

Rules of the Drax Group plc 2022 Employee Stock Purchase Plan for approval at the Annual General Meeting of Drax Group plc to be held on 27 April 2022

DRAX GROUP PLC
2022 EMPLOYEE STOCK PURCHASE PLAN

Adopted by the Board of Directors on [●], 2022

Approved by shareholders of Drax Group plc on [27 April], 2022

Effective on [27 April], 2022

TABLE OF CONTENTS

	Page
PART A – US	1
SECTION 1 Purpose of the Plan.	1
SECTION 2 Definitions.	1
SECTION 3 Administration of the Plan.	5
SECTION 4 Enrollment and Participation.	6
SECTION 5 Employee Contributions.	7
SECTION 6 Withdrawal from the Plan.	7
SECTION 7 Change in Employment Status.	8
SECTION 8 Plan Accounts and Purchase of Shares.	8
SECTION 9 Limitations on Shares Ownership.	10
SECTION 10 Rights Not Transferable.	12
SECTION 11 No Rights as An Employee.	12
SECTION 12 No Rights as A Shareholder.	12
SECTION 13 Securities Law Requirements.	13
SECTION 14 Shares Offered Under the Plan.	13
SECTION 15 Amendment or Discontinuance.	14
SECTION 16 Governing Law.	15
PART B – CANADA.....	16
SECTION 1 Purpose of the Plan.	16
SECTION 2 Definitions.	16
SECTION 3 Administration of the Plan.	19
SECTION 4 Enrollment and Participation.	20
SECTION 5 Employee Contributions.	21
SECTION 6 Withdrawal from the Plan.	22
SECTION 7 Change in Employment Status.	22
SECTION 8 Plan Accounts and Purchase of Shares.	23
SECTION 9 Limitations on Shares Ownership.	25
SECTION 10 Rights Not Transferable.	26
SECTION 11 No Rights as An Employee.	26
SECTION 12 No Rights as A Shareholder.	27
SECTION 13 Securities Law Requirements.	27
SECTION 14 Shares Offered Under the Plan.	27
SECTION 15 Amendment or Discontinuance.	28
SECTION 16 Governing Law.	29

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The Drax Group plc 2022 Employee Stock Purchase Plan includes two components: a Code Section 423 Component (the “423 Component”) in Part A and a non-Code Section 423 Component (the “Non-423 Component”) in Part B. It is intended for the 423 Component to constitute an “employee stock purchase plan” within the meaning of Section 423(b) of the Code, and the 423 Component shall be interpreted in accordance with that intent. Under the Non-423 Component, which does not qualify as an “employee stock purchase plan” within the meaning of Section 423(b) of the Code, options will be granted pursuant to rules, procedures or sub-plans adopted by the Committee designed to comply with applicable laws or achieve tax and other objectives. Except as otherwise provided herein or by the Committee, the Non-423 Component will operate and be administered in the same manner as the 423 Component. Definitions used in this paragraph have the same meaning as set out in Part A.

PART A – US

SECTION 1 Purpose of the Plan.

The purpose of the Plan is to provide a broad-based employee benefit to attract the services of new employees, to retain the services of existing employees, and to provide incentives for such individuals to exert maximum efforts toward the success of the Company by purchasing Shares on favorable terms and to pay for such purchases through payroll deductions. Part A of the Drax Group plc 2022 Employee Stock Purchase Plan is the 423 Component and is intended to qualify under Section 423 of the Code.

SECTION 2 Definitions.

- (a) “Board” means the Board of Directors of the Company, as constituted from time to time.
- (b) “Capital Reorganization” means any variation in the share capital of the Company, including, but without limitation, a capitalization issue, rights issue, demerger or other distribution, a special dividend or distribution, rights offer or bonus issue and a sub-division, consolidation or reduction in the capital of the Company.
- (c) “Code” means the United States Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder.
- (d) “Committee” means the Remuneration Committee of the Board or such other duly authorized committee of the Board or a person or persons duly authorized by the Board or the Remuneration Committee of the Board from time to time to administer the Plan.

Rules of the Drax Group plc 2022 Employee Stock Purchase Plan for approval at the Annual General Meeting of Drax Group plc to be held on 27 April 2022

(e) “Company” means Drax Group plc incorporated in England and Wales under company number 05562053.

(f) “Compensation” means, unless provided otherwise by the Committee in the terms and conditions of an Offering, base salary and wages paid in cash to a Participant by a Participating Company, without reduction for any pre-tax contributions made by the Participant under Sections 401(k) or 125 of the Code. “Compensation” shall, unless provided otherwise by the Committee in the terms and conditions of an Offering, exclude variable compensation (including commissions, bonuses, incentive compensation, overtime pay and shift premiums), all non-cash items, moving or relocation allowances, cost-of-living equalization payments, car allowances, tuition reimbursements, imputed income attributable to cars or life insurance, severance pay, fringe benefits, contributions or benefits received under employee benefit plans, income attributable to the exercise of stock options, and similar items. The Committee shall determine whether a particular item is included in Compensation.

(g) “Control” has the meaning given to it by Section 995 of ITA 2007.

(h) “Corporate Reorganization” means:

(i) the consummation of a merger or consolidation of the Company with or into another entity, or any other corporate reorganization;

(ii) the sale, transfer or other disposition of all or substantially all of the Company’s assets or the complete liquidation or dissolution of the Company;

(iii) a person obtaining Control of the Company as a result of making an offer to acquire Shares;

(iv) a person becoming bound or entitled to acquire shares in the Company under Sections 979 to 982 of the Companies Act 2006 of the United Kingdom; or

(v) a person proposes to obtain Control of the Company in pursuance of a compromise or arrangement sanctioned by the court under Section 899 of the Companies Act 2006 of the United Kingdom.

(i) “Dealing Day” means any day on which the London Stock Exchange is open for the transaction of business.

(j) “Eligible Employee” means any employee of a Participating Company who has been such an employee for such period, not exceeding two years, as the Committee may determine except, unless provided otherwise by the Committee in the terms and conditions of an Offering, (i) any employee whose customary employment is for five (5) months or less per calendar year and (ii) any employee whose customary employment is for twenty (20) hours or less per week.

Rules of the Drax Group plc 2022 Employee Stock Purchase Plan for approval at the Annual General Meeting of Drax Group plc to be held on 27 April 2022

The foregoing notwithstanding, an individual shall not be considered an Eligible Employee if his or her participation in the Plan is prohibited by the law of any country which has jurisdiction over him or her.

(k) “Employees’ Share Scheme” has the meaning set out in Section 1166 of the Companies Act 2006 of the United Kingdom.

(l) “Exchange Rate”, as of any date of determination, means the rate for conversion of UK Pounds Sterling into US Dollars for such date (or if such date is not a Dealing Day, then as of the immediately preceding Dealing Day) as quoted by the *Financial Times* or quoted by such other public source which publishes such rate of conversion as selected by the Committee in its sole discretion. In all cases, the determination of the Exchange Rate by the Committee shall be conclusive and binding on all persons.

(m) “Fair Market Value” means the fair market value of a Share, determined as the product of (x) the Exchange Rate as of the date of determination and (y):

(i) if at the relevant time Shares are listed on the Official List (or on any other recognized stock exchange within the meaning of Section 1005 of ITA 2007 or the Alternative Investment Market of the London Stock Exchange), the closing middle market quotation in UK Pounds Sterling (as derived from the Daily Official List of the London Stock Exchange or the equivalent list or record for the recognized stock exchange on which the Shares are listed) on the previous Dealing Day or such other fair market value of a Share as determined by the Board in any reasonable manner in accordance with Treasury Regulation Section 1.423-2(g)(2); or

(ii) where Shares are not so listed, the market value of a Share as determined in good faith by the Board.

For any date that is not a Dealing Day, where (i) above applies the Fair Market Value of a Share for such date shall be determined by using the closing middle market quotation in UK Pounds Sterling (as derived from the Daily Official List of the London Stock Exchange or the equivalent list or record for the recognized stock exchange on which the Shares are listed) for the immediately preceding Dealing Day. Determination of the Fair Market Value pursuant to the foregoing provisions shall be conclusive and binding on all persons.

(n) “Group” means the Company and its Subsidiaries from time to time and Group Member shall be interpreted accordingly.

(o) “ITA 2007” means the Income Tax Act 2007 of the United Kingdom.

(p) “London Stock Exchange” means the London Stock Exchange plc or any successor body.

(q) “Offering” means the grant of options to purchase Shares under the Plan to Eligible Employees.

