



Updated LTIP Rules showing the proposed amendment

Rules of the Dalata Hotel Group plc 2017 Long Term Incentive Plan

Approved by the shareholders of Dalata Hotel Group plc on 10 May
2017

Adopted by the board of directors of Dalata Hotel Group plc on 10
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THE DALATA HOTEL GROUP PLC LONG TERM INCENTIVE PLAN

1. DEFINITIONS AND INTERPRETATION

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

“Award”	a Conditional Award or an Option (or a Cash Conditional Award or Cash Option granted under the Schedule to the Plan);
“Board”	subject to rule 14.8, the board of the Company or any duly authorised committee of the board;
“Company”	Dalata Hotel Group plc registered in Ireland under number 534888;
“Conditional Award”	a right to acquire Shares subject to the rules of the Plan with no Exercise Period;
“Control”	the meaning given by section 432 of the Taxes Act;
“Dealing Day”	any day on which the Stock Exchanges are open for business;
“Dealing Restrictions”	restrictions imposed by the Company’s share dealing code, the Listing Rules or any applicable laws or regulations which impose restrictions on share dealing;
“Dividend Equivalent”	An amount calculated by reference to dividends paid on Shares as described in Rule 5;
“Eligible Employee”	an employee (including an executive director) of the Company or any of its Subsidiaries;
“Exercise Period”	the period during which an Option may be exercised, such period not to exceed ten years from the Grant Date;
“Exercise Price”	the price payable by a Participant on the exercise of an Option (if any), which will be determined by the Board on or before the Grant Date, such per-share price not exceeding the nominal value of a Share;
“Grant Date”	the date on which an Award is granted;
“Grant Period”	the period of 42 days beginning on: <ol style="list-style-type: none">the day on which the Plan is approved by shareholders of the Company in general meeting;the first Dealing Day after the day on which the Company makes an announcement of its results for any period;the day on which the Policy is approved by the Company’s shareholders; or

- iv. any day on which the Board resolves that exceptional circumstances exist which justify the grant of Awards;

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

“Group Member”

the Company, any Subsidiary of the Company, any company which is (within the meaning of section 8 of the Irish Companies Act 2014) the Company’s holding company or a Subsidiary of the Company’s holding company or, if the Board so determines, any body corporate in relation to which the Company is able to exercise at least 20% of the equity voting rights and “Group” will be construed accordingly;

“Holding Period”

such period as determined by the Board, beginning on the Vesting Date;

“Internal Reorganisation”

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

“Irish Stock Exchange”

the Irish Stock Exchange Limited or any successor body;

“Listing Rules”

such listing rules of the Stock Exchanges, as amended from time to time;

“London Stock Exchange”

the London Stock Exchange plc or any successor body;

“Normal Release Date”

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

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

“Option”

a right to acquire Shares subject to the rules of the Plan during an Exercise Period, on payment of the Exercise Price, if applicable;

“Participant”

any person who holds an Award (or, in respect of rules 8.5 and 8.7, any person to whom Shares have been issued or transferred or to whom cash is paid in respect of an Award) or following his death, his personal representatives;

“Performance Condition”

a condition or conditions imposed under rule 3.1 which relates to performance and notified to the Participant pursuant to rule 2.3;

“Performance Period”

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

“Plan”

the Dalata Hotel Group plc 2017 Long Term Incentive Plan as amended from time to time;

"Policy"	the Company's directors' remuneration policy which has most recently been approved by the Company's shareholders;
"Pro-Rating Period"	<ul style="list-style-type: none">iii. in relation to an Award which is subject to a Performance Condition, the Performance Period; andiv. in relation to an Award which is not subject to a Performance Condition, the period beginning on the Grant Date and ending on the Vesting Date, <p>(or such other period as the Board may determine at any time);</p>
"Recruitment Award"	an Award to facilitate the recruitment of an Eligible Employee;
"Release"	<ul style="list-style-type: none">i. in relation to a Conditional Award, the point at which a Participant becomes entitled to receive the Shares under his Award in accordance with the rules of the Plan; andii. in relation to an Option, the point at which it becomes capable of exercise in accordance with the rules of the Plan, <p>and "Released" and "Unreleased" will be construed accordingly;</p>
"Release Date"	the date on which an Award is Released;
"Share"	a fully paid ordinary share in the capital of the Company;
"Stock Exchanges"	the Irish Stock Exchange and the London Stock Exchange;
"Subsidiary"	the meaning given by section 7 of the Irish Companies Act 2014;
"Tax Liability"	any tax or social security contributions liability in connection with an Award for which the Participant is liable and for which any Group Member or former Group Member is obliged to account to any relevant authority;
"Taxes Act"	the Irish Taxes Consolidation Act 1997;
"Trustee"	the trustee or trustees for the time being of any trust established for the purposes of holding and delivering Shares under the terms of the Plan or any other share incentive plan established by the Company or any Group Member, the beneficiaries of which include Eligible Employees;
"UKLA"	the United Kingdom Listing Authority or any successor body;
"Vest"	in relation to an Award, the occurrence of its Vesting Date and "Vesting", "Vested" and "Unvested" will be construed accordingly; and
"Vesting Date"	<ul style="list-style-type: none">i. in relation to an Award which is subject to a Performance Condition, the date on which the Board determines the extent to which the Performance Condition has been satisfied in accordance with rule 9.1 (or such later date determined by the Board); andii. in relation to an Award which is not subject to a Performance Condition, the third anniversary of the Grant Date (or such other date determined by the Board).

