported on will be set out in the Annual Report on Remuneration. The Committee can determine that part of the bonus earned under the Annual Bonus Plan is provided as an award of shares under the Deferred Bonus Plan (**DBP**) element. The minimum level of deferral is one-third of the bonus; however, the Committee may determine that a greater portion, or in some cases the entire bonus, be paid in deferred shares. The main terms of these awards are: • minimum deferral period of three years; and • the participant's continued employment at the end of the deferral period, unless they are a good leaver. The Committee may award dividend equivalents on those shares to plan participants to the extent that they vest. The Committee has the discretion to apply a holding period of two years post-vesting for DBP shares.
Maximum potential value	The Committee will determine the maximum annual participation in the Annual Bonus Plan for each year, which will not exceed 150% of salary. Percentage of bonus maximum earned for levels of performance: • Threshold: up to 20% • Target: 50% • Maximum: 100%
Performance conditions and recovery provisions	The Annual Bonus Plan is based on a mix of financial and strategic/operational conditions and is measured over a period of one financial year. The financial measures will account for no less than 50% of the bonus opportunity. The Committee retains discretion, in exceptional circumstances, to change performance measures and targets and the weightings attached to performance measures part-way through a performance year if there is a significant and material event which causes the Committee to believe the original measures, weightings and targets are no longer appropriate. Discretion may also be exercised in cases where the Committee believes that the bonus outcome is not a fair and accurate reflection of business, individual and wider Company performance. The exercise of this discretion may result in a downward or upward movement in the amount of bonus earned resulting from the application of the performance measures. Any adjustments or discretion applied by the Committee will be fully disclosed in the following year's Directors' Remuneration Report. The Committee is of the opinion that, given the commercial sensitivity arising in relation to the detailed financial targets used for the annual bonus, disclosing precise targets for the Annual Bonus Plan in advance would not be in shareholder interests. Actual targets, performance achieved, and awards made will be published at the end of the performance period so shareholders can fully assess the basis for any payouts under the Annual Bonus Plan. Both the Annual Bonus Plan and the DBP contain malus and clawback provisions.
Changes to previous policy	No changes.

Restricted Share Plan (RSP)	
Element and link to strategy	Awards are designed to incentivise the Executive Directors over the longer-term to successfully implement the Company's strategy.
Operation	Awards are granted annually to Executive Directors in the form of Restricted Shares. Restricted Shares vest at the end of a three-year period subject to: • the Executive Director's continued employment at the date of vesting; and • the satisfaction of an underpin as determined by the Committee, whereby the Committee can adjust vesting for business, individual and wider Company performance. A two-year holding period will apply following the three-year vesting period for all awards granted to the Executive Directors. Upon vesting, sufficient shares may be sold to pay tax on the shares. The Committee may award dividend equivalents on awards to the extent that these vest.
Maximum potential value	Maximum value of 100% of salary per annum based on the market value at the date of grant set in accordance with the rules of the plan. For Executives participating in the STP, this maximum will be reduced by 20% for the period of participation.
Performance conditions and recovery provisions	No specific performance conditions are required for the vesting of Restricted Shares but there will be an underpin in that the Committee will have the discretion to adjust vesting taking into account business, individual and wider Company performance. The Committee will take into account the following factors (amongst others) when determining whether to exercise its discretion to adjust the number of shares vesting: • Whether threshold performance levels have been achieved for the performance conditions for the Annual Bonus Plan for each of the three years covered by the vesting period for the Restricted Shares. • Whether there have been any sanctions or fines issued by a regulatory body; participant responsibility may be allocated collectively or individually. • Whether there has been material damage to the reputation of the Company; participant responsibility may be allocated collectively or individually. • The potential for windfall gains. • The level of colleague and customer engagement over the period. The RSP is subject to clawback and malus provisions.
Changes to previous policy	20% reduction to the maximum opportunity level to rebalance the package and recognise the introduction of the additional incentive provided by the STP.

Saga Transformation Plan (STP)	
Element and link to strategy	Awards are designed to add an additional opportunity to drive, and reward, exceptional levels of growth over the longer term.
Operation	A one-off award that gives Executive Directors the opportunity to earn share awards over a five-year performance and vesting period. The STP allows participants to share in up to 12.5% of the total value created for shareholders above a specified hurdle (defined below) measured on a date shortly after the end of the five-year performance period (the **Measurement Date**). On the Measurement Date, 50% of the number of share awards earned will vest immediately. 25% of the award earned will be released one year after the Measurement Date with the final 25% earned being released two years after the Measurement Date. No shares are capable of sale until the fifth anniversary of grant. If the shareholder value of £6.00, including share price and dividends (the **Hurdle**) has not been achieved at the Measurement Date (inclusive), no share awards will vest.
Maximum potential value	The maximum number of share awards which may vest under the STP is 12.5% of the value created above the Hurdle (the **STP Pool**). The allocation for the Chief Executive Officer (**CEO**) is 18% of the STP Pool and 11% of the STP Pool for the Chief Financial Officer (**CFO**). Awards are subject to a cap on the value on vesting of £15m for the CEO and £9.2m for the CFO.

Performance conditions and recovery provisions	The Committee may vary the level of vesting of a share award if it determines that the formulaic vesting level would not reflect business or personal performance, or such other factors as it may consider appropriate. An annual review of continued participation will be undertaken by the Committee to ensure appropriate conduct and risk leadership conditions are satisfied. Malus and clawback provisions will apply to STP awards. Malus will operate throughout the performance period. The clawback period will be two years (or longer, if the Committee determines) from the date of vesting. Further details are set out on page 12.
Changes to previous policy	New element of the Policy.