Rules of the Drax Group plc 2022 Employee Stock Purchase Plan for approval at the Annual General Meeting of Drax Group plc to be held on 27 April 2022

- (r) “Offering Date” means the first day of an Offering Period.
- (s) “Offering Period” means a period with respect to which the right to purchase Shares may be granted under the Plan, as determined pursuant to Section 4(a).
- (t) “Official List” means the list maintained by the Financial Conduct Authority of the United Kingdom in accordance with Section 74(1) of the Financial Services and Markets Act 2000 of the United Kingdom for the purposes of Part VI of that Act.
- (u) “Participant” means an Eligible Employee who elects to participate in the Plan, as provided in Section 4(b).
- (v) “Participating Company” means (i) the Company and (ii) each present or future Subsidiary designated by the Committee as a Participating Company. The Company may designate a company as participating in the 423 Component or the Non-423 Component and may determine which Participating Companies will participate in separate Offerings (to the extent the Company makes separate offerings). For purposes of the 423 Component, only the Company and its Subsidiaries (as defined in Part A) may be Participating Companies; provided, however, that, at any given time, a Subsidiary that is a Participating Company under the 423 Component will not be a Participating Company under the Non-423 Component.
- (w) “Plan” means this Part A – US of the Drax Group plc 2022 Employee Stock Purchase Plan, as it may be amended from time to time.
- (x) “Plan Account” means the account established for each Participant pursuant to Section 8(a).
- (y) “Purchase Date” means one or more dates during an Offering Period on which Shares may be purchased pursuant to the terms of the Offering Period.
- (z) “Purchase Period” means one or more successive periods during an Offering Period, beginning on the Offering Date or on the day after a Purchase Date, and ending on the next succeeding Purchase Date.
- (aa) “Purchase Price” means the price at which Participants may purchase Shares under the Plan, as determined pursuant to Section 8(b).
- (bb) “Shares” means ordinary shares of the Company.
- (cc) “Subsidiary” means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company, if each of the corporations other than the last corporation in the unbroken chain owns stock possessing more than fifty percent (50%) of the total combined voting power of all classes of stock in one of the other corporations in such chain; provided, however, that a limited liability company or partnership may be treated as a Subsidiary to the extent either (1) such entity is treated as a disregarded entity under Treasury Regulation Section 301.7701-3(a) by reason of the Company or any other Subsidiary that is a

Rules of the Drax Group plc 2022 Employee Stock Purchase Plan for approval at the Annual General Meeting of Drax Group plc to be held on 27 April 2022

corporation being the sole owner of such entity or (2) such entity elects to be classified as a corporation under Treasury Regulation Section 301.7701-3(a) and such entity would otherwise qualify as a Subsidiary.

SECTION 3 Administration of the Plan.

(a) Administrative Powers and Responsibilities. The Plan shall be administered by the Committee. The Committee shall have full power and authority, subject to the provisions of the Plan, to promulgate such rules and regulations as it deems necessary for the proper administration of the Plan, to interpret the provisions and supervise the administration of the Plan, and to take all action in connection therewith or in relation thereto as it deems necessary or advisable. Any decision reduced to writing and signed by all of the members of the Committee (including electronic signatures) shall be fully effective as if it had been made at a meeting duly held. The Committee's determinations under the Plan, unless otherwise determined by the Board, shall be final and binding on all persons. The Company or any one or more Participating Companies shall pay all expenses incurred in the administration of the Plan. No member of the Committee shall be personally liable for any action, determination, or interpretation made in good faith with respect to the Plan, and all members of the Committee shall be fully indemnified by the Company with respect to any such action, determination or interpretation. The Committee may adopt such rules, guidelines and forms as it deems appropriate to implement the Plan. Subject to the requirements of applicable law, the Committee may designate persons other than members of the Committee to carry out its responsibilities and may prescribe such conditions and limitations as it may deem appropriate. All decisions, interpretations and other actions of the Committee shall be final and binding on all Participants and all persons deriving their rights from a Participant. No member of the Committee shall be liable for any action that he has taken or has failed to take in good faith with respect to the Plan. Notwithstanding anything to the contrary in the Plan, the Board may, in its sole discretion, at any time and from time to time, resolve to administer the Plan. In such event, the Board shall have all of the authority and responsibility granted to the Committee herein.

(b) International Administration. The Committee may establish sub-plans (which need not qualify under Section 423 of the Code) and initiate separate Offerings through such sub-plans for the purpose of (i) facilitating participation in the Plan by non-U.S. employees in compliance with foreign laws and regulations without affecting the qualification of the remainder of the Plan under Section 423 of the Code or (ii) qualifying the Plan for preferred tax treatment under foreign tax laws (which sub-plans, at the Committee's discretion, may provide for allocations of the authorized Shares reserved for issue under the Plan as set forth in Section 14(a)). Except as otherwise set forth in the sub-plan, the rules, guidelines and forms of such sub-plans (or the Offerings thereunder) may take precedence over other provisions of the Plan, with the exception of Section 4(a)(i), Section 5(b), Section 8(b) and Section 14(a), but unless otherwise superseded by the terms of such sub-plan, the provisions of the Plan shall govern the operation of such sub-plan. Alternatively and in order to comply with the laws of a foreign jurisdiction, the Committee shall have the power, in its discretion, to grant options in an Offering to citizens or residents of a non-U.S. jurisdiction (without regard to whether they are also citizens of the United States or resident aliens) that provide terms which are less favorable than the terms of options granted

Rules of the Drax Group plc 2022 Employee Stock Purchase Plan for approval at the Annual General Meeting of Drax Group plc to be held on 27 April 2022

under the same Offering to employees resident in the United States, subject to compliance with Section 423 of the Code.

SECTION 4 Enrollment and Participation.

(a) Offering Periods. While the Plan is in effect, subject to any applicable restrictions imposed by legislation, regulation or any code or guidance on share dealing with which the Company seeks to comply (“**Dealing Restrictions**”), the Committee may from time to time grant options to purchase Shares pursuant to the Plan to Eligible Employees during a specified Offering Period. Each such Offering shall be in such form and shall contain such terms and conditions as the Committee shall determine, subject to compliance with the terms and conditions of the Plan (which may be incorporated by reference) and the requirements of Section 423 of the Code, including the requirement that all Eligible Employees have the same rights and privileges. The Committee shall specify prior to the commencement of each Offering (i) the period during which the Offering shall be effective, which may not exceed twenty-seven (27) months from the Offering Date and may include one or more successive Purchase Periods within the Offering, (ii) the Purchase Dates and Purchase Price for Shares which may be purchased pursuant to the Offering, and (iii) if applicable, any limits on the number of Shares purchasable by a Participant, or by all Participants in the aggregate, during any Offering Period or, if applicable, Purchase Period, in each case consistent with the limitations of the Plan. The Committee shall have the discretion to provide for the automatic termination of an Offering following any Purchase Date on which the Fair Market Value of a Share is equal to or less than the Fair Market Value of a Share on the Offering Date, and for the Participants in the terminated Offering to be automatically re-enrolled in a new Offering that commences immediately after such Purchase Date. The terms and conditions of each Offering need not be identical, and shall be deemed incorporated by reference and made a part of the Plan.

(b) Enrollment. Any individual who, on the day preceding the first day of an Offering Period, qualifies as an Eligible Employee may elect to become a Participant in the Plan for such Offering Period by completing the enrollment process prescribed and communicated for this purpose from time to time by the Company to Eligible Employees.

(c) Duration of Participation. Once enrolled in the Plan, a Participant shall continue to participate in the Plan until he or she ceases to be an Eligible Employee or withdraws from the Plan under Section 6(a). A Participant who withdrew from the Plan under Section 6(a) may again become a Participant, if he or she then is an Eligible Employee, by following the procedure described in Subsection (b) above. A Participant whose employee contributions were discontinued automatically under Section 9(b) shall automatically resume participation at the beginning of the earliest Offering Period ending in the next calendar year, if he or she then is an Eligible Employee. When a Participant reaches the end of an Offering Period but his or her participation is to continue, then such Participant shall automatically be re-enrolled for the Offering Period that commences immediately after the end of the prior Offering Period.

Rules of the Drax Group plc 2022 Employee Stock Purchase Plan for approval at the Annual General Meeting of Drax Group plc to be held on 27 April 2022

SECTION 5 Employee Contributions.

(a) Frequency of Payroll Deductions. A Participant may purchase Shares under the Plan solely by means of payroll deductions; provided, however, that to the extent provided in the terms and conditions of an Offering, a Participant may also make contributions through payment by cash or check prior to one or more Purchase Dates during the Offering. Payroll deductions, subject to the provisions of Subsection (b) below or as otherwise provided under the terms and conditions of an Offering, shall occur on each payday during participation in the Plan.

(b) Amount of Payroll Deductions. An Eligible Employee shall designate during the enrollment process the portion or amount of his or her Compensation that he or she elects to have withheld for the purchase of Shares. Such portion or amount shall be not less than one percent (1%) of the Eligible Employee's Compensation nor more than such percentage or amount of Compensation specified as the limit in the terms and conditions of the applicable Offering.

(c) Changing Withholding Rate. Unless otherwise provided under the terms and conditions of an Offering, a Participant may not increase the rate of payroll withholding during the Offering Period, but may discontinue or decrease the rate of payroll withholding during the Offering Period to a whole percentage of his or her Compensation in accordance with such procedures and subject to such limitations as the Company may establish for all Participants. A Participant may also increase or decrease the rate of payroll withholding effective on commencement of a new Offering Period by submitting an authorization to change the payroll deduction rate pursuant to the process prescribed by the Company from time to time. The new withholding rate shall be a whole percentage of the Eligible Employee's Compensation consistent with Subsection (b) above.

(d) Discontinuing Payroll Deductions. If a Participant wishes to discontinue employee contributions entirely, he or she may do so by withdrawing from the Plan pursuant to Section 6(a). In addition, employee contributions may be discontinued automatically pursuant to Section 9(b).

SECTION 6 Withdrawal from the Plan.

(a) Withdrawal. A Participant may elect to withdraw from the Plan by giving notice pursuant to the process prescribed and communicated by the Company from time to time. Such withdrawal may be elected at any time before the last day of an Offering Period, except as otherwise provided in the Offering. In addition, if payment by cash or check is permitted under the terms and conditions of an Offering, Participants may be deemed to withdraw from the Plan by declining or failing to remit timely payment to the Company for the Shares. As soon as reasonably practicable thereafter, payroll deductions shall cease and the entire amount credited to the Participant's Plan Account shall be refunded to him or her in cash, without interest. No partial withdrawals shall be permitted.