1.2 References in the Plan to:

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

1.2.2 the singular include the plural and vice versa; and

1.2.3 the masculine include the feminine and vice versa.

1.3 Headings do not form part of the Plan.

2. GRANT OF AWARDS

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

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

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

2.4 No Award may be granted under the Plan after the tenth anniversary of the date on which the Plan was approved by the shareholders of the Company.

3. PERFORMANCE CONDITION

3.1 Unless the Board determines otherwise, the Vesting of Awards will be subject to the satisfaction of a Performance Condition, provided that the Vesting of an Award (other than a Recruitment Award) granted to an executive director of the Company must be subject to the satisfaction of a Performance Condition. Subject to rules 13 and 14, the Performance Condition will be measured over the Performance Period.

3.2 The Board may amend or substitute a subsisting Performance Condition if one or more events occur which cause the Board to consider that a substituted or amended Performance Condition would be more appropriate and would not be materially less or more difficult to satisfy than the subsisting Performance Condition.

4. RESTRICTIONS ON TRANSFER AND BANKRUPTCY

4.1 An Award must not be transferred, assigned, charged or otherwise disposed of in any way (except in the event of the Participant's death, to his personal representatives) and will lapse immediately on any attempt to do so.

4.2 An Award will lapse immediately if the Participant is declared bankrupt or, if the Participant is outside Ireland, any analogous event occurs.

5. DIVIDEND EQUIVALENTS

5.1 At any time prior to the issue or transfer of Shares following the Release of an Award, the Board may determine that the Participant should receive a Dividend Equivalent by reference to the value of some or all of the dividends that would have been paid on the Shares in respect of which the Award was Released.

5.2 Where the Board makes a determination in accordance with rule 5.1, it will also determine:

5.2.1 the period over which any Dividend Equivalent will be calculated, such period beginning no earlier than the first day of any Performance Condition and ending no later than the Release Date;

- 5.2.2 the value of each of the dividends (if any), that have been paid over the period determined pursuant to rule 5.2.1;
 - 5.2.3 whether any dividend tax credit should be taken into account when determining the value of the dividends in accordance with rule 5.2.2;
 - 5.2.4 whether any Dividend Equivalent should assume the reinvestment of dividends and if so, on what terms; and
 - 5.2.5 whether any Dividend Equivalent will be paid to the Participant in cash or Shares.
- 5.3 Any Dividend Equivalent will be payable as soon as reasonably practicable after the Release or, in the case of an Option, exercise, of the relevant Award.

6. INDIVIDUAL LIMIT

- 6.1 No Eligible Employee may be granted an Award (other than a Recruitment Award) which would, at the time it is granted, cause the market value (as determined by the Board) of all the Shares subject to Awards (other than Recruitment Awards) granted to that Eligible Employee in respect of a particular financial year of the Company to exceed 225% of his base salary.
- 6.2 No Awards may be granted to an executive director of the Company which exceeds the limit set out in the Policy.
- 6.3 To the extent any Award exceeds the limits in rules 6.1 and 6.2, it will be scaled back accordingly.