Shareholding requirement
The Committee already had in place strong shareholding requirements (as a percentage of base salary) that encourage Executive Directors to build up their holdings over a five-year period. Adherence to these guidelines is a condition of continued participation in the equity incentive arrangements. This policy ensures that the interests of Executive Directors and those of shareholders are closely aligned.

In addition, Executive Directors will be required to retain 50% of the post-tax amount of vested shares from the Company incentive plans until the minimum shareholding requirement is met and maintained. The following table sets out the minimum shareholding requirements:

Role	Shareholding requirement (percentage of salary)
Group Chief Executive Officer	250%
Other Executive Directors	200%

The Committee retains the discretion to increase the shareholding requirements.

The Committee has introduced a post-cessation shareholding requirement of the full in-employment requirement as listed above (or the Executive's actual shareholding on cessation, if lower) for two years following cessation.

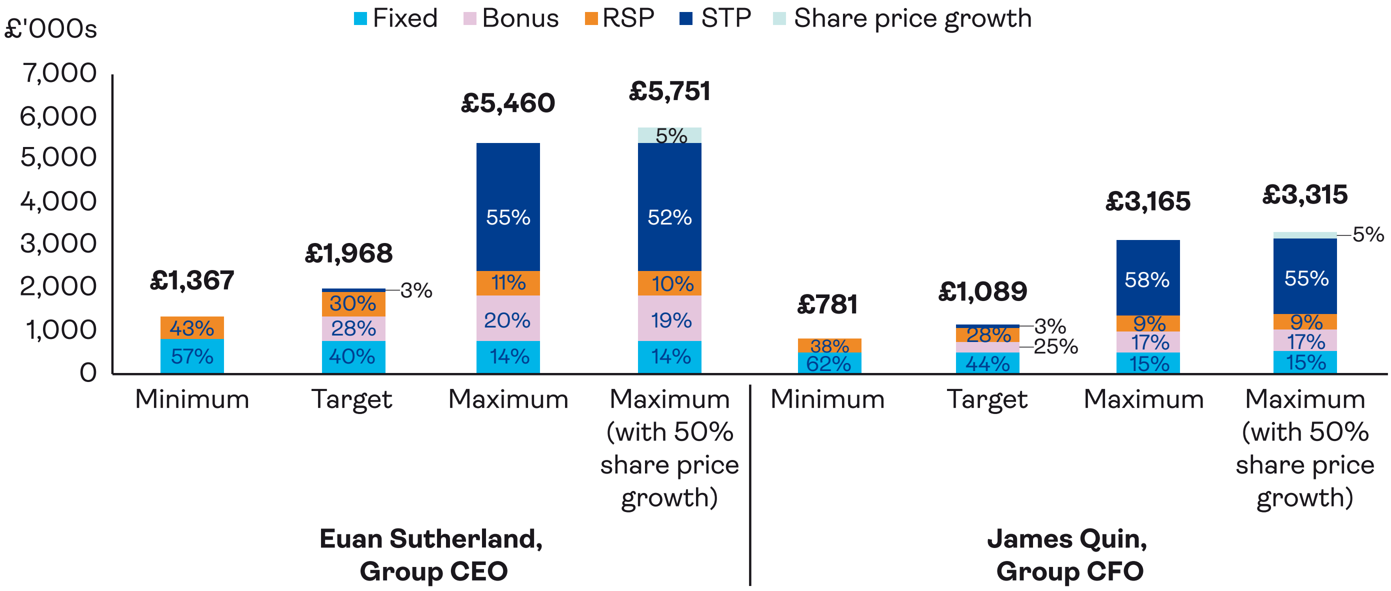
Chair and Non-Executive Director fees	
Purpose	Provides a level of fees to support recruitment, and retention, of a Non-Executive Chairman and Non-Executive Directors with the necessary experience to advise and assist with establishing and monitoring the Group's strategic objectives.
Operation	The Board is responsible for setting the remuneration of the Non-Executive Directors. The Committee is responsible for setting the Non-Executive Chairman's fees. Non-Executive Directors are paid an annual fee and additional fees for chairing of Committees. The Company retains the flexibility to pay fees for the membership of Committees. Non-Executive Directors will be entitled to an additional fee if they are required to perform any specific and additional services. Chair and membership fees may be introduced for any new committees. The Non-Executive Chairman does not receive any additional fees for membership of Committees. Fees are reviewed annually based on taking into account time commitment, responsibilities and equivalent roles in the comparator group used to review salaries paid to the Executive Directors. Non-Executive Directors and the Non-Executive Chairman do not participate in any variable remuneration or benefits arrangements.
Maximum potential value	The fees for Non-Executive Directors are broadly set at a competitive level against the comparator group. In general, the level of fee increase for the Non-Executive Directors and the Non-Executive Chairman will be set taking account of any change in responsibility and will take into account the general rise in salaries across the UK workforce. The aggregate fee for the Non-Executive Directors and the Non-Executive Chairman will not exceed £2.0m. The Company will pay reasonable expenses incurred by the Non-Executive Directors and Non-Executive Chairman and may settle any tax incurred.
Performance metrics	No performance or recovery provisions apply.
Changes to previous policy	Additional flexibility to award further fees where specific incremental services are required to be performed.