Rules of the Drax Group plc 2022 Employee Stock Purchase Plan for approval at the Annual General Meeting of Drax Group plc to be held on 27 April 2022

(b) Re-enrollment After Withdrawal. A former Participant who has withdrawn from the Plan shall not be a Participant until he or she re-enrolls in the Plan under Section 4(b). Re-enrollment may be effective only at the commencement of an Offering Period.

SECTION 7 Change in Employment Status.

(a) Termination of Employment. Termination of employment as an Eligible Employee for any reason, including death, shall be treated as an automatic withdrawal from the Plan under Section 6(a). A transfer from one Participating Company to another shall not be treated as a termination of employment; provided, however, that if a Participant transfers from an Offering under the 423 Component to an Offering under the Non-423 Component, the exercise of the Participant's option will be qualified under the 423 Component only to the extent that such exercise complies with Section 423 of the Code. If a Participant transfers from an Offering under the Non-423 Component to an Offering under the 423 Component, the exercise of the Participant's option will remain non-qualified under the Non-423 Component.

(b) Leave of Absence. For purposes of the Plan, employment shall not be deemed to terminate when the Participant goes on a military leave, a sick leave or another bona fide leave of absence, if the leave was approved by the Company in writing. Employment, however, shall be deemed to terminate three (3) months after the Participant goes on a leave, unless a contract or statute guarantees his or her right to return to work. Employment shall be deemed to terminate in any event when the approved leave ends, unless the Participant immediately returns to work.

(c) Death. In the event of the Participant's death, the amount credited to his or her Plan Account shall be paid to the Participant's estate.

SECTION 8 Plan Accounts and Purchase of Shares.

(a) Plan Accounts. The Company or a Group Member shall maintain a Plan Account on its books in the name of each Participant. Whenever an amount is deducted from the Participant's Compensation under the Plan, such amount shall be credited to the Participant's Plan Account. Amounts credited to Plan Accounts shall not be trust funds and may be commingled with the general assets of the Company or Group Member and applied to general corporate purposes. No interest shall be credited to Plan Accounts.

(b) Purchase Price. The Purchase Price for each Share purchased during an Offering Period shall be the lesser of:

(i) eighty-five percent (85%) of the Fair Market Value of such Share on the Purchase Date; or

(ii) eighty-five percent (85%) of the Fair Market Value of such Share on the Offering Date;

provided that the Purchase Price for each Share purchased shall be no less than the nominal value of a Share.

Rules of the Drax Group plc 2022 Employee Stock Purchase Plan for approval at the Annual General Meeting of Drax Group plc to be held on 27 April 2022

The Committee may specify an alternate Purchase Price amount or formula in the terms and conditions of an Offering, but in no event may such amount or formula result in a Purchase Price less than that calculated pursuant to the immediately preceding formula.

(c) Number of Shares Purchased. As of each Purchase Date, each Participant shall be deemed to have elected to purchase the number of Shares calculated in accordance with this Subsection (c), unless the Participant has previously elected to withdraw from the Plan in accordance with Section 6(a). The amount then in the Participant's Plan Account shall be divided by the Purchase Price, and the number of Shares that results shall be purchased from the Company with the funds in the Participant's Plan Account. Unless provided otherwise by the Committee prior to commencement of an Offering, the maximum number of Shares which may be purchased by an individual Participant during such Offering is equal to the number of Shares given by (i) dividing twenty-five thousand U.S. dollars (U.S. \$25,000) (or such other amount as may be set out in Section 423(b)(8) of the Code from time to time) by the Fair Market Value of a Share on the Offering Date and (ii) multiplying the outcome of the step at (i) by the length of the Offering Period in months divided by twelve. The foregoing notwithstanding, no Participant shall purchase more than such number of Shares as may be determined by the Committee with respect to the Offering Period, or Purchase Period, if applicable, nor more than the numbers of Shares set forth in Sections 9(b) and 14(a). For each Offering Period and, if applicable, Purchase Period, the Committee shall have the authority to establish additional limits on the number of Shares purchasable by all Participants in the aggregate.

(d) Available Shares Insufficient. In the event that the aggregate number of Shares that all Participants elect to purchase during an Offering Period exceeds the maximum number of Shares remaining available for issuance under Section 14(a), or which may be purchased pursuant to any additional aggregate limits imposed by the Committee, then the number of Shares to which each Participant is entitled shall be determined by multiplying the number of Shares available for issuance by a fraction, the numerator of which is the number of Shares that such Participant has elected to purchase and the denominator of which is the number of Shares that all Participants have elected to purchase.

(e) Issuance of Shares. Shares purchased by a Participant under the Plan shall be issued to him or her as soon as reasonably practicable after the applicable Purchase Date, except that the Company may determine that such Shares shall be held for each Participant's benefit by a broker designated by the Company or by a designated agent of the Company. The Company may require that Shares be retained with such broker or agent for a designated period of time, and/or may establish procedures to permit tracking of dispositions of Shares. Shares may be registered in the name of the Participant or jointly in the name of the Participant and his or her spouse as joint tenants with right of survivorship or as community property.

(f) Unused Cash Balances. An amount remaining in the Participant's Plan Account that represents the Purchase Price for any fractional Share shall be carried over in the Participant's Plan Account to the next Offering Period or refunded to the Participant in cash at the end of the Offering Period, without interest, if his or her participation is not continued. Any amount remaining in the Participant's Plan Account that represents the Purchase Price for whole shares

Rules of the Drax Group plc 2022 Employee Stock Purchase Plan for approval at the Annual General Meeting of Drax Group plc to be held on 27 April 2022

that could not be purchased by reason of Subsection (c) or (d) above, Section 9(b) or Section 14(a) shall be refunded to the Participant in cash, without interest.

(g) Shareholder Approval. The Plan shall be submitted to the shareholders of the Company for their approval within twelve (12) months before or after the date the Plan is adopted by the Board. Any other provision of the Plan notwithstanding, no Shares shall be purchased under the Plan unless and until the Board and the Company's shareholders have approved the adoption of the Plan.

(h) Withholding. To the extent required by applicable federal, state, foreign or local law, a Participant must make arrangements satisfactory to the Company for the payment of any withholding or similar tax obligations that arise in connection with the Plan. Unless the Participant discharges any liability that may arise himself or herself, the Company or any Group Member or former Group Member (as the case may be) may withhold such amount, or make such other arrangements as it may determine appropriate, for example to sell or withhold Shares, to meet any liability to taxes or social security contributions in respect of such Participant's options.

SECTION 9 Limitations on Shares Ownership.

(a) Five Percent Limit. Any other provision of the Plan notwithstanding, no Participant shall be granted a right to purchase Shares under the Plan if such Participant, immediately after his or her election to purchase such Shares, would own stock possessing five percent (5%) or more of the total combined voting power or value of all classes of stock of the Company or any parent or Subsidiary of the Company. For purposes of this Subsection (a), the following rules shall apply:

(i) Ownership of stock shall be determined after applying the attribution rules of Section 424(d) of the Code;

(ii) Each Participant shall be deemed to own any stock that he or she has a right or option to purchase under this or any other plan; and

(iii) Each Participant shall be deemed to have the right to purchase up to the maximum number of Shares that may be purchased by a Participant under the Plan under the individual limit specified pursuant to Section 8(c) with respect to each Offering Period.

(b) Dollar Limit. Any other provision of the Plan notwithstanding, no Participant shall accrue the right to purchase Shares at a rate which exceeds twenty-five thousand U.S. dollars (U.S. \$25,000) of Fair Market Value of such Shares per calendar year (under the Plan and all other employee stock purchase plans of the Company or any parent or Subsidiary of the Company), determined in accordance with the provisions of Section 423(b)(8) of the Code and applicable Treasury Regulations promulgated thereunder.

Rules of the Drax Group plc 2022 Employee Stock Purchase Plan for approval at the Annual General Meeting of Drax Group plc to be held on 27 April 2022

For purposes of this Subsection (b), the Fair Market Value of a Share shall be determined as of the beginning of the Offering Period in which such Shares is purchased. Employee stock purchase plans not described in Section 423 of the Code shall be disregarded. If a Participant is precluded by this Subsection (b) from purchasing additional Shares under the Plan, then his or her employee contributions shall automatically be discontinued and shall resume at the beginning of the earliest Offering Period ending in the next calendar year (if he or she then is an Eligible Employee).

(c) Ten Percent in Ten Year Limit. An option to purchase Shares may not be granted if the result of granting the option would be that the aggregate number of Shares issued or committed to be issued in the preceding ten (10)-year period under:

- (i) options to purchase Shares under the Plan; or
- (ii) options or awards granted under any other part or subplan of, or any schedule to, the Drax Group plc 2022 Employee Stock Purchase Plan or any Employees' Share Scheme (whether or not discretionary) operated by the Group;

would exceed 10 percent (10%) of the Company's issued ordinary share capital at that time.