7. PLAN LIMITS

- 7.1 The Board must not grant an Award which would cause the number of Shares allocated under the Plan and under any other employee share plan adopted by the Company to exceed such number as represents ten per cent of the ordinary share capital of the Company in issue.
- 7.2 The Board must not grant an Award which would cause the number of Shares allocated under the Plan and under any other discretionary employee share plan adopted by the Company to exceed such number as represents five per cent of the ordinary share capital of the Company in issue.
- 7.3 Subject to rules 7.4 and 7.5, in determining the limits set out in rules 7.1 and 7.2, Shares are treated as allocated if, on any day, they have been newly issued by the Company or transferred from treasury to satisfy an option, award or other right granted during the ten years prior to that day (an "award"), or in the case of such an award in respect of which Shares are yet to be delivered, if the Board intends that new Shares will be issued or that Shares from treasury will be transferred and for these purposes the number of Shares allocated includes:
- 7.3.1 Shares which have been issued or may be issued to any Trustee;
 - 7.3.2 Shares which have been or may be transferred from treasury to any Trustee; and
 - 7.3.3 in either case for the Trustee to then transfer to satisfy an award (unless these Shares have already been counted under this rule).
- 7.4 The Board may determine that Shares transferred from treasury will cease to count as allocated for the purposes of rule 7.3 if guidelines published by institutional investor representative bodies no longer require such Shares to be counted.
- 7.5 The number of Shares allocated does not include:

- 7.5.1 Shares issued or committed to be issued to satisfy awards granted prior to the Company's admission to trading on a recognised stock exchange;
 - 7.5.2 Shares that were allocated to satisfy awards to the extent that such awards have lapsed or been relinquished;
 - 7.5.3 existing Shares (other than treasury Shares) which have been transferred to satisfy awards or which have been allocated to satisfy awards; and
 - 7.5.4 Shares allocated in respect of awards which are then satisfied in cash.
- 7.6 If the Board purports to grant one or more Awards which are inconsistent with the limits in this rule 7, each such Award will be reduced as determined by the Board and will take effect from the Grant Date over the maximum number of Shares permitted by those limits.
- 7.7 The Board may make such adjustments to the method of assessing the limits set out in rules 7.1 and 7.2 as it considers appropriate in the event of any variation of the Company's share capital.

8. REDUCTION OF AWARDS (MALUS) AND CLAWBACK

- 8.1 Notwithstanding any other rule of the Plan, this rule 8 applies to each Award and will continue to apply after the cessation of a Participant's office or employment with a Group Member for any reason, whether or not any termination is lawful.
- 8.2 The Board may, in its discretion, determine that the provisions of either or both rules 8.4 (malus) and 8.5 (clawback) should be applied to an Award if any of the circumstances referred to in rule 8.3 arise and where such circumstances occur within the period beginning on the date three years before the Grant Date, or such later date as the Board determines on or before the Grant Date, and ending on the fifth anniversary of the Grant Date.
- 8.3 The circumstances referred to in rule 8.2 are:
- 8.3.1 a material misstatement of any Group Member's financial results;
 - 8.3.2 an error in assessing a Performance Condition applicable to the Award or in the information or assumptions on which the Award was granted, Vests or is Released; or
 - 8.3.3 serious misconduct on the part of the Participant.

Application of malus prior to Vesting

- 8.4 The Board may, in its discretion, determine at any time prior to the Vesting of an Award to:
- 8.4.1 reduce (including to zero) the number of Shares to which an Award relates; and
 - 8.4.2 impose further conditions on an Award
- as the Board considers to be fair and reasonable, taking account of all of the circumstances that the Board considers to be relevant.

Application of clawback on or after Vesting

- 8.5 The Board may, in its discretion, as it considers fair and reasonable and taking account of all the circumstances that the Board considers to be relevant, determine at any time on or after the Vesting of an Award and, unless rule 8.6 applies, prior to the fifth anniversary of the Grant Date, to:

- 8.5.1 take the action referred to in rule 8.4 if Shares or cash have not been delivered to satisfy the Release or exercise of the Award;
- 8.5.2 require a Participant to make a cash payment to the Company in respect of some or all of the Shares or cash delivered to him under the Award; and/or
- 8.5.3 require a Participant to transfer for nil consideration some or all of the Shares delivered to him under the Award

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

8.6 If the action or conduct of any Participant, Group Member or relevant business unit is under investigation by a regulatory authority or the Company has been notified that an investigation will take place prior to the fifth anniversary of the Grant Date and such investigation has not been or is not expected to be concluded by that date, the Board may extend the period referred to in rule 8.5 to end on such later date as the Board considers appropriate to allow such investigation to be concluded.

8.7 The Board may decide to:

- 8.7.1 reduce (including to zero) the number of Shares to which an Award relates;
- 8.7.2 impose further conditions on an Award; and/or
- 8.7.3 require a Participant to transfer for nil consideration some or all of the Shares delivered to him under an Award or make a cash payment to the Company in respect of some or all of the Shares delivered to him under an Award

to effect the recovery of sums paid or Shares delivered under any malus or clawback provisions which are included in any bonus plan or share plan (other than the Plan) operated by any Group Member and if the Board decides to apply rule 8.7.3, the Board will have the discretion to determine the basis on which the amount of cash or Shares is calculated including whether and if so to what extent to take account of any tax or social security liability applicable to the Award.