Elements of previous policy that will continue

Element and link to strategy	Operation	Performance metrics
Legacy Long Term Incentive Plan (LTIP) was designed to incentivise the Executive Directors over the longer-term to successfully implement the Company's strategy.	Awards granted in 2019 vest at the end of a three-year period subject to the Executive Director's continued employment at the date of vesting and satisfaction of the performance conditions. Further details of the terms were included in the relevant Annual Report on Remuneration at the time of grant.	Vesting of the 2019 LTIP award is subject to relative total shareholder return and return on capital employed performance, as well as a strategic and operational element.

Illustration of application of the Policy

The chart below shows an estimate of the remuneration that could be received by Executive Directors under the first year of the operation of the Policy set out in this report.



Element	Minimum	Target	Maximum	Maximum with 50% share price growth
Fixed elements	Base salary for 2022/23. Benefits paid for 2021/22 annualised for full year equivalent figures. Pension in line with policy at 6% of salary.			
Annual bonus	Nil.	50% of the maximum opportunity.	100% of the maximum opportunity.	100% of the maximum opportunity.
Restricted Shares	100% vesting of Restricted Shares. Award levels are 80% of salary for the CEO, 68% of salary for the CFO.	100% vesting of Restricted Shares. Award levels are 80% of salary for the CEO, 68% of salary for the CFO.	100% vesting of Restricted Shares. Award levels are 80% of salary for the CEO, 68% of salary for the CFO.	100% vesting of Restricted Shares plus 50% share price appreciation. Award levels are 80% of salary for the CEO, 68% of salary for the CFO.
Saga Transformation Plan (shown in the chart on an annualised basis)	Nil.	Estimate of accounting fair value.	£15m for the CEO and £9.2m for the CFO.	£15m for the CEO and £9.2m for the CFO.

Scenario charts show 'minimum', 'target' and 'maximum' scenarios in accordance with the Regulations, as well as the impact of a 50% share price growth on the long-term incentives for the 'maximum' scenario. All scenarios do not account for dividend equivalents on DBP shares or RSP shares.

Discretion within the Policy
The Committee has discretion in several areas of policy as set out in this report. The Committee may also exercise operational and administrative discretions under relevant plan rules as set out in those rules. In addition, the Committee has the discretion to amend the Policy with regard to minor or administrative matters where it would be, in the opinion of the Committee, disproportionate to seek or await shareholder approval.

Malus and clawback
Malus is the adjustment of the annual bonus payments or unvested long-term incentive awards (including RSP and STP) because of the occurrence of one or more of the circumstances listed below. The adjustment may result in the value being reduced to nil.

Clawback is the recovery of payments made under the Annual Bonus Plan or vested long-term incentive awards (including RSP and STP) as a result of the occurrence of one or more of the circumstances listed below. Clawback may apply to all, or part, of a participant's payment under the Annual Bonus Plan, RSP or STP award and may be effected, among other means, by requiring the transfer of shares, payment of cash or reduction of awards or bonuses. The circumstances in which malus and clawback could apply are as follows:

- Discovery of a material misstatement resulting in an adjustment in the audited accounts of the Group or any Group company.
- The discovery that any information used to determine the award was based on error, or inaccurate or misleading information.
- Action or conduct of a participant which amounts to fraud or gross misconduct.
- Events, or the behaviour of a participant, which have led to the censure of a Group company by a regulatory authority or have had a significant detrimental impact on the reputation of any Group company, provided that the Committee is satisfied that the relevant participant was responsible for the censure or reputational damage and that the censure or reputational damage is attributable to the participant.
- Failure of risk management including, but not limited to, a material breach of risk appetite and regulatory standards.
- Corporate failure.

	Annual bonus (cash)	Annual bonus (deferred shares)	Restricted Shares	STP
Malus	Up to the date of the cash payment.	To the end of the three-year vesting period.	To the end of the three-year vesting period.	To the end of the five-year vesting period.
Clawback	Two years post the date of any cash payment.	N/a	Two years post vesting.	Two years post vesting.

The Committee believes that the rules of the plans provide sufficient powers to enforce malus and clawback where required and undertakes an annual review to assess if there are reasonable grounds for the malus and clawback provisions to be enforced.

Loss of Office Policy
When considering compensation for loss of office, the Committee will always seek to minimise the cost to the Company whilst applying the following philosophy:

Remuneration element	Treatment on cessation of employment
General	The Committee will honour Executive Directors' contractual entitlements. Service contracts do not contain liquidated damages clauses. If a contract is to be terminated, the Committee will determine such mitigation as it considers fair and reasonable in each case. There are no contractual arrangements that would guarantee a pension with limited, or no, abatement on severance or early retirement. There is no agreement between the Company and its Directors, or other colleagues, providing for compensation for loss of office or employment that occurs because of a takeover bid. The Committee reserves the right to make additional payments where such payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation); or by way of settlement or compromise of any claim arising in connection with the termination of an Executive Director's office or employment.
Salary, benefits and pension	These will be paid over the notice period. The Company has discretion to make a lump sum payment in lieu.