For the purpose of the limit in this Section 9(c):

- (i) for as long as required by The Investment Association guidelines treasury, Shares shall be included in the limit as if they were new issue Shares;
- (ii) there shall be disregarded any Shares where the right to acquire the Shares has lapsed or been renounced;
- (iii) there shall be disregarded any existing Shares which the trustees of any employee trust have purchased, or determined that they will purchase, in order to satisfy an option to purchase Shares under the Plan or under any other part or subplan of, or any schedule to, the Drax Group plc 2022 Employee Stock Purchase Plan or the exercise of an option or the vesting of other rights of an employee under any Employees' Share Scheme operated by the Group; and
- (iv) any Shares issued or issuable in relation to an option to purchase Shares under the Plan or under any other part or subplan of, or any schedule to, the Drax Group plc 2022 Employee Stock Purchase Plan, or on the exercise of an option or the vesting of other rights of an employee under any Employees' Share Scheme operated by the Group, shall be taken into account once only (when the option is granted or the right awarded) and shall not fall out of account when the option is exercised or other rights vest.

If the granting of an option to purchase Shares under the Plan would cause the limit in this Section 9(c) to be exceeded, such option shall take effect as an option over the maximum number of Shares which does not cause the limit to be exceeded. If more than one option to

Rules of the Drax Group plc 2022 Employee Stock Purchase Plan for approval at the Annual General Meeting of Drax Group plc to be held on 27 April 2022

purchase Shares is granted on the same date, the number of Shares which would otherwise be subject to each option to purchase Shares shall be reduced pro rata.

SECTION 10 Rights Not Transferable.

The rights of any Participant under the Plan, or any Participant's interest in any Shares or moneys to which he or she may be entitled under the Plan, shall not be transferable by voluntary or involuntary assignment or by operation of law, or in any other manner other than by the laws of descent and distribution. If a Participant in any manner attempts to transfer, assign or otherwise encumber his or her rights or interest under the Plan, other than by the laws of descent and distribution, then such act shall be treated as an election by the Participant to withdraw from the Plan under Section 6(a).

SECTION 11 No Rights as An Employee.

Nothing in the Plan or in any right granted under the Plan shall confer upon the Participant any right to continue in the employ of a Participating Company for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Participating Companies or of the Participant, which rights are hereby expressly reserved by each, to terminate his or her employment at any time and for any reason, with or without cause. In addition, (a) the Plan shall not form part of any contract of employment between any Group Member and an Eligible Employee; (b) the rights and obligations arising from the employment relationship between the Eligible Employee and their employer will be separate from, and not affected by, the Plan; (c) an Eligible Employee has no right to be granted an option to purchase Shares and the receipt of an option to purchase Shares in one year or Offering Period (and the calculation of the Purchase Price in a particular way) is no indication that the Participant will be granted any subsequent options to purchase Shares (or that the calculations of the Purchase Price will be made in the same or a similar way); (d) the Plan does not entitle any Participant to the exercise of any discretion in their favor; (e) the benefit to an Eligible Employee of participation in the Plan (including, in particular but not by way of limitation, any options to purchase Shares held by them) shall not form any part of their remuneration or count as their remuneration for any purpose and shall not be pensionable; (f) if an Eligible Employee ceases to be in employment with the Group for any reason, they shall not be entitled to compensation for the loss or diminution in value of any right or benefit or prospective right or benefit under the Plan (including, in particular but not by way of limitation, any options to purchase Shares held by them which lapse by reason of their ceasing to be in employment with the Group) whether by way of damages for unfair dismissal, wrongful dismissal, breach of contract or otherwise or anything analogous thereto in any jurisdiction; and (g) this Section 11 applies during an Eligible Employee's employment and after the termination of an Eligible Employee's employment, whether or not the termination is lawful.

SECTION 12 No Rights as A Shareholder.

A Participant shall have no rights as a shareholder with respect to any Shares that he or she may have a right to purchase under the Plan until such Shares have been purchased on the

Rules of the Drax Group plc 2022 Employee Stock Purchase Plan for approval at the Annual General Meeting of Drax Group plc to be held on 27 April 2022

applicable Purchase Date. All Shares issued or transferred under the Plan shall, as to voting, dividend, transfer and other rights, including those arising on a liquidation of the Company, rank equally in all respects and as one class with the shares of the same class in issue at the date of issue or transfer save as regards any rights attaching to such Shares by reference to a record date prior to the date of such issue or transfer.

SECTION 13 Securities Law Requirements.

Shares shall not be issued under the Plan unless the issuance and delivery of such Shares comply with (or are exempt from) all applicable requirements of law, including (without limitation) the Securities Act of 1933, as amended, the rules and regulations promulgated thereunder, state securities laws and regulations, and the regulations of any stock exchange or other securities market on which the Company's securities may then be traded.

SECTION 14 Shares Offered Under the Plan.

(a) Authorized Shares. The maximum aggregate number of Shares available for purchase under both Part A and Part B of the Plan is 20,000,000 Shares. The aggregate number of Shares available for purchase under the Plan shall at all times be subject to adjustment pursuant to Section 14(b).

(b) Antidilution Adjustments. The aggregate number of Shares offered under the Plan, the individual and aggregate Participant share limitations described in Section 8(c) and the price of Shares that any Participant has elected to purchase may be adjusted proportionately by the Committee in the event of any change in the number of issued Shares (or issuance of shares other than Shares) by reason of any forward or reverse share split, subdivision or consolidation, or share dividend or bonus issue, recapitalization, reclassification, merger, amalgamation, consolidation, split-up, spin-off, reorganization, combination, exchange of Shares, the issuance of warrants or other rights to purchase Shares or other securities, or any other change in corporate structure or in the event of any extraordinary distribution (whether in the form of cash, Shares, other securities or other property). For the avoidance of doubt and notwithstanding anything to the contrary contained herein, in the event of a Capital Reorganization, the number of Shares subject to an option, the description of the Shares, the Purchase Price or any one or more of these shall be adjusted in such manner as the Board shall determine. No adjustment shall be made to the Purchase Price which would result in the Shares subject to an option being issued at a price per Share lower than the nominal value of a Share.

(c) Corporate Reorganizations. Any other provision of the Plan notwithstanding, in the event of a Corporate Reorganization in which the Plan is not assumed by the successor corporation or its parent corporation or an equivalent option is not substituted by the successor corporation or its parent corporation pursuant to or in consequence of the applicable Corporate Reorganization event, the Offering Period then in progress shall terminate immediately prior to the effective time of such Corporate Reorganization and either Shares shall be purchased pursuant to Section 8 or, if so determined by the Board or Committee, all amounts in all Plan Accounts shall be refunded pursuant to Section 15 without any purchase of Shares. For the

Rules of the Drax Group plc 2022 Employee Stock Purchase Plan for approval at the Annual General Meeting of Drax Group plc to be held on 27 April 2022

purposes of the preceding sentence, the “effective time” of an event specified in paragraph (iii) of the definition of Corporate Reorganization shall be the time when the person making the offer has obtained Control and the offer becomes wholly unconditional in all respects, where paragraph (iv) of that definition applies, the “effective time” shall be the date when the person serves a notice under Section 979 of the Companies Act 2006 of the United Kingdom and where paragraph (v) of that definition applies, the “effective time” shall be the date that the compromise or arrangement is sanctioned by the court. The Plan shall in no event be construed to restrict in any way the Company’s right to undertake a dissolution, liquidation, merger, consolidation or other reorganization.

SECTION 15 Amendment or Discontinuance.

(a) Amendments Generally. The Board or Committee shall have the right to amend (subject to Sections 15(b) and 15(c) below), suspend or terminate the Plan at any time and without notice and no options to purchase Shares may be granted after the tenth (10th) anniversary of shareholder approval of the Plan. Upon any such amendment, suspension or termination of the Plan during an Offering Period, the Board or Committee may in its discretion determine that the applicable Offering shall immediately terminate and that all amounts in the Plan Accounts shall be carried forward into a payroll deduction account for each Participant under a successor plan, if any, or promptly refunded to each Participant. Except as provided in Section 14, any increase in the aggregate number of Shares to be issued under the Plan shall be subject to approval by a vote of the shareholders of the Company. In addition, any other amendment of the Plan shall be subject to approval by a vote of the shareholders of the Company to the extent required by an applicable law or regulation. The Plan shall continue until the earlier to occur of (a) termination of the Plan pursuant to this Section 15 or (b) issuance of all of the Shares reserved for issuance under the Plan.

(b) Limitations on Amendments. Without the prior approval of the Company in general meeting, an amendment may not be made for the benefit of existing or future Participants to the Plan relating to:

- (i) the basis for determining an Eligible Employee’s entitlement (or otherwise) to be granted an option to purchase Shares and/or to acquire Shares on the exercise of an option to purchase Shares under the Plan;
 - (ii) the persons to whom options to purchase Shares may be granted;
 - (iii) the limits on the aggregate number of Shares over which options to purchase Shares may be granted;
 - (iv) the limits on the number of Shares over which options to purchase Shares may be granted to any one Eligible Employee;
 - (v) the adjustment of options to purchase Shares on a Capital Reorganization;
- or

Rules of the Drax Group plc 2022 Employee Stock Purchase Plan for approval at the Annual General Meeting of Drax Group plc to be held on 27 April 2022

(vi) this Section 15(b),

except for:

(x) an amendment which is of a minor nature and benefits the administration of the Plan; or

(y) an amendment which is of a minor nature and is necessary or desirable in order to take account of a change of legislation or to obtain or maintain favorable tax, exchange control or regulatory treatment for participants in the Plan, the Company or some other Group Member.