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

9. VESTING, RELEASE AND EXERCISE

9.1 As soon as reasonably practicable after the end of the Performance Period relating to an Award in respect of which a Performance Condition has been imposed, the Board will determine if and to what extent the Performance Condition has been satisfied. To the extent that the Performance Condition has not been satisfied in full, the remainder of the Award will lapse immediately.

9.2 Subject to rules 10, 12, 13 and 14, an Award will be Released on the Normal Release Date unless on the Normal Release Date (or on any other date on which an Award is due to be Released under rule 13 or 14):

- 9.2.1 a Dealing Restriction applies to the Participant, in which case an Award will be Released on the date on which such Dealing Restriction lifts; or
- 9.2.2 the action or conduct of any Participant, Group Member or relevant business unit is under investigation pursuant to rule 8 and such investigation has not yet been concluded by that date, in which case an Award will be Released on such later date as the Board considers appropriate to allow such investigation to be concluded; and

9.2.3 subject to rule 9.3, an Option may then be exercised until the tenth anniversary of the Grant Date (or such earlier date as the Board may determine on or prior to the Grant Date) in such manner as the Board determines (including payment of the Exercise Price, if applicable), after which time it will lapse.

9.3 Where an Option is granted to a Participant who is subject to Irish tax in relation to his Award, an Option may only be exercised until the seventh anniversary of the Grant Date (or such earlier date as the Board may determine on or prior to the Grant Date) in such manner as the Board determines, after which time it will lapse.

9.4 Subject to rules 10 and 12, where a Conditional Award has been Released or an Option has been exercised, the number of Shares in respect of which the Award has been Released or exercised together with any additional Shares or cash to which a Participant becomes entitled under rule 5 will be issued, transferred or paid (as applicable) to the Participant, or to whom he may direct, as soon as reasonably practicable thereafter.

10. HOLDING PERIOD

10.1 On or before the Vesting Date of an Award to which a Holding Period applies, the Board may determine that instead of such Award continuing throughout the Holding Period, the Award will be Released on the Vesting Date. The Shares comprised in the Award will be issued or transferred to the Trustee to be held on behalf of the Participant as soon as practicable following:

10.1.1 the Vesting of a Conditional Award; and

10.1.2 the exercise of an Option, to the extent that it is exercised during the Holding Period.

10.2 Where the Board makes a determination pursuant to rule 10.1, the provisions of Schedule 2 to this Plan will apply throughout the Holding Period (or where 10.1.2 applies, the remainder thereof).

10.3 This rule 10 will not apply to Awards granted pursuant to Schedule 1 to the Plan.

11. TAXATION AND REGULATORY ISSUES

11.1 A Participant will be responsible for and indemnifies each relevant Group Member and the Trustee against any Tax Liability relating to his Award. Any Group Member and/or the Trustee may withhold an amount equal to such Tax Liability from any amounts due to the Participant (to the extent such withholding is lawful) and/or make any other arrangements as it considers appropriate to ensure recovery of such Tax Liability including, without limitation, the sale of sufficient Shares acquired subject to the Award to realise an amount equal to the Tax Liability.

11.2 The Release of an Award, the exercise of an Option and the issue or transfer of Shares under the Plan will be subject to obtaining any approval or consent required by the UKLA (or any other relevant authority), any Dealing Restrictions or any other applicable laws or regulations (whether in Ireland or overseas).

11.3 The Company shall not be required to transfer any Shares in respect of which an Award has been Released or exercised until the obligations described in rule 11.2 have been satisfied.

12. CASH EQUIVALENT

12.1 Subject to rule 12.2, at any time prior to the date on which Shares in respect of which an Award that has been Released or exercised have been issued or transferred to a Participant, the Board may determine that, in substitution for his right to acquire some or all of the Shares to which his Award relates, the Participant will instead receive a cash sum. The cash sum will be equal to the market value (as determined by the Board) of that number of the Shares which would otherwise have been issued or transferred and for these purposes:

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

12.1.2 in the case of an Option, market value will be determined on the date of exercise; and

12.1.3 the cash sum will be paid to the Participant as soon as reasonably practicable after the Release of the Conditional Award or the exercise of the Option (or, if later, the date of the determination by the Board under this rule 12.1) net of any Tax Liability.