	Good leaver reason	Other reason	Discretion
Bonus cash	Performance conditions will be measured at the bonus measurement date. Bonus will normally be pro-rated for the period worked during the financial year.	No bonus payable for year of cessation.	The Committee has the following elements of discretion: • To determine that an Executive Director is a good leaver. It is the Committee's intention to only use this discretion in circumstances where there is an appropriate business case which will be explained in full to shareholders. • To determine whether to pro-rate the bonus to time. The Committee's normal policy is that it will pro-rate bonus for time. It is the Committee's intention to use discretion to not pro-rate in circumstances where there is an appropriate business case which will be explained in full to shareholders.
Bonus deferred share awards	All subsisting deferred share awards will vest.	Lapse of any unvested deferred share awards.	The Committee has the following elements of discretion: • To determine that an Executive Director is a good leaver. It is the Committee's intention to only use this discretion in circumstances where there is an appropriate business case which will be explained in full to shareholders. • To vest deferred shares at the end of the original deferral period or at the date of cessation. The Committee will make this determination depending on the type of good leaver reason resulting in the cessation. • To determine whether to pro-rate the maximum number of shares to the time from the date of grant to the date of cessation. The Committee's normal policy is that it will not pro-rate awards for time. The Committee will determine whether or not to pro-rate based on the circumstances of the Executive Director's departure.
RSP for the year of cessation	The award will normally be pro-rated for the period worked during the financial year.	No award for year of cessation.	The Committee has the following elements of discretion: • To determine that an Executive Director is a good leaver. It is the Committee's intention to only use this discretion in circumstances where there is an appropriate business case which will be explained in full to shareholders. • To determine whether to pro-rate the Company award to time. The Committee's normal policy is that it will pro-rate for time. It is the Committee's intention to use discretion to not pro-rate in circumstances where there is an appropriate business case which will be explained in full to shareholders. • To determine whether the award will vest on the date of cessation or the original vesting date. The Committee will make its determination based, amongst other factors, on the reason for the cessation of employment.

RSP	Awards will be pro-rated to time and will vest on their original vesting dates and remain subject to the holding period.	Unvested awards will be forfeited on cessation of employment. Vested awards will remain subject to the holding period.	The Committee has the following elements of discretion: • To determine that an Executive Director is a good leaver. It is the Committee's intention to only use this discretion in circumstances where there is an appropriate business case which will be explained in full to shareholders. • To determine whether to pro-rate the award to the date of cessation. The Committee's normal policy is that it will pro-rate. The Committee will determine whether to pro-rate based on the circumstances of the Executive Director's departure. • To determine whether the awards vest on the date of cessation or the original vesting date. The Committee will make its determination based, amongst other factors, on the reason for the cessation of employment. • To determine whether the holding period for awards applies in part or in full. The Committee will make its determination based, amongst other factors, on the reason for the cessation of employment.
STP	Awards which have vested remain exercisable at the normal dates, subject to the relevant holding periods/ release dates. The Committee retains discretion to allow awards which have not yet vested to continue to vest subject to achievement of the Hurdle and pro-rated to time.	Awards which have vested remain exercisable at the normal dates, subject to the relevant holding periods/ release dates. Awards which have not yet vested lapse.	In respect of the STP, good leaver treatment will be solely at the discretion of the Committee, taking into account the circumstances and factors which it considers to be relevant.
Other contractual obligations	There are no other contractual provisions other than those set out above agreed prior to 27 June 2012.		

The following definition of leavers will apply to all of the above incentive plans, except the STP. A good leaver reason is defined as cessation in the following circumstances:

- Death.
- Ill-health.
- Injury or disability.
- Retirement.
- Employing company ceasing to be a Group company.
- Transfer of employment to a company which is not a Group company.
- At the discretion of the Committee (as described above). The Committee retains the authority to exercise its discretion to determine good leaver treatment separately in respect of each element of remuneration.

In respect of the STP, good leaver treatment will be solely at the discretion of the Committee, taking into account the circumstances and factors which it considers to be relevant.

Cessation of employment in circumstances other than those set out above is cessation for other reasons.

Change of Control Policy

Name of incentive plan	Change of control	Discretion
Cash bonus	Pro-rated to time and performance to the date of the change of control.	The Committee has discretion regarding whether to pro-rate the bonus to time. The Committee's normal policy is that it will pro-rate the bonus for time. It is the Committee's intention to use its discretion to not pro-rate in circumstances only where there is an appropriate business case which will be explained in full to shareholders.
Bonus deferred share awards	Subsisting deferred share awards will vest on a change of control.	The Committee has discretion regarding whether to pro-rate the award to time. The Committee's normal policy is that it will not pro-rate awards for time. The Committee will make this determination depending on the circumstances of the change of control.
RSP	The number of shares subject to subsisting RSPs will vest on a change of control pro-rated for time and performance against any underpins.	The Committee has discretion regarding whether to pro-rate the RSPs for time. The Committee's normal policy is that it will pro-rate the RSPs for time. It is the Committee's intention to use its discretion to not pro-rate in circumstances only where there is an appropriate business case which will be explained in full to shareholders. The Committee also has discretion to consider attainment of any underpins.
STP	There will be a Measurement Date on the change of control and the value of the STP Pool and share awards will be calculated accordingly. The share price used to calculate the total shareholder return will be the offer price for the Company. Accrued share awards will immediately vest (and be released from any holding periods) on the date of the change of control.	The Committee has discretion regarding whether to pro-rate the STP for time. The Committee's normal policy is that it will not pro-rate the STP for time.