(c) Existing Entitlements. An amendment may not materially adversely affect the rights of an existing Participant except:

(i) where the amendment is made to take account of any matter or circumstance which the Board reasonably considers is a legal or regulatory requirement which the Board reasonably considers is relevant and requires an amendment to be made in order for any Group Member to comply with such requirement; or

(ii) where the Participant affected by the change has been notified of such amendment and the majority of Participants holding options under the Plan have approved the amendment.

SECTION 16 Governing Law.

The Plan and all disputes or controversies arising out of or relating thereto shall be governed by the laws of the State of Delaware as to matters within the scope of the Code and, as to all other matters, the laws of England, without application of the conflicts of law principles thereof.

DRAX GROUP PLC

2022 EMPLOYEE STOCK PURCHASE PLAN

PART B – CANADA

SECTION 1 Purpose of the Plan.

The purpose of the Plan is to provide a broad-based employee benefit to attract the services of new employees, to retain the services of existing employees, and to provide incentives for such individuals to exert maximum efforts toward the success of the Company by purchasing Shares on favorable terms and to pay for such purchases through payroll deductions. Part B of the Drax Group plc 2022 Employee Stock Purchase Plan is the Non-423 Component.

SECTION 2 Definitions.

(a) “Board” means the Board of Directors of the Company, as constituted from time to time.

(b) “Capital Reorganization” means any variation in the share capital of the Company, including, but without limitation, a capitalization issue, rights issue, demerger or other distribution, a special dividend or distribution, rights offer or bonus issue and a sub-division, consolidation or reduction in the capital of the Company.

(c) “Code” means the United States Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder.

(d) “Committee” means the Remuneration Committee of the Board or such other duly authorized committee of the Board or a person or persons duly authorized by the Board or the Remuneration Committee of the Board from time to time to administer the Plan.

(e) “Company” means Drax Group plc incorporated in England and Wales under company number 05562053.

(f) “Compensation” means, unless provided otherwise by the Committee in the terms and conditions of an Offering, the gross base salary and wages paid in cash to a Participant by a Participating Company, without reduction for taxes, or other statutory deductions. “Compensation” shall, unless provided otherwise by the Committee in the terms and conditions of an Offering, exclude variable compensation (including commissions, bonuses, incentive compensation, overtime pay and shift premiums), all non-cash items, moving or relocation allowances, cost-of-living equalization payments, car allowances, tuition reimbursements, imputed income attributable to cars or life insurance, severance pay, fringe benefits, contributions or benefits received under employee benefit plans, income attributable to the exercise of stock options, and similar items. The Committee shall determine whether a particular item is included in Compensation.

Rules of the Drax Group plc 2022 Employee Stock Purchase Plan for approval at the Annual General Meeting of Drax Group plc to be held on 27 April 2022

(g) “Control” has the meaning given to it by Section 995 of ITA 2007.

(h) “Corporate Reorganization” means:

(i) the consummation of a merger or consolidation of the Company with or into another entity, or any other corporate reorganization;

(ii) the sale, transfer or other disposition of all or substantially all of the Company’s assets or the complete liquidation or dissolution of the Company;

(iii) a person obtaining Control of the Company as a result of making an offer to acquire Shares;

(iv) a person becoming bound or entitled to acquire shares in the Company under Sections 979 to 982 of the Companies Act 2006 of the United Kingdom; or

(v) a person proposes to obtain Control of the Company in pursuance of a compromise or arrangement sanctioned by the court under Section 899 of the Companies Act 2006 of the United Kingdom.

(i) “Dealing Day” means any day on which the London Stock Exchange is open for the transaction of business.

(j) “Eligible Employee” means any employee of a Participating Company who has been such an employee for such period, not exceeding two years, as the Committee may determine except, unless provided otherwise by the Committee in the terms and conditions of an Offering, (i) any employee whose customary employment is for five (5) months or less per calendar year and (ii) any employee whose customary employment is for twenty (20) hours or less per week.

The foregoing notwithstanding, an individual shall not be considered an Eligible Employee if his or her participation in the Plan is prohibited by the law of any country which has jurisdiction over him or her.

(k) “Employees’ Share Scheme” has the meaning set out in Section 1166 of the Companies Act 2006 of the United Kingdom.

(l) “ESL” means the employment standards legislation, as amended or replaced, applicable to a Participant who is an Eligible Employee.

(m) “Exchange Rate”, as of any date of determination, means the rate for conversion of UK Pounds Sterling into Canadian Dollars for such date (or if such date is not a Dealing Day, then as of the immediately preceding Dealing Day) as quoted by the *Financial Times* or quoted by such other public source which publishes such rate of conversion as selected by the Committee in its sole discretion. In all cases, the determination of the Exchange Rate by the Committee shall be conclusive and binding on all persons.

Rules of the Drax Group plc 2022 Employee Stock Purchase Plan for approval at the Annual General Meeting of Drax Group plc to be held on 27 April 2022

(n) “Fair Market Value” means the fair market value of a Share, determined as the product of (x) the Exchange Rate as of the date of determination and (y):

(i) if at the relevant time Shares are listed on the Official List (or on any other recognized stock exchange within the meaning of Section 1005 of ITA 2007 or the Alternative Investment Market of the London Stock Exchange), the closing middle market quotation in UK Pounds Sterling (as derived from the Daily Official List of the London Stock Exchange or the equivalent list or record for the recognized stock exchange on which the Shares are listed) on the previous Dealing Day or such other fair market value of a Share as determined by the Board; or

(ii) where Shares are not so listed, the market value of a Share as determined in good faith by the Board.

For any date that is not a Dealing Day, where (i) above applies the Fair Market Value of a Share for such date shall be determined by using the closing middle market quotation in UK Pounds Sterling (as derived from the Daily Official List of the London Stock Exchange or the equivalent list or record for the recognized stock exchange on which the Shares are listed) for the immediately preceding Dealing Day. Determination of the Fair Market Value pursuant to the foregoing provisions shall be conclusive and binding on all persons.

(o) “Group” means the Company and its Related Entities from time to time and Group Member shall be interpreted accordingly.

(p) “ITA 2007” means the Income Tax Act 2007 of the United Kingdom.

(q) “London Stock Exchange” means the London Stock Exchange plc or any successor body.

(r) “Offering” means the grant of options to purchase Shares under the Plan to Eligible Employees.

(s) “Offering Date” means the first day of an Offering Period.

(t) “Offering Period” means a period with respect to which the right to purchase Shares may be granted under the Plan, as determined pursuant to Section 4(a).

(u) “Official List” means the list maintained by the Financial Conduct Authority of the United Kingdom in accordance with Section 74(1) of the Financial Services and Markets Act 2000 of the United Kingdom for the purposes of Part VI of that Act.

(v) “Participant” means an Eligible Employee who elects to participate in the Plan, as provided in Section 4(b).

(w) “Participating Company” means (i) the Company and (ii) each present or future Related Entity designated by the Committee as a Participating Company.

Rules of the Drax Group plc 2022 Employee Stock Purchase Plan for approval at the Annual General Meeting of Drax Group plc to be held on 27 April 2022

(x) “Plan” means this Part B – Canada of the Drax Group plc 2022 Employee Stock Purchase Plan, as it may be amended from time to time.

(y) “Plan Account” means the account established for each Participant pursuant to Section 8(a).

(z) “Purchase Date” means one or more dates during an Offering Period on which Shares may be purchased pursuant to the terms of the Offering Period.

(aa) “Purchase Period” means one or more successive periods during an Offering Period, beginning on the Offering Date or on the day after a Purchase Date, and ending on the next succeeding Purchase Date.

(bb) “Purchase Price” means the price at which Participants may purchase Shares under the Plan, as determined pursuant to Section 8(b).

(cc) “Related Entity” means a person that controls or is controlled by the Company or that is controlled by the same person that controls the Company; and for purposes of this definition a person (first person) is considered to control another person (second person) if the first person, directly or indirectly, has the power to direct the management and policies of the second person by virtue of:

- (i) ownership of or direction over voting securities in the second person,
- (ii) a written agreement or indenture,
- (iii) being the general partner or controlling the general partner of the second person, or
- (iv) being a trustee of the second person.

(dd) “Shares” means ordinary shares of the Company.

SECTION 3 Administration of the Plan.

(a) Administrative Powers and Responsibilities. The Plan shall be administered by the Committee. The Committee shall have full power and authority, subject to the provisions of the Plan, to promulgate such rules and regulations as it deems necessary for the proper administration of the Plan, to interpret the provisions and supervise the administration of the Plan, and to take all action in connection therewith or in relation thereto as it deems necessary or advisable. Any decision reduced to writing and signed by all of the members of the Committee (including electronic signatures) shall be fully effective as if it had been made at a meeting duly held. The Committee’s determinations under the Plan, unless otherwise determined by the Board, shall be final and binding on all persons. The Company or any one or more Participating Companies shall pay all expenses incurred in the administration of the Plan. No member of the Committee shall be personally liable for any action, determination, or interpretation made in good faith with respect to the Plan, and all members of the Committee shall be fully indemnified

Rules of the Drax Group plc 2022 Employee Stock Purchase Plan for approval at the Annual General Meeting of Drax Group plc to be held on 27 April 2022

by the Company with respect to any such action, determination or interpretation. The Committee may adopt such rules, guidelines and forms as it deems appropriate to implement the Plan. Subject to the requirements of applicable law, the Committee may designate persons other than members of the Committee to carry out its responsibilities and may prescribe such conditions and limitations as it may deem appropriate. All decisions, interpretations and other actions of the Committee shall be final and binding on all Participants and all persons deriving their rights from a Participant. No member of the Committee shall be liable for any action that he has taken or has failed to take in good faith with respect to the Plan. Notwithstanding anything to the contrary in the Plan, the Board may, in its sole discretion, at any time and from time to time, resolve to administer the Plan. In such event, the Board shall have all of the authority and responsibility granted to the Committee herein.