12.2 The Board may determine that this rule 12 will not apply to an Award, or any part of it.

13. CESSATION OF EMPLOYMENT

13.1 If a Participant ceases to hold office or employment with a Group Member prior to the Vesting Date other than in accordance with rule 13.2 or 13.5, his Unvested Award will lapse at that time.

Death

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

13.2.1 an Unvested Award will be Released in accordance with rule 13.3 as soon as reasonably practicable after the date of his death; and

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

13.3 The number of Shares in respect of which an Unvested Award is Released pursuant to rule 13.2.1 will be determined by the Board in its discretion, taking into account:

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

13.3.2 unless the Board determines otherwise, the proportion of the Pro-Rating Period that has elapsed at the date of death; and

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

13.4 If a Participant dies, an Option may be exercised until the first anniversary of the date of death (or such other period as the Board may determine) after which time it will lapse unless it lapses earlier under rule 14.

Cessation of employment prior to the Vesting Date

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

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

13.5.2 dismissal due to redundancy;

13.5.3 retirement;

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

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

unless the Board determines that an Award will be Released in accordance with rule 13.6, an Award will continue and, subject to it being Released or lapsing earlier under rule 14, will be Released in accordance with rule 13.7 on the Normal Release Date.

- 13.6 If the Board determines that an Award will be Released in accordance with this rule 13.6, it will be Released in accordance with rule 13.7 as soon as reasonably practicable after the date of the Participant's cessation of office or employment (or on such other date as determined by the Board).
- 13.7 The number of Shares in respect of which the Award is Released pursuant to rule 13.5 or 13.6 will be determined by the Board in its discretion, taking into account:
- 13.7.1 the extent to which any Performance Condition has been satisfied at the end of the Performance Period (if rule 13.5 applies) or at the date of the Participant's cessation of office or employment or such other date as determined by the Board (if rule 13.6 applies); and
- 13.7.2 unless the Board determines otherwise, the proportion of the Pro-Rating Period that has elapsed on the date of such cessation of office or employment
- and to the extent that an Award is not Released in full, the remainder will lapse immediately.
- 13.8 Subject to rule 13.4, an Option may be exercised for a period of six months from the Release Date (or such other period as the Board may determine) after which time it will lapse unless it lapses earlier under rule 14.

Cessation of employment on or after the Vesting Date

- 13.9 Subject to rule 13.2, if a Participant ceases to hold office or employment with a Group Member on or after the Vesting Date but prior to the Normal Release Date for any reason (except summary dismissal, in which case the Award will lapse on the date of such cessation), unless the Board determines that his Award will be Released in accordance with rule 13.10, it will continue and be Released on the Normal Release Date, subject to it being Released or lapsing earlier under rule 14.
- 13.10 If the Board determines that an Award will be Released in accordance with this rule 13.10, it will be Released as soon as reasonably practicable following the date of the Participant's cessation of office or employment.
- 13.11 Subject to rule 13.4, where a Participant ceases to hold office or employment with a Group Member on or after the Vesting Date (except where he ceases to hold office or employment with a Group Member because of summary dismissal, in which case his Option will lapse on the date of such cessation), his Option may be exercised for a period of six months (or such other period as the Board may determine) from:
- 13.11.1 the date of such cessation, if it has already been Released on that date;
- 13.11.2 the Release Date, to the extent that it is Released in accordance with rule 13.9 or 13.10;
- after which time it will lapse unless it lapses earlier under rule 14.
- 13.12 For the purposes of the Plan, no person will be treated as ceasing to hold office or employment with a Group Member until that person no longer holds:
- 13.12.1 an office or employment; or
- 13.12.2 a right to return to work
- with any Group Member unless the Board determines that a person will be treated as ceasing to hold office or employment with a Group Member on the date such person serves notice of termination of office or employment.

14. CORPORATE EVENTS

14.1 Where any of the events described in rule 14.3 occur, subject to rules 14.6 and 14.7, all Awards which have not yet been Released will be Released (in the case of Unvested Awards, in accordance with rule 14.2) at the time of such event. An Option will (whether it was Released under this rule 14.1 or earlier), subject to rules 14.6 and 14.7, lapse after a period of one month (or such other period as the Board may determine) from the date of the relevant event.

14.2 Any Unvested Award will be Released pursuant to rule 14.1 to the extent determined by the Board, taking into account the extent to which any Performance Condition has been satisfied and:

14.2.1 if a Participant has already ceased to hold office or employment with a Group Member, in accordance with rule 13.7.2 unless the Board determines otherwise; and

14.2.2 in all other circumstances, unless the Board determines otherwise, the proportion of the Pro-Rating Period that has elapsed on the date of the relevant event,

and to the extent that an Award is not Released, or is not exchanged in accordance with rules 14.6 and 14.7, it will lapse immediately.

