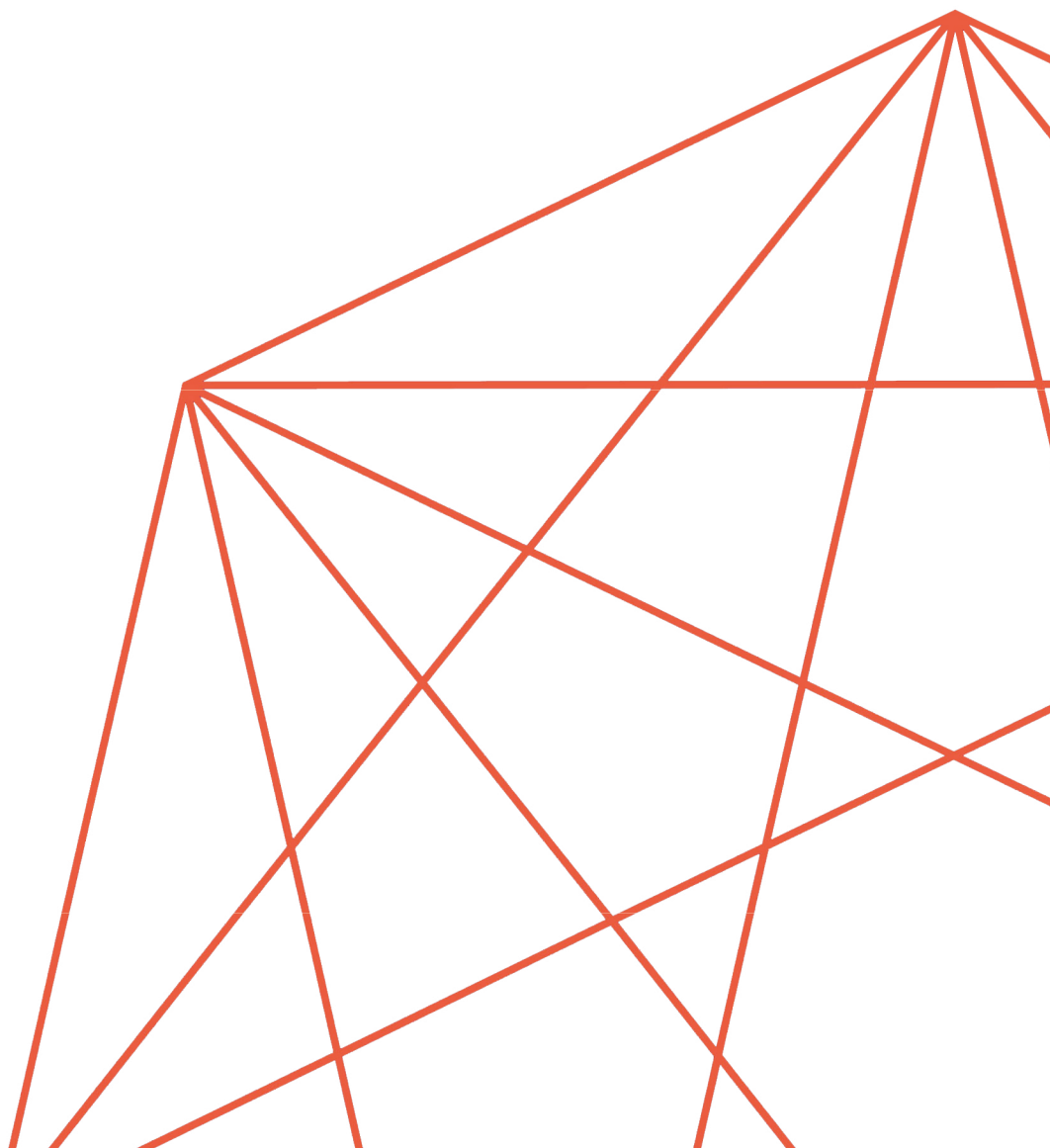




Health innovation that matters

2022 Proxy Statement





Health innovation that matters

NOTICE OF 2022 ANNUAL