Recruitment and Promotion Policy

The Company's principle is that the remuneration of any new recruit will be assessed in line with the same principles as for the Executive Directors, as set out in the Policy table. The Committee is mindful that it wishes to avoid paying more than it considers necessary to secure a preferred candidate with the appropriate calibre and experience needed for the role. In setting the remuneration for new recruits, the Committee will have regard to guidelines and shareholder sentiment regarding one-off or enhanced short-term or long-term incentive payments, as well as giving consideration for the appropriateness of any performance measures associated with an award. The Company's policy when setting remuneration for the appointment of new Directors is summarised in the table below:

Remuneration element	Policy
Salary, benefits and pension	Salary and benefits will be set in line with the policy for existing Executive Directors. Maximum pension contribution will be aligned with that of the majority of colleagues.
Annual bonus	Maximum annual participation will be set in line with the Company's policy for existing Executive Directors and will not exceed 150% of salary.
RSP	Maximum annual participation will be set in line with the Company's policy for existing Executive Directors and will not exceed 80% of salary.
STP	Eligible to participate with award size to reflect expected contribution and timing of joining the plan.
Maximum variable remuneration	The maximum variable remuneration which may be granted is the sum of the annual bonus, RSP and STP (excluding the value of any buyouts).

Buyout of incentives forfeited on cessation of employment	Forfeited on cessation of employment. Where the Committee determines that the individual circumstances of recruitment justify the provision of a buyout, the equivalent value of any incentives that will be forfeited on cessation of an Executive Director's previous employment will be calculated taking into account the following: • The proportion of the performance period completed on the date of the Executive Director's cessation of employment. • The performance conditions attached to the vesting of these incentives and the likelihood of them being satisfied. • Any other terms and conditions having a material effect on their value (lapsed value). The Committee may then grant up to the same value as the lapsed value, where possible, under the Company's incentive plans. To the extent that it was not possible, or practical, to provide the buyout within the terms of the Company's existing incentive plans, a bespoke arrangement would be used.
Relocation policies	In instances where the new Executive Director is required to relocate or spend significant time away from their normal residence, the Company may provide one-off compensation to reflect the cost of relocation for the Executive Director. The level of the relocation package will be assessed on a case-by-case basis but will take into consideration any cost-of-living differences/housing allowance and schooling, and will not exceed a period of two years from recruitment.

Where an existing colleague is promoted to the Board, the policy set out above would apply from the date of promotion but there would be no retrospective application of the policy in relation to subsisting incentive awards or remuneration arrangements. Accordingly, prevailing elements of the remuneration package for an existing colleague would be honoured and form part of the ongoing remuneration of the person concerned. These would be disclosed to shareholders in the Directors' Remuneration Report for the relevant financial year.

The Company's policy when setting fees for the appointment of a new Chairman or Non-Executive Director is to apply the policy which applies to current Non-Executive Directors.

Service contracts and letters of appointment

The Committee's policy for setting notice periods is that normally they will be a maximum of 12 months. The Committee may, in exceptional circumstances arising on recruitment, allow a longer period, which would in any event reduce to 12 months following the first year of employment. The Non-Executive Directors of the Company do not have service contracts and are appointed by letters of appointment. Each independent Non-Executive Director's term of office runs for a three-year period. The Company follows the UK Corporate Governance Code 2018 recommendation that all Directors be subject to annual re-appointment by shareholders.

Executive Director

			Notice periods		
Name	**Date appointed**	**Nature of contract**	**From Company**	**From Director**	**Compensation provisions for early termination**
Euan Sutherland	6 January 2020	Rolling	12 months	12 months	None
James Quin	1 January 2019	Rolling	12 months	12 months	None

Non-Executive Director

Name	Original appointment	Appointment of current term	Arrangement	Notice period/unexpired term at AGM
Orna NiChionna	29 May 2014	29 May 2020	Letter of appointment	3 months/11 months
Julie Hopes	1 October 2018	1 October 2021	Letter of appointment	3 months/28 months
Eva Eisenschimmel	1 January 2019	1 January 2022	Letter of appointment	3 months/30 months
Gareth Hoskin	11 March 2019	11 March 2022	Letter of appointment	3 months/32 months

The Board allows Executive Directors to accept appropriate outside Non-Executive Director appointments provided the aggregate commitment is compatible with their duties as Executive Directors. The Executive Directors concerned may retain fees paid for these services, which will be subject to approval by the Board.

Choice of performance measures and targets

Annual bonus

Performance for the Annual Bonus Plan will be measured against financial and non-financial measures with respective targets for each measure set by the Committee each financial year. The Policy provides the Committee with the flexibility to choose measures that are strongly linked to the specific strategic and financial priorities in any given financial year.

For financial measures, the targets are set with reference to internal forecasts, external forecasts and other circumstances, as appropriate, to ensure that targets are suitably stretching and motivational to Executives.

Non-financial targets are set each financial year with reference to the key strategic objectives of the Company and are linked to the long-term success of the business.

RSP

No specific performance conditions are required for the vesting of Restricted Shares but there will be an underpin in that the Committee will have the discretion to adjust vesting taking into account business, individual and wider Company performance.

STP

The STP will be based on the Hurdle of £6.00 per share including dividends paid during the performance period. If this minimum Hurdle is not met, no payout will be awarded. The measure has been set for alignment with longer-term shareholder value, with the Hurdle being set at a level that is considered stretching in the context of the business strategy and market conditions.