14.3 The events referred to in rule 14.1 are:

14.3.1 General offer

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

- i. obtains Control of the Company as a result of making a general offer to acquire Shares; or
- ii. already having Control of the Company, makes an offer to acquire all of the Shares other than those which are already owned by him

and such offer becomes wholly unconditional.

14.3.2 Scheme of arrangement

A compromise or arrangement in accordance with section 450 of the Irish Companies Act 2014 or comparable with section 899 of the United Kingdom Companies Act 2006 for the purposes of a change of Control of the Company or any merger, takeover or amalgamation with any other company or companies, resulting in a change of Control of the Company, is sanctioned by the court.

14.4 Winding-up

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

14.4.1 whether and to what extent Awards which have not yet been Released will be Released taking into account the extent to which any Performance Condition has, in the Board's opinion, been satisfied and, unless the Board determines otherwise, the proportion of the Pro-Rating Period that has elapsed on the date of the relevant event; and

14.4.2 the period of time during which any Released Option may be exercised, after which time it will lapse.

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

14.5 Other events

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

14.5.1 the Award will be Released taking into account the extent to which any Performance Condition has in the Board's opinion been satisfied and, unless the Board determines otherwise, the proportion of the Pro-Rating Period that has elapsed on the date of the relevant event; and

14.5.2 the Board will determine the period during which any Released Option may be exercised, after which time it will lapse.

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

14.6 Exchange

An Award will not be Released and an Option will not lapse under rule 14.1 but will be exchanged on the terms set out in rule 14.7 to the extent that:

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

14.6.2 there is an Internal Reorganisation, unless the Board determines that an Award should be Released under rule 14.1; or

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

14.7 Exchange terms

If this rule 14.7 applies, the Award will not be Released (if not already Released) but will be exchanged in consideration of the grant of a new award (the "New Award") which, in the opinion of the Board, is equivalent to the Award, but relates to shares in a different company (whether the acquiring company or a different company). The rules of this Plan will be construed in relation to the New Award as if:

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

14.7.2 references to any Performance Conditions were references to such new performance conditions relating to the business or shares of the company whose shares are subject to the New Award (or any member of its group as the Board may consider appropriate in the circumstances);

14.7.3 references to the Company were references to the company whose shares are subject to the New Award; and

14.7.4 references to Shares were references to shares in the company whose shares are the subject of the New Award.

14.8 Meaning of Board

Any reference to the Board in this rule 14 means the members of the Board immediately prior to the relevant event.

15. ADJUSTMENTS

15.1 The number of Shares subject to an Award and any Exercise Price may be adjusted in such manner as the Board determines, in the event of:

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

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

15.2 The Board may also adjust any Performance Condition.

16. AMENDMENTS

16.1 Except as described in this rule 16, the Board may at any time amend the rules of the Plan or the terms of any Award.

16.2 Subject to rule 16.3, no amendment to the advantage of Eligible Employees and/or Participants will be made under this rule 16 to the provisions relating to:

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

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

16.2.3 the maximum entitlement for any one Participant;

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

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

16.2.6 the terms of this rule 16.2

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

16.3 Rule 16.2 will not apply to any minor amendment which is to benefit the administration of the Plan or is necessary or desirable to take account of any change in legislation or to obtain or maintain favourable taxation, exchange control or regulatory treatment for any Group Member or Participant.

16.4 No amendment to the material disadvantage of existing rights of Participants (except in respect of the Performance Condition) will be made under rule 16.1 unless:

16.4.1 every Participant who may be affected by such amendment has been invited to indicate whether or not he approves the amendment; and

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

16.5 No amendment will be made under this rule 16 if it would prevent the Plan from being an employees' share scheme in accordance with section 64 of the Irish Companies Act 2014.

17. LEGAL ENTITLEMENT

17.1 This rule 17 applies during a Participant's employment with any Group Member and after the termination of such employment, whether or not the termination is lawful.

17.2 Nothing in the Plan or its operation forms part of the terms of employment of a Participant and the rights and obligations arising from a Participant's employment with any Group Member are separate from, and are not affected by, his participation in the Plan. Participation in the Plan does not create any right to continued employment with a Group Member for any Participant.

17.3 The grant of any Award to a Participant does not create any right for that Participant to be granted any further Awards or to be granted Awards on any particular terms, including the number of Shares to which Awards relate.