(b) International Administration. The Committee may establish sub-plans (which may include provisions referred to in Schedules A and B) and initiate separate Offerings through such sub-plans for the purpose of (i) facilitating participation in the Plan by non-Canadian employees in compliance with foreign laws and regulations or (ii) qualifying the Plan for preferred tax treatment under foreign tax laws (which sub-plans, at the Committee's discretion, may provide for allocations of the authorized Shares reserved for issue under the Plan as set forth in Section 14(a)). Except as otherwise set forth in the sub-plan, the rules, guidelines and forms of such sub-plans (or the Offerings thereunder) may take precedence over other provisions of the Plan, with the exception of Section 4(a)(i), Section 5(b), Section 8(b) [and Section 14(a)], but unless otherwise superseded by the terms of such sub-plan, the provisions of the Plan shall govern the operation of such sub-plan. Alternatively and in order to comply with the laws of a foreign jurisdiction, the Committee shall have the power, in its discretion, to grant options in an Offering to citizens or residents of a non-Canadian jurisdiction (without regard to whether they are also citizens of Canada or resident aliens) that provide terms which are less favorable than the terms of options granted under the same Offering to employees resident in Canada.

SECTION 4 Enrollment and Participation.

(a) Offering Periods. While the Plan is in effect, subject to any applicable restrictions imposed by legislation, regulation or any code or guidance on share dealing with which the Company seeks to comply ("**Dealing Restrictions**"), the Committee may from time to time grant options to purchase Shares pursuant to the Plan to Eligible Employees during a specified Offering Period. Each such Offering shall be in such form and shall contain such terms and conditions as the Committee shall determine, subject to compliance with the terms and conditions of the Plan (which may be incorporated by reference), including the requirement that all Eligible Employees have the same rights and privileges. The Committee shall specify prior to the commencement of each Offering (i) the period during which the Offering shall be effective, which may not exceed twenty-seven (27) months from the Offering Date and may include one or more successive Purchase Periods within the Offering, (ii) the Purchase Dates and Purchase Price for Shares which may be purchased pursuant to the Offering, and (iii) if applicable, any limits on the number of Shares purchasable by a Participant, or by all Participants in the aggregate, during any Offering Period or, if applicable, Purchase Period, in each case consistent with the limitations of the Plan. The Committee shall have the discretion to provide for the

Rules of the Drax Group plc 2022 Employee Stock Purchase Plan for approval at the Annual General Meeting of Drax Group plc to be held on 27 April 2022

automatic termination of an Offering following any Purchase Date on which the Fair Market Value of a Share is equal to or less than the Fair Market Value of a Share on the Offering Date, and for the Participants in the terminated Offering to be automatically re-enrolled in a new Offering that commences immediately after such Purchase Date. The terms and conditions of each Offering need not be identical, and shall be deemed incorporated by reference and made a part of the Plan.

(b) Enrollment. Any individual who, on the day preceding the first day of an Offering Period, qualifies as an Eligible Employee may elect to become a Participant in the Plan for such Offering Period by completing the enrollment process prescribed and communicated for this purpose from time to time by the Company to Eligible Employees.

(c) Duration of Participation. Once enrolled in the Plan, a Participant shall continue to participate in the Plan until he or she ceases to be an Eligible Employee or withdraws from the Plan under Section 6(a). A Participant who withdrew from the Plan under Section 6(a) may again become a Participant, if he or she then is an Eligible Employee, by following the procedure described in Subsection (b) above. A Participant whose employee contributions were discontinued automatically under Section 9(a) shall automatically resume participation at the beginning of the earliest Offering Period ending in the next calendar year, if he or she then is an Eligible Employee. When a Participant reaches the end of an Offering Period but his or her participation is to continue, then such Participant shall automatically be re-enrolled for the Offering Period that commences immediately after the end of the prior Offering Period.

SECTION 5 Employee Contributions.

(a) Frequency of Payroll Deductions. A Participant may purchase Shares under the Plan solely by means of payroll deductions; provided, however, that to the extent provided in the terms and conditions of an Offering, a Participant may also make contributions through payment by cash or check prior to one or more Purchase Dates during the Offering. Payroll deductions, subject to the provisions of Subsection (b) below or as otherwise provided under the terms and conditions of an Offering, shall occur on each payday during participation in the Plan.

(b) Amount of Payroll Deductions. An Eligible Employee shall designate during the enrollment process the portion or amount of his or her Compensation that he or she elects to have withheld for the purchase of Shares. Such portion or amount shall be not less than one percent (1%) of the Eligible Employee's Compensation nor more than such percentage or amount of Compensation specified as the limit in the terms and conditions of the applicable Offering and in all respects shall be made on an after-tax basis.

(c) Changing Withholding Rate. Unless otherwise provided under the terms and conditions of an Offering, a Participant may not increase the rate of payroll withholding during the Offering Period, but may discontinue or decrease the rate of payroll withholding during the Offering Period to a whole percentage of his or her Compensation in accordance with such procedures and subject to such limitations as the Company may establish for all Participants. A Participant may also increase or decrease the rate of payroll withholding effective on commencement of a new Offering Period by submitting an authorization to change the payroll

Rules of the Drax Group plc 2022 Employee Stock Purchase Plan for approval at the Annual General Meeting of Drax Group plc to be held on 27 April 2022

deduction rate pursuant to the process prescribed by the Company from time to time. The new withholding rate shall be a whole percentage of the Eligible Employee's Compensation consistent with Subsection (b) above.

(d) Discontinuing Payroll Deductions. If a Participant wishes to discontinue employee contributions entirely, he or she may do so by withdrawing from the Plan pursuant to Section 6(a). In addition, employee contributions may be discontinued automatically pursuant to Section 9(b).

SECTION 6 Withdrawal from the Plan.

(a) Withdrawal. A Participant may elect to withdraw from the Plan by giving notice pursuant to the process prescribed and communicated by the Company from time to time. Such withdrawal may be elected at any time before the last day of an Offering Period, except as otherwise provided in the Offering. In addition, if payment by cash or check is permitted under the terms and conditions of an Offering, Participants may be deemed to withdraw from the Plan by declining or failing to remit timely payment to the Company for the Shares. As soon as reasonably practicable thereafter, payroll deductions shall cease and the entire amount credited to the Participant's Plan Account shall be refunded to him or her in cash, without interest. No partial withdrawals shall be permitted.

(b) Re-enrollment After Withdrawal. A former Participant who has withdrawn from the Plan shall not be a Participant until he or she re-enrolls in the Plan under Section 4(b). Re-enrollment may be effective only at the commencement of an Offering Period.

SECTION 7 Change in Employment Status.

(a) Termination of Employment. Termination of employment as an Eligible Employee for any reason, including death, shall be treated as an automatic withdrawal from the Plan under Section 6(a). A transfer from one Participating Company to another shall not be treated as a termination of employment.

(b) Leave of Absence. For purposes of the Plan, employment shall not be deemed to terminate when the Participant goes on a military leave, a sick leave or another bona fide leave of absence, if the leave was approved by the Company in writing. Employment, however, shall be deemed to terminate three (3) months after the Participant goes on a leave, unless a contract or statute guarantees his or her right to return to work. Employment shall be deemed to terminate in any event when the approved leave ends, unless the Participant immediately returns to work.

(c) Death. In the event of the Participant's death, the amount credited to his or her Plan Account shall be paid to the Participant's estate.

(d) Date of Termination. For purposes of the Plan, the date of termination of employment (regardless of whether the termination is lawful or unlawful, with or without cause, and whether it is the Eligible Employee or the Participating Company that initiates the termination), is the later of: (i) if and only to the extent required to comply with the minimum

Rules of the Drax Group plc 2022 Employee Stock Purchase Plan for approval at the Annual General Meeting of Drax Group plc to be held on 27 April 2022

standards of the ESL, the last day of the applicable minimum statutory notice period applicable to the Participant pursuant to the ESL, if any; and (ii) the date that is designated by the Participant's employer, as the last day of the Participant's employment with the Participant's employer provided that in the case of termination of employment by resignation by the Participant, such date shall not be earlier than the date notice of resignation was given; and, in the case of either (i) or (ii), without regard to any applicable period of reasonable notice or contractual notice to which the Participant may claim to be entitled under common law, civil law or pursuant to contract in respect of a period which follows the last day that the Participant actually and actively provides services to the Participant's employer as specified in the notice of termination provided by the Participant's employer. For the avoidance of any doubt, the parties intend to displace any presumption that the Participant is entitled to reasonable notice of termination under common law or civil law in connection with the Plan.

SECTION 8 Plan Accounts and Purchase of Shares.

(a) Plan Accounts. The Company or a Group Member shall maintain a Plan Account on its books in the name of each Participant. Whenever an amount is deducted from the Participant's Compensation under the Plan, such amount shall be credited to the Participant's Plan Account. Amounts credited to Plan Accounts shall not be trust funds and may be commingled with the general assets of the Company or Group Member and applied to general corporate purposes. No interest shall be credited to Plan Accounts.