Consideration of employment conditions elsewhere in the Group

Each year, prior to reviewing the remuneration of the Executive Directors and the members of the Executive Leadership Team, the Committee considers a report prepared by the Chief People Officer detailing base pay and share scheme practices across the Company. The report provides an overview of how colleague pay compares to the market and any material changes during the year and includes detailed analysis of basic pay and variable pay changes within the UK.

While the Company does not directly consult with colleagues as part of the process of reviewing executive pay and formulating the Policy, the Company engages with colleagues via its People Committee, where the approach to Executive remuneration is also discussed. The Chair of the Remuneration Committee is the Non-Executive Director nominated as ‘People Champion’. In addition, the Committee receives an update and feedback from the broader colleague population on an annual basis using an engagement survey which includes a number of questions relating to remuneration. The Company does not use remuneration comparison measurements.

The Group aims to provide a remuneration package for all colleagues that is market competitive and operates the same core structure as for the Executive Directors. The Group operates colleague share and variable pay plans, with pension provisions provided for all Executive Directors and colleagues. In addition, a proportion of the STP Pool is also reserved for all colleagues. Any salary increases for Executive Directors are expected to be generally in line with those for UK-based colleagues. The Committee annually publishes a section on fairness, diversity and wider workforce considerations as part of the Directors’ Remuneration Report.

Consideration of shareholder views

The Committee takes the views of the shareholders seriously and these views are taken into account in shaping remuneration policy and practice. Shareholder views are considered when evaluating and setting remuneration strategy and the Committee welcomes an open dialogue with its shareholders on all aspects of remuneration. The Committee consulted its major shareholders and the main shareholder representative bodies prior to proposing this Policy. The Committee is grateful for the time taken to consider the Committee proposals and provide feedback. At the end of the consultation, the majority of shareholders consulted indicated they were supportive of this Policy.

Compliance with the Code

The following table sets out how the Policy aligns with the Code whose objective is to ensure the remuneration operated by the Company is aligned with all stakeholder interests, including those of shareholders:

Key remuneration element of the Code	Alignment with the Policy
Five-year period between the date of grant and realisation for equity incentives	The RSP and STP meet this requirement through the implementation of the two-year post-vesting holding period for the RSP and five-year vesting period for the STP.
Phased release of equity awards	The RSP meets this requirement as awards are made in an annual cycle. The STP has a phased release in years five, six and seven.
Discretion to override formulaic outcomes	Included in the terms and conditions of the Annual Bonus Plan, the RSP and the STP.
Post-cessation shareholding requirement	The full in-employment requirement for two years following cessation of employment.

Pension alignment	The pension contribution for all Executive Directors is aligned with the majority of colleagues at 6%.
Extended malus and clawback	The malus and clawback provisions align with the Financial Reporting Council's Board Effectiveness Guidance.

Provision 40 element	How the Policy aligns
Clarity *Remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce*	The Annual Bonus Plan performance conditions are based on the core strategic objectives and therefore, there is a clear link to all stakeholders between their delivery and reward provided to management. The RSP provides annual grants of shares which have to be retained for the longer term to ensure a focus on sustainable performance. This provides complete clarity of the alignment of the interests of management and shareholders. Payout of the STP is directly linked to shareholder value through the Hurdle.
Simplicity *Remuneration structures should avoid complexity and their rationale and operation should be easy to understand*	The performance conditions for the Annual Bonus Plan are based on the Company's strategic objectives. This alignment of reward with the delivery of key markers of the success of the implementation of the strategy ensures simplicity. RSPs are a simple mechanism and avoid the setting of long-term performance conditions which tend to inherently make remuneration more complex. The STP is based on growth in total shareholder returns and therefore is a simple to understand incentive.
Risk *Remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated*	The Policy includes: • setting defined limits on the maximum awards which can be earned, including an earnings cap on the STP; • requiring the deferral of a substantial proportion of the incentives in shares for a material period of time; • aligning the performance conditions with the strategy of the Company; • ensuring a focus on long-term sustainable performance through the RSP and STP; and • ensuring there is sufficient flexibility to adjust payments through malus and clawback and an overriding discretion to depart from formulaic outcomes. These elements mitigate against the risk of target-based incentives by: • limiting the maximum value that can be earned; • deferring the value in shares for the long-term which helps ensure that the performance earning the award was sustainable and thereby discourages short-term behaviours; • aligning any reward to the agreed strategy of the Company; the use of an RSP and STP which support a focus on the sustainability of the performance over the longer term; • reducing the awards, or cancelling them, if the behaviours giving rise to the awards are inappropriate; and • reducing the awards, or cancelling them, if it appears that the criteria on which the award was based do not reflect the underlying performance of the Company.
Predictability *The range of possible values of rewards to individual directors and any other limits or discretions should be identified and explained at the time of approving the Policy*	The Policy sets out clearly the range of values, limits and discretions in respect of the remuneration of management. The RSP, in particular, ensures the predictability of the rewards received by management.

Proportionality *The link between individual awards, the delivery of strategy and the long-term performance of the Company should be clear. Outcomes should not reward poor performance*	The Policy sets out clearly the range of values and discretions in respect of the remuneration of management. The RSP, in particular, ensures the predictability of the rewards received by Executive Directors and the bonus plan, being based on annual targets, operates over a more predictable time cycle compared with traditional LTIP schemes, thereby allowing the Committee to more effectively ensure desirable remuneration outcomes. The STP is measured against stretching targets and therefore does not reward poor performance. In addition, the Committee's overriding discretion to depart from formulaic outcomes ensures there is no reward for poor performance.
Alignment to culture *Incentive schemes should drive behaviours consistent with the Company's purpose, values and strategy*	The bonus plan drives behaviours consistent with the Company's strategy. The RSP and STP drive behaviours consistent with the Company's purpose and values which are focused on the long-term future of the business throughout the business cycle.