- 17.4 By participating in the Plan, a Participant waives all rights to compensation for any loss in relation to the Plan, including:
- 17.4.1 any loss or reduction of any rights or expectations under the Plan in any circumstances or for any reason (including lawful or unlawful termination of the Participant's employment);
 - 17.4.2 any exercise of a discretion or a decision taken in relation to an Award or to the Plan, or any failure to exercise a discretion or take a decision; and
 - 17.4.3 the operation, suspension, termination or amendment of the Plan.

18. GENERAL

- 18.1 The Plan will terminate upon the date stated in rule 2.4, or at any earlier time by the passing of a resolution by the Board or an ordinary resolution of the Company in general meeting. Termination of the Plan will be without prejudice to the existing rights of Participants.
- 18.2 Shares issued or transferred from treasury under the Plan will rank equally in all respects with the Shares then in issue, except that they will not rank for any voting, dividend or other rights attaching to Shares by reference to a record date preceding the date of issue or transfer from treasury.
- 18.3 By participating in the Plan, a Participant consents to the collection, holding, processing and transfer of his personal data by any Group Member or any third party for all purposes relating to the operation of the Plan, including but not limited to, the administration and maintenance of Participant records, providing information to future purchasers of the Company or any business in which the Participant works and the transfer of information about the Participant to a country or territory outside the European Economic Area or elsewhere.
- 18.4 The Plan will be administered by the Board. The Board will have full authority, consistent with the Plan, to administer the Plan, including authority to interpret and construe any provision of the Plan or as to any question or right arising from or related to the Plan and to adopt regulations for administering the Plan. Decisions of the Board will be final and binding on all parties.
- 18.5 Any notice or other communication in connection with the Plan may be delivered personally or sent by electronic means or post, in the case of a company to its registered office (for the attention of the company secretary), and in the case of an individual to his last known address, or, where he is a director or employee of a Group Member, either to his last known address or to the address of the place of business at which he performs the whole or substantially the whole of the duties of his office or employment. Where a notice or other communication is given by post, it will be deemed to have been received 72 hours after it was put into the post properly addressed and stamped, and if by electronic means, when the sender receives electronic confirmation of delivery or if not available, 24 hours after sending the notice.
- 18.6 In the event of any alteration to the subject matter of an Award pursuant to the provisions of this rule 15, the original documentation issuing the Award will remain valid except to the extent modified by the alteration. The Company may issue revised documentation adjusting the Award or take whichever action it deems appropriate.
- 18.7 The rules of the Plan will be governed by and construed in accordance with the laws of Ireland. Any person referred to in the Plan submits to the exclusive jurisdiction of the Courts of Ireland.

SCHEDULE 1 – CASH AWARDS

- 1.1 The rules of the Dalata Hotel Group plc 2017 Long Term Incentive Plan will apply to a right to receive a cash sum granted under this Schedule as if it was either a Conditional Award (a “Cash Conditional Award”) or an Option (a “Cash Option”), except as set out in this Schedule. Where there is any conflict between the rules of the Plan and this Schedule, the terms of this Schedule will prevail.
- 1.2 Each Cash Conditional Award or Cash Option will relate to a certain number of notional Shares.
- 1.3 On the Release of a Cash Conditional Award or the exercise of a Cash Option the Participant will be entitled to receive a cash sum, calculated by reference to the value of the number of notional Shares to which the Cash Conditional Award or the Cash Option relates, on the following basis:
 - 1.3.1 in the case of a Cash Conditional Award the cash sum will be equal to the market value (as determined by the Board) of the notional Shares to which the Cash Conditional Award relates on the Release Date; and
 - 1.3.2 in the case of a Cash Option the cash sum will be equal to the market value (as determined by the Board) of the notional Shares to which the Cash Option relates on the date of exercise.
- 1.4 The cash sum payable under paragraph 1.2 above will be paid to the Participant as soon as reasonably practicable after the Release of the Cash Conditional Award or the exercise of the Cash Option, net of any Tax Liability as may be required by law.
- 1.5 A Cash Conditional Award or Cash Option will not confer any right on the holder to receive Shares or any interest in Shares.

SCHEDULE 2 – RESTRICTED SHARES

The rules of the Dalata Hotel Group plc 2017 Long Term Incentive Plan will apply to Awards in respect of which the Board has made a determination pursuant to rule 10.1, except as set out in this Schedule 2. Where there is any conflict between the rules of the Plan and this Schedule, the terms of this Schedule will prevail.