(b) Purchase Price. The Purchase Price for each Share purchased during an Offering Period shall be the lesser of:

(i) eighty-five percent (85%) of the Fair Market Value of such Share on the Purchase Date; or

(ii) eighty-five percent (85%) of the Fair Market Value of such Share on the Offering Date;

provided that the Purchase Price for each Share purchased shall be no less than the nominal value of a Share.

The Committee may specify an alternate Purchase Price amount or formula in the terms and conditions of an Offering, but in no event may such amount or formula result in a Purchase Price less than that calculated pursuant to the immediately preceding formula.

(c) Number of Shares Purchased. As of each Purchase Date, each Participant shall be deemed to have elected to purchase the number of Shares calculated in accordance with this Subsection (c), unless the Participant has previously elected to withdraw from the Plan in accordance with Section 6(a). The amount then in the Participant's Plan Account shall be divided by the Purchase Price, and the number of Shares that results shall be purchased from the Company with the funds in the Participant's Plan Account. Unless provided otherwise by the Committee prior to commencement of an Offering, the maximum number of Shares which may be purchased by an individual Participant during such Offering is equal to the number of Shares

Rules of the Drax Group plc 2022 Employee Stock Purchase Plan for approval at the Annual General Meeting of Drax Group plc to be held on 27 April 2022

given by (i) dividing the equivalent in Canadian dollars (using such exchange rate as determined by the Board) of twenty-five thousand U.S. dollars (U.S. \$25,000) (or the equivalent in Canadian dollars (using such exchange rate as determined by the Board) of such other amount as may be set out in Section 423(b)(8) of the Code from time to time) by the Fair Market Value of a Share on the Offering Date and (ii) multiplying the outcome of the step at (i) by the length of the Offering Period in months divided by twelve. The foregoing notwithstanding, no Participant shall purchase more than such number of Shares as may be determined by the Committee with respect to the Offering Period, or Purchase Period, if applicable, nor more than the numbers of Shares set forth in Sections 9(a) and 14(a). For each Offering Period and, if applicable, Purchase Period, the Committee shall have the authority to establish additional limits on the number of Shares purchasable by all Participants in the aggregate.

(d) Available Shares Insufficient. In the event that the aggregate number of Shares that all Participants elect to purchase during an Offering Period exceeds the maximum number of Shares remaining available for issuance under Section 14(a), or which may be purchased pursuant to any additional aggregate limits imposed by the Committee, then the number of Shares to which each Participant is entitled shall be determined by multiplying the number of Shares available for issuance by a fraction, the numerator of which is the number of Shares that such Participant has elected to purchase and the denominator of which is the number of Shares that all Participants have elected to purchase.

(e) Issuance of Shares. Shares purchased by a Participant under the Plan shall be issued to him or her as soon as reasonably practicable after the applicable Purchase Date, except that the Company may determine that such Shares shall be held for each Participant's benefit by a broker designated by the Company or by a designated agent of the Company. The Company may require that Shares be retained with such broker or agent for a designated period of time, and/or may establish procedures to permit tracking of dispositions of Shares. Shares may be registered in the name of the Participant or jointly in the name of the Participant and his or her spouse as joint tenants with right of survivorship or as community property.

(f) Unused Cash Balances. An amount remaining in the Participant's Plan Account that represents the Purchase Price for any fractional Share shall be carried over in the Participant's Plan Account to the next Offering Period or refunded to the Participant in cash at the end of the Offering Period, without interest, if his or her participation is not continued. Any amount remaining in the Participant's Plan Account that represents the Purchase Price for whole shares that could not be purchased by reason of Subsection (c) or (d) above, Section 9(b) [or Section 14(a)] shall be refunded to the Participant in cash, without interest.

(g) Shareholder Approval. The Plan shall be submitted to the shareholders of the Company for their approval within twelve (12) months before or after the date the Plan is adopted by the Board. Any other provision of the Plan notwithstanding, no Shares shall be purchased under the Plan unless and until the Board and the Company's shareholders have approved the adoption of the Plan.

(h) Withholding. To the extent required by applicable federal, state, foreign or local law, a Participant must make arrangements satisfactory to the Company for the payment of any

Rules of the Drax Group plc 2022 Employee Stock Purchase Plan for approval at the Annual General Meeting of Drax Group plc to be held on 27 April 2022

withholding or similar tax obligations that arise in connection with the Plan. Unless the Participant discharges any liability that may arise himself or herself, the Company or any Group Member or former Group Member (as the case may be) may deduct or cause to be deducted from any amounts payable to a Participant such amount, or make such other arrangements as it may determine appropriate, for example to sell or withhold Shares, to meet any liability to taxes or social security contributions in respect of such Participant's options.

SECTION 9 Limitations on Shares Ownership.

(a) Dollar Limit. Any other provision of the Plan notwithstanding, no Participant shall accrue the right to purchase Shares at a rate which exceeds the equivalent in Canadian dollars (using such exchange rate as determined by the Board) of twenty-five thousand U.S. dollars (U.S. \$25,000) of Fair Market Value of such Shares per calendar year (under the Plan and all other employee stock purchase plans of the Company or any parent or Related Entity of the Company), determined by such method as the Board determines which may be based, as far as the Board determines practicable, on the provisions of Section 423(b)(8) of the Code and applicable Treasury Regulations promulgated thereunder.

For purposes of this Subsection (a), the Fair Market Value of a Share shall be determined as of the beginning of the Offering Period in which such Shares is purchased. Employee stock purchase plans not described in Section 423 of the Code shall be disregarded. If a Participant is precluded by this Subsection (a) from purchasing additional Shares under the Plan, then his or her employee contributions shall automatically be discontinued and shall resume at the beginning of the earliest Offering Period ending in the next calendar year (if he or she then is an Eligible Employee).

(b) Ten Percent in Ten Year Limit. An option to purchase Shares may not be granted if the result of granting the option would be that the aggregate number of Shares issued or committed to be issued in the preceding ten (10)-year period under:

- (i) options to purchase Shares under the Plan; or
- (ii) options or awards granted under any other part or subplan of, or any schedule to, the Drax Group plc 2022 Employee Stock Purchase Plan or any Employees' Share Scheme (whether or not discretionary) operated by the Group;

would exceed 10 percent (10%) of the Company's issued ordinary share capital at that time.

For the purpose of the limit in this Section 9(b):

- (i) for as long as required by The Investment Association guidelines treasury, Shares shall be included in the limit as if they were new issue Shares;
- (ii) there shall be disregarded any Shares where the right to acquire the Shares has lapsed or been renounced;

Rules of the Drax Group plc 2022 Employee Stock Purchase Plan for approval at the Annual General Meeting of Drax Group plc to be held on 27 April 2022

(iii) there shall be disregarded any existing Shares which the trustees of any employee trust have purchased, or determined that they will purchase, in order to satisfy an option to purchase Shares under the Plan or under any other part or subplan of, or any schedule to, the Drax Group plc 2022 Employee Stock Purchase Plan or the exercise of an option or the vesting of other rights of an employee under any Employees' Share Scheme operated by the Group; and

(iv) any Shares issued or issuable in relation to an option to purchase Shares under the Plan or under any other part or subplan of, or any schedule to, the Drax Group plc 2022 Employee Stock Purchase Plan, or on the exercise of an option or the vesting of other rights of an employee under any Employees' Share Scheme operated by the Group, shall be taken into account once only (when the option is granted or the right awarded) and shall not fall out of account when the option is exercised or other rights vest.

If the granting of an option to purchase Shares under the Plan would cause the limit in this Section 9(b) to be exceeded, such option shall take effect as an option over the maximum number of Shares which does not cause the limit to be exceeded. If more than one option to purchase Shares is granted on the same date, the number of Shares which would otherwise be subject to each option to purchase Shares shall be reduced pro rata.

SECTION 10 Rights Not Transferable.

The rights of any Participant under the Plan, or any Participant's interest in any Shares or moneys to which he or she may be entitled under the Plan, shall not be transferable by voluntary or involuntary assignment or by operation of law, or in any other manner other than by the laws of descent and distribution. If a Participant in any manner attempts to transfer, assign or otherwise encumber his or her rights or interest under the Plan, other than by the laws of descent and distribution, then such act shall be treated as an election by the Participant to withdraw from the Plan under Section 6(a).

SECTION 11 No Rights as An Employee.

Nothing in the Plan or in any right granted under the Plan shall confer upon the Participant any right to continue in the employ of a Participating Company for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Participating Companies or of the Participant, which rights are hereby expressly reserved by each, to terminate his or her employment at any time and for any reason, with or without cause. In addition, (a) the Plan shall not form part of any contract of employment between any Group Member and an Eligible Employee; (b) the rights and obligations arising from the employment relationship between the Eligible Employee and their employer will be separate from, and not affected by, the Plan; (c) an Eligible Employee has no right to be granted an option to purchase Shares and the receipt of an option to purchase Shares in one year or Offering Period (and the calculation of the Purchase Price in a particular way) is no indication that the Participant will be granted any subsequent options to purchase Shares (or that the calculations of the Purchase Price will be made in the same or a similar way); (d) the Plan does not entitle any Participant to the exercise of any discretion in their favor; (e) the benefit to an Eligible Employee of participation in the Plan

Rules of the Drax Group plc 2022 Employee Stock Purchase Plan for approval at the Annual General Meeting of Drax Group plc to be held on 27 April 2022

(including, in particular but not by way of limitation, any options to purchase Shares held by them) shall not form any part of their remuneration or count as their remuneration for any purpose and shall not be pensionable; (f) if an Eligible Employee ceases to be in employment with the Group for any reason, they shall not be entitled to compensation for the loss or diminution in value of any right or benefit or prospective right or benefit under the Plan (including, in particular but not by way of limitation, any options to purchase Shares held by them which lapse by reason of their ceasing to be employment with the Group) whether by way of damages for unfair dismissal, wrongful dismissal, breach of contract or otherwise or anything analogous thereto in any jurisdiction; and (g) this Section 11 applies during an Eligible Employee's employment and after the termination of an Eligible Employee's employment, whether or not the termination is lawful.