Eva Eisenschimmel
Chair, Remuneration Committee
30 May 2022

SCHEDULE 3

SUMMARY OF THE PRINCIPAL TERMS OF THE SAGA PLC 2022 SAGA TRANSFORMATION PLAN

In conjunction with, but not contingent upon, the proposed changes to the Directors' Remuneration Policy which are subject to a shareholder vote under Resolution 3, Saga plc (the **Company**) intends to implement a new share plan, the Saga Transformation Plan (the **STP**). The principal features of the STP are summarised below.

Introduction

The STP is a discretionary share plan. Under the STP, the Board of the Company (the **Board**) may grant awards over ordinary shares in the Company (**Shares** and **Awards**) to eligible colleagues. No payment is required for the grant of an Award (unless the Board determines otherwise).

Awards may take the form of options or conditional share awards (**Options** and **Conditional Share Awards**). It is intended that Awards will be granted in the form of Options.

It is intended that Awards will vest subject to stretching growth targets over a five-year performance period, based on a total shareholder return hurdle (the **Hurdle**) of £6, including dividends paid during the five-year performance period. Awards will vest over a number of Shares, representing a share in the growth of the Company to the extent that the Hurdle is achieved.

Eligibility

All colleagues of the Company's group (the **Group**) are eligible for selection to participate in the STP at the discretion of the Board, provided that (unless the Board determines otherwise) they have not given or received notice of termination.

Limits

The STP may operate over new issue Shares, treasury Shares or Shares purchased in the market. An Award may not be granted under the STP if it would cause the aggregate number of Shares issued or issuable under any colleague share scheme operated by the Company in the preceding 10 years to exceed 10% of the Company's issued share capital at that time.

In addition, an Award may not be granted under the STP if it would cause the number of Shares issued or issuable under the STP and any other discretionary colleague share scheme operated by the Company in the preceding 10 years to exceed 5% of the Company's issued share capital at that time.

Shares transferred out of treasury under the STP will count towards these limits for so long as this is required under institutional investor guidelines. In addition, Awards which are renounced or lapse, or any Shares which the trustees of an employee benefit trust have purchased in order to satisfy an award, shall be disregarded for the purposes of these limits.

Grant of Awards

Awards may be granted during the 42 days beginning on: (i) the date of shareholder approval of the STP; (ii) the day after the announcement of the Company's results for any period; (iii) any day on which the Board determines that circumstances are sufficiently exceptional to justify the making of an Award at that time; or (iv) if any dealing restrictions applied during any such period, the day after the lifting of such dealing restrictions. However, no Awards may be granted more than 10 years from the date of shareholder approval of the STP.

No payment is required for the making of an Award and Awards are not transferable (except on death). Awards are not pensionable.

Performance and other conditions

The Board will impose performance conditions on the vesting of Awards.

The performance condition applying to an Award may be varied or substituted if the Board considers it appropriate, provided the Board considers that the new performance condition is reasonable and is not materially less difficult to satisfy than the original condition (except in the case of waiver). The Board may also impose other conditions on the vesting of Awards.

The maximum value that any Award holder may receive under their Award will be subject to an individual cap, which will be set by the Board. For the Chief Executive Officer, the cap has been set at £15m; for the Chief Financial Officer, the cap has been set at £9.2m.

Vesting
Awards will normally vest to the extent that the applicable performance conditions have been satisfied and to the extent permitted following any operation of malus. Options will normally remain exercisable for a period determined by the Board at grant, which shall not exceed 10 years from grant.

The Board retains discretion to adjust the level of vesting upwards or downwards if, in its opinion, the level of vesting resulting from the application of the relevant performance conditions is not a fair and accurate reflection of business performance, the participant's personal performance and such other factors as the Board may consider appropriate.

Holding period
At the discretion of the Board, Awards may be subject to holding periods. Awards made to the Executive Directors will be subject to holding periods. For Awards which are subject to holding periods, holding periods will apply to Shares acquired under the STP as follows:

- No holding period will apply to 50% of the Shares acquired pursuant to an Award.
- A holding period of one year from vesting will apply to 25% of the Shares acquired pursuant to an Award.
- A holding period of two years from vesting will apply to 25% of the Shares acquired pursuant to an Award.

During any holding period, Award holders will be required to retain the Shares subject to the holding period and shall not be permitted to transfer, assign or otherwise dispose of such Shares for the duration of the holding period, subject to being permitted to sell such number of Shares as may be necessary to meet any tax liability arising on exercise and subject to certain other limited exceptions or if the Board, in its discretion, determines otherwise.

Malus
The Board may decide, at any time prior to the vesting of an Award, that the value or number of Shares subject to the Award shall be reduced (including to nil) and/or that additional conditions shall be imposed on such basis that the Board, in its discretion, considers to be fair and reasonable in the following circumstances:

A. Discovery of a financial misstatement resulting in an adjustment in the historical audited accounts of the Company or any Group company.
B. The discovery that the assessment of any performance target, or other condition, in respect of an Award was based on error, inaccurate or misleading information.
C. The discovery that any information used to determine the number of Shares subject to an Award was based on error, inaccurate or misleading information.
D. There has been an action or conduct of an Award holder which, in the reasonable opinion of the Board, amounts to fraud or gross misconduct.
E. A material failure of risk management of the Company, a Group member or business unit of the Group.
F. The Company, or any Group member or business of the Group, becomes insolvent or otherwise suffers a corporate failure so that the value of Shares is materially reduced, provided that the Board determines, following an appropriate review of accountability that the Award holder should be held responsible (in whole or in part) for, that insolvency or corporate failure.