1. DEFINITIONS AND INTERPRETATION

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

“Discharged”	in relation to Restricted Shares, the removal of the restrictions described in paragraph 2.1.1 below;
“Normal Release Date”	in relation to Restricted Shares, the first Dealing Day immediately after the end of the Holding Period;
“Restricted Shares”	Shares to which the Participant is beneficially entitled throughout the Holding Period, held pursuant to the rules of the Plan and the terms of a Restricted Share Agreement; and
“Restricted Share Agreement”	an agreement entered into between the Participant and the Company setting out the terms on which Restricted Shares are held throughout the Holding Period.

2. ISSUE OF OR THE TRANSFER OF RESTRICTED SHARES

2.1 Prior to the transfer of any Shares pursuant to rule 10, the Participant must enter into:

2.1.1 a Restricted Share Agreement with the Company; and

2.1.2 any tax elections required by the Board.

2.2 If the Participant does not enter into a Restricted Share Agreement and/or tax election during a period specified by the Board, the Award will lapse.

2.3 On completion of the documentation referred to in paragraph 2.1, the Board will issue or transfer the beneficial ownership of Restricted Shares for no consideration to the Trustee, to be held throughout the Holding Period in accordance with this Schedule 2.

3. RESTRICTIONS ON TRANSFER AND BANKRUPTCY

3.1 Rule 4 will be replaced with the following new rule 4:

“4.1 Restricted Shares must not be transferred, assigned, charged or otherwise disposed of in any way, except:

4.1.1 in the event of the Participant’s death, to his personal representatives;

4.1.2 in respect of the sale of sufficient entitlements nil-paid in relation to a Share to take up the balance of the entitlements under a rights issue;

4.1.3 on the occurrence of any of the events described in rule 14.3;

4.1.3 on the forfeiture of Restricted Shares under the rules of the Plan; and

4.1.2 in accordance with the terms of the Restricted Share Agreement,

Provided that implementation of any of the provisions of this rule 4.1 would not result in a breach of the Taxes Act

4.2 Restricted Shares will be forfeited immediately if the Participant is declared bankrupt or, if the Participant is outside Ireland, any analogous event occurs.”

4. DIVIDEND EQUIVALENTS

4.1 No amounts will be paid to a Participant in accordance with rule 5 in respect of Restricted Shares.

5. DISCHARGE OF RESTRICTED SHARES

5.1 Subject to rules 13 and 14, Restricted Shares will be Discharged on the Normal Release Date unless on the Normal Release Date (or on any other date on which Restricted Shares are due to be Discharged under rules 13 or 14):

5.1.1 a Dealing Restriction applies to the Participant, in which case Restricted Shares will be Discharged on the date on which such Dealing Restriction lifts; or

5.1.2 the action or conduct of any Participant, Group Member or relevant business unit is under investigation pursuant to rule 8.6 and such investigation has not yet been concluded by that date, in which case Restricted Shares will be Discharged on such later date as the Board considers appropriate to allow such investigation to be concluded.”

6. TAXATION AND REGULATORY ISSUES

6.1 On the acquisition, holding or on the Discharge of any Restricted Shares, rule 11 will be construed such that it applies to Restricted Shares.

7. CASH EQUIVALENT

7.1 Rule 11 will not apply to Restricted Shares.

8. CESSATION OF EMPLOYMENT

Cessation of employment on or after the Vesting Date

8.1 References in rules 13.9 to 13.12 to “Awards” and “Released” will, where the context so admits, be construed as references to “Restricted Shares” and “Discharged”.

9. CORPORATE EVENTS

9.1 Where Awards are to be Released pursuant to rule 14.1, Restricted Shares will be Discharged at that time.

9.2 Where Awards are exchanged in accordance with rule 14.7, the consideration received by a Participant (or on his behalf) in respect of his Restricted Shares as a result of one of the events described in rule 14.1 will continue to be subject to the rules of the Plan as amended by this Schedule 2, on the same terms as the Restricted Shares to which it relates. Participants will enter into any further agreements or tax elections as the Board deems necessary to effect the same.

9.3 References in rules 14.4 and 14.5 to the “Release” of Awards will be construed as references to the “Discharge” of Acquired Shares, and to the “lapsing” of Awards will be construed as references to the forfeiture of Acquired Shares.

10. ADJUSTMENTS

10.1 Rule 15 will not apply to Restricted Shares.

11. AMENDMENTS, LEGAL ENTITLEMENT AND GENERAL

11.1 References to rules 16, 17 and 18 to "Awards" and "Released" will, where the context so admits, be construed as references to "Restricted Shares" and "Discharged".



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