

Appendix I

Tristel plc Executive Performance Share Plan 2021

Background

The remuneration committee of the board of directors of the Company (the “**Remuneration Committee**”) proposes the introduction of a new long term incentive arrangement, the Tristel plc Executive Performance Share Plan 2021 (the “**Plan**”).

The Plan has been designed to reflect the main elements and related features of the Executive Performance Share Plan 2018 (the “**2018 Plan**”) but with appropriate updates with regard to latest best practice expectations and proposed performance conditions aligned to growth over a measurement period ending 30 June 2024. No further awards will be made under the 2018 Plan.

Resolution 12 seeks shareholder approval for the Plan (“**Approval**”).

Material terms of the Plan and the proposed options

The following is a summary of the material terms of the Plan and the options proposed to be granted under the Plan. This summary is qualified in its entirety by the full text of the Plan and of the proposed option agreements, copies of which are available for inspection on the Company's website at <https://www.tristel.com/uk/investor-centre/agm-notice-proxies>.

1. Eligibility

Any executive director of the Company will be eligible to participate in the Plan.

2. Form of Awards

Awards under the Plan will be in the form of options to acquire Ordinary Shares at a price of £0.01 per Ordinary Share (“**Option**”).

3. Performance conditions

3.1 The exercise of Options will be subject to the satisfaction of objective performance conditions which will determine the proportion (if any) of the Option that will vest.

3.2 A performance condition may be amended or substituted if one or more events occur which cause the Remuneration Committee to consider that an amended or substituted performance condition would be more appropriate. Any amended or substituted performance condition must not be materially less difficult to satisfy.

3.3 The extent to which one half of the Ordinary Shares comprising each Option may vest will be dependent on the Company's adjusted profit before tax (“**PBT**”) for the financial year ending 30 June 2024 (“**FY24**”). PBT will be the profit before tax before deduction of IFRS2 share-based payment charges in the relevant financial statements. Options will normally vest as follows:

PBT for FY24	Vesting %
Below £10 million	0%
£10 million to £10.40 million	Pro-rata 25% to 75%
£10.40 million to £10.95 million	Pro-rata 75% to 95%
£10.95 million to £11.50 million	Pro-rata 95% to 100%
£11.50 million or higher	100%

3.4 The extent to which the other half of the Ordinary Shares comprising each Option may vest will be dependent Company's share price growth performance from the average share price over the period 19 October 2020 to (and including) 13 December 2020 (the “**Base Price**”) to the average share price over the last three months of FY24. Options will normally vest as follows:

Growth from Base Price	Vesting %
Below 20%	0%
20% to 30%	Pro rata 25% to 50%
30% to 50%	Pro rata 50% to 100%
50% or higher	100%

4. Grant of Options

Subject to Approval, the Remuneration Committee proposes to grant Options for the benefit of the Company's executive directors as follows:

Executive Directors

Number of Ordinary Shares under Option

Paul Swinney, Chief Executive	500,000
Elizabeth Dixon, Finance Director	200,000
Bart Leemans, Executive Director	100,000

No other Options will be granted under the Plan nor are any awards expected to be made to the executive directors under any other long-term incentive plan arrangement until following the announcement of the Company's results for FY24.

5. Terms of Options

Options will be granted over newly issued Ordinary Shares. Options are not transferable (other than on death). No payment will be required for the grant of an Option. Options will not form part of pensionable earnings.

6. Vesting and exercise

6.1 Options will normally vest on the date that the performance conditions are met, and remain exercisable until the tenth anniversary of their grant date.

6.2 Option holders who exercise Options are normally required to hold the resulting Ordinary Shares, net of tax, until the first anniversary of the vesting of the Option.

7. Cessation of employment

7.1 If a participant ceases to be an employee of the Company by reason of death, disability, injury, ill-health redundancy, retirement, their employing company or the business for which they work being sold out of the group or in any other circumstances at the discretion of the Remuneration Committee, the Option shall not lapse. In such circumstances vested Options shall remain exercisable for 12 months and unvested Options shall continue to be capable of vesting on normal timetable and then be exercisable for 12 months. The extent to which an Option will vest will be determined by: (i) the extent to which the performance conditions are met at the end of the performance period; and (ii) unless the Remuneration Committee determine otherwise, pro-rating to reflect the period from the start of the normal vesting period until the date of cessation. The Remuneration Committee may instead test the performance conditions at an earlier date (and the Options may vest earlier). Performance conditions will continue to apply in all circumstances but performance may be assessed on such basis as the Remuneration Committee considers appropriate if tested early.

7.2 If a participant ceases to be an employee of the Company in circumstances other than those mentioned above, the Option will lapse on the expiry of the period of 28 days from the date that the participant ceased to be an employee of the Company and will only be exercisable to the extent vested.

8. Change of control

In the event of a change of control of the Company, Options will vest and be exercisable to the extent to which the performance conditions are achieved over the shortened period as determined by the Remuneration Committee on such basis as it considers appropriate, which may include regard to forecasted performance. Scaling back of the size of the Option by reference to time elapsed into the normal vesting period will also apply unless the Remuneration Committee considers applying the pro-rata scaling back of the Option to lesser extent or not at all.

9. Adjustments

In the event of a variation of the Company's share capital or a rights issue, open offer or other event, which may, in the Remuneration Committee's opinion, affect the current or future value of Ordinary Shares, the number of Ordinary Shares subject to an Option and/or the performance condition attached to Options, may be adjusted.

10. Malus and Clawback

The Remuneration Committee may apply the Plan's malus and clawback provisions if, at any point prior to the third anniversary of the date of vesting of an Option, it is discovered that there has been a material restatement of the Company's accounts, an error in assessing a performance condition, or in the event of serious misconduct on the part of the Option holder, material reputational damage to or corporate failure/insolvency of any Group company. The clawback may be satisfied by way of a reduction in the amount of any future bonus, subsisting award or future share awards and/or a requirement to make a cash payment.

11. Amendment

The Remuneration Committee may amend the Plan or the terms of any Option at any time, provided that no amendment shall be made which shall materially and adversely affect the rights of an Option holder as regards an Option granted prior to the amendment being made.