SECTION 12 No Rights as A Shareholder.

A Participant shall have no rights as a shareholder with respect to any Shares that he or she may have a right to purchase under the Plan until such Shares have been purchased on the applicable Purchase Date. All Shares issued or transferred under the Plan shall, as to voting, dividend, transfer and other rights, including those arising on a liquidation of the Company, rank equally in all respects and as one class with the shares of the same class in issue at the date of issue or transfer save as regards any rights attaching to such Shares by reference to a record date prior to the date of such issue or transfer.

SECTION 13 Securities Law Requirements.

Shares shall not be issued under the Plan unless the issuance and delivery of such Shares comply with (or are exempt from) all applicable requirements of law, including (without limitation) the applicable Securities Acts of the provinces and territories in Canada, the regulations made thereunder and the blanket rulings and orders issued by the securities regulatory authority in each applicable jurisdiction, and the regulations of any stock exchange or other securities market on which the Company's securities may then be traded.

SECTION 14 Shares Offered Under the Plan.

(a) Authorized Shares. The maximum aggregate number of Shares available for purchase under both Part A and Part B of the Plan is 20,000,000 Shares. The aggregate number of Shares available for purchase under the Plan shall at all times be subject to adjustment pursuant to Section 14(b).

(b) Antidilution Adjustments. The aggregate number of Shares offered under the Plan, the individual and aggregate Participant share limitations described in Section 8(c) and the price of Shares that any Participant has elected to purchase may be adjusted proportionately by the Committee in the event of any change in the number of issued Shares (or issuance of shares other than Shares) by reason of any forward or reverse share split, subdivision or consolidation, or share dividend or bonus issue, recapitalization, reclassification, merger, amalgamation, consolidation, split-up, spin-off, reorganization, combination, exchange of Shares, the issuance of warrants or other rights to purchase Shares or other securities, or any other change in

Rules of the Drax Group plc 2022 Employee Stock Purchase Plan for approval at the Annual General Meeting of Drax Group plc to be held on 27 April 2022

corporate structure or in the event of any extraordinary distribution (whether in the form of cash, Shares, other securities or other property). For the avoidance of doubt and notwithstanding anything to the contrary contained herein, in the event of a Capital Reorganization, the number of Shares subject to an option, the description of the Shares, the Purchase Price or any one or more of these shall be adjusted in such manner as the Board shall determine. No adjustment shall be made to the Purchase Price which would result in the Shares subject to an option being issued at a price per Share lower than the nominal value of a Share.

(c) Corporate Reorganizations. Any other provision of the Plan notwithstanding, in the event of a Corporate Reorganization in which the Plan is not assumed by the successor corporation or its parent corporation or an equivalent option is not substituted by the successor corporation or its parent corporation pursuant to or in consequence of the applicable Corporate Reorganization event, the Offering Period then in progress shall terminate immediately prior to the effective time of such Corporate Reorganization and either Shares shall be purchased pursuant to Section 8 or, if so determined by the Board or Committee, all amounts in all Plan Accounts shall be refunded pursuant to Section 15 without any purchase of Shares. For the purposes of the preceding sentence, the “effective time” of an event specified in paragraph (iii) of the definition of Corporate Reorganization shall be the time when the person making the offer has obtained Control and the offer becomes wholly unconditional in all respects, where paragraph (iv) of that definition applies, the “effective time” shall be the date when the person serves a notice under Section 979 of the Companies Act 2006 of the United Kingdom and where paragraph (v) of that definition applies, the “effective time” shall be the date that the compromise or arrangement is sanctioned by the court. The Plan shall in no event be construed to restrict in any way the Company’s right to undertake a dissolution, liquidation, merger, consolidation or other reorganization.

SECTION 15 Amendment or Discontinuance.

(a) Amendments Generally. The Board or Committee shall have the right to amend (subject to Sections 15(b) and 15(c) below), suspend or terminate the Plan at any time and without notice and no options to purchase Shares may be granted after the tenth (10th) anniversary of shareholder approval of the Plan. Upon any such amendment, suspension or termination of the Plan during an Offering Period, the Board or Committee may in its discretion determine that the applicable Offering shall immediately terminate and that all amounts in the Plan Accounts shall be carried forward into a payroll deduction account for each Participant under a successor plan, if any, or promptly refunded to each Participant. Except as provided in Section 14, any increase in the aggregate number of Shares to be issued under the Plan shall be subject to approval by a vote of the shareholders of the Company. In addition, any other amendment of the Plan shall be subject to approval by a vote of the shareholders of the Company to the extent required by an applicable law or regulation. The Plan shall continue until the earlier to occur of (a) termination of the Plan pursuant to this Section 15 or (b) issuance of all of the Shares reserved for issuance under the Plan.

(b) Limitations on Amendments. Without the prior approval of the Company in general meeting, an amendment may not be made for the benefit of existing or future Participants to the Plan relating to:

Rules of the Drax Group plc 2022 Employee Stock Purchase Plan for approval at the Annual General Meeting of Drax Group plc to be held on 27 April 2022

- (i) the basis for determining an Eligible Employee's entitlement (or otherwise) to be granted an option to purchase Shares and/or to acquire Shares on the exercise of an option to purchase Shares under the Plan;
 - (ii) the persons to whom options to purchase Shares may be granted;
 - (iii) the limits on the aggregate number of Shares over which options to purchase Shares may be granted;
 - (iv) the limits on the number of Shares over which options to purchase Shares may be granted to any one Eligible Employee;
 - (v) the adjustment of options to purchase Shares on a Capital Reorganization;
- or
- (vi) this Section 15(b),

except for:

- (x) an amendment which is of a minor nature and benefits the administration of the Plan; or
- (y) an amendment which is of a minor nature and is necessary or desirable in order to take account of a change of legislation or to obtain or maintain favorable tax, exchange control or regulatory treatment for participants in the Plan, the Company or some other Group Member.

(c) Existing Entitlements. An amendment may not materially adversely affect the rights of an existing Participant except:

- (i) where the amendment is made to take account of any matter or circumstance which the Board reasonably considers is a legal or regulatory requirement which the Board reasonably considers is relevant and requires an amendment to be made in order for any Group Member to comply with such requirement; or
- (ii) where the Participant affected by the change has been notified of such amendment and the majority of Participants holding options under the Plan have approved the amendment.

SECTION 16 Governing Law.

The Plan shall be governed by the laws of England, without application of the conflicts of law principles thereof.

Rules of the Drax Group plc 2022 Employee Stock Purchase Plan for approval at the Annual General Meeting of Drax Group plc to be held on 27 April 2022

SCHEDULE A: Employees of Related Undertakings

The Committee may determine under Section 3(b) of the Non-423 Component (“**Part B**”) of the Drax Group plc 2022 Employee Stock Purchase Plan, without limiting the scope of its powers under that Section 3(b), to establish one or more sub-plans in order to permit the grant of options to purchase Shares by employees who are not or may not be employees of the Company or a Related Entity but are employees of a subsidiary (as defined in section 1159 of the Companies Act 2006 of the United Kingdom), a subsidiary undertaking, associated undertaking or related undertaking or entity (in each case as determined by the Committee) of the Company (a “**Related Undertaking**”).

In determining whether an employer is a subsidiary undertaking, associated undertaking or related undertaking or entity of the Company, the Committee may have regard to whether an employer is described as such in the financial statements of Drax Group plc or any Group Member and/or to legislation or regulations of the United Kingdom or elsewhere. Where a sub-plan is established to permit the grant of options to purchase Shares by employees of a Related Undertaking, without limiting the scope of Section 3(b) of Part B, the Committee may include within the subplan such provisions as it considers necessary or desirable to take account of the fact that the individuals eligible to take part in the subplan are employees of a Related Undertaking, including amendments to the definitions of Participating Company and Related Entity.

Words and expressions defined in Part B shall have the same meaning in this Schedule A, except where the context otherwise requires.

SCHEDULE B: Cash awards

The Committee may determine under Section 3(b) of the Non-423 Component (“**Part B**”) of the Drax Group plc 2022 Employee Stock Purchase Plan, without limiting the scope of its powers under that Section 3(b), to establish one or more sub-plans in order to permit the grant of cash based awards for employees to whom it is not practicable or permitted to grant options to purchase Shares. The Committee may determine that relevant employees’ contributions will not be used to purchase Shares but will instead be deemed to have been notionally used to purchase notional Shares.

Where a sub-plan is established to permit the grant of cash based awards, without limiting the scope of Section 3(b) of Part B, the Committee may include within the subplan such provisions as it considers necessary or desirable to reflect that an employee would be paid a cash sum equivalent or substantially equivalent (as determined by the Committee) to the gain (as determined by the Committee) that they would have made if they had instead been granted an option to purchase Shares and had exercised the option and purchased the relevant Shares.

Words and expressions defined in Part B shall have the same meaning in this Schedule B, except where the context otherwise requires.