Clawback
The Board may apply clawback to all, or part, of a participant's Award in substantially the same circumstances as apply to malus (as described above) during the period of two years following the vesting of an Award. Clawback may be effected, among other means, by requiring the transfer of Shares, payment of cash or reduction of awards.

Cessation of employment
Except in certain circumstances set out below, an Award will lapse immediately upon an Award holder ceasing to be employed by, or holding office with, the Group to the extent it has not vested.

However, the Board may determine that their Award will not lapse and will ordinarily vest on the date when it would have vested if they had not so ceased to be a Group colleague or director, subject to the satisfaction of any applicable performance conditions measured over the original performance period and the operation of malus or clawback. In addition, unless the Board decides otherwise, vesting will be pro-rated to reflect the reduced period of time between the grant of the Award and the participant's cessation of employment as a proportion of the normal vesting period. The Board can alternatively decide that their Award will vest early when they leave. The extent to which an Award will vest in these situations will be determined by the Board at its absolute discretion, taking into account, among other factors, the period of time the Award has been held and the extent to which any applicable performance conditions have been satisfied at the date of cessation of employment and the operation of malus or clawback. In addition, unless the Board decides otherwise, vesting will be pro-rated to reflect the reduced period of time between the grant of the Award and the participant's cessation of employment as a proportion of the normal vesting period.

To the extent that Options vest in these circumstances, they may be exercised for a period of six months following vesting (or such longer period as the Board determines). To the extent that Options vest following the death of a participant, they may normally be exercised for a period of 12 months following death (or such longer period as the Board determines).

Corporate events
In the event of a takeover, scheme of arrangement, compulsory acquisition of Shares, or winding-up of the Company, Awards will vest early. The proportion of the Awards which vest shall be determined by the Board, taking into account, among other factors, the period of time the Award has been held by the participant and the extent to which the applicable performance conditions have been satisfied at that time.

To the extent that Options vest in the event of a takeover, winding-up or scheme of arrangement of the Company, they may be exercised for a period of six months measured from the relevant event (or, in the case of takeover, such longer period as the Board determines) and will otherwise lapse at the end of that period (or, in the case of a winding-up, upon the completion of the winding up if earlier). To the extent that Options vest in the event of a compulsory acquisition of Shares, they may be exercised during the period beginning with the date on which a notice is served under Section 979 of the Companies Act 2006 and ending seven clear days before entitlement to serve such notice ceases.

In the event of a demerger, distribution or any other corporate event not within those above, the Board may determine that Awards shall vest to the extent determined by the Board, taking into account the same factors as set out above. Options that vest in these circumstances may be exercised during such period as the Board determines.

The Board may, in its discretion, allow Options to vest prior to, and conditional upon, the occurrence of any of the events set out above and an Option will then lapse on the occurrence of the event if not exercised prior to the event.

If there is a corporate event resulting in a new person or company acquiring control of the Company, the Board may (with the consent of the acquiring company and the participant) alternatively decide that Awards will not vest or lapse, but will be replaced by equivalent new options over shares in the new acquiring company.

Variation of capital
If there is a variation of share capital of the Company, or in the event of a demerger or other distribution, special dividend or distribution, the Board may make such adjustments to Awards, including the number of Shares subject to Awards (or how this number will be calculated) and the award price (if any) as it considers to be fair and reasonable.

Alternative settlement
At its discretion, the Board may decide to satisfy the exercise of an Option or vesting of a Conditional Share Award with a payment in cash, or Shares equal to any gain that a participant would have made had the relevant Option or Conditional Share Award been satisfied with Shares.

Rights attaching to Shares
Shares issued and/or transferred under the STP will not confer any rights on any Award holder until the relevant Award has vested (or, in the case of an Option, the Option has been exercised) and the Award holder in question has received the underlying Shares. Any Shares allotted when an Option is exercised, or a Conditional Share Award vests, will rank equally with Shares then in issue (except for rights arising by reference to a record date prior to their issue).

Amendments
The Board may, at any time, amend the provisions of the STP in any respect. Amendments are subject to any legal or regulatory requirement to obtain shareholder approval and amendments may not be made to the material disadvantage of participants, except with the approval of the majority of the participants affected by the amendment. The prior approval of shareholders at a general meeting of the Company must be obtained in the case of any amendment to the advantage of Award holders which is made to the provisions relating to eligibility, individual or overall limits, the persons to whom an Award can be granted under the STP, the adjustments that may be made in the event of any variation to the share capital of the Company and/or the rule relating to such prior approval, save that there are exceptions for any minor amendment to benefit the administration of the STP, to take account of the provisions of any proposed or existing legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for Award holders, the Company and/or its other Group companies.

Amendments may not adversely affect the rights of Award holders, except where the Award holder is notified of, and has approved, such amendment, where the amendment is made to take account of any matter or circumstance which the Board reasonably considers is a relevant legal or regulatory requirement, or any other matter or circumstance which the Board reasonably considers is relevant and requires an amendment to be made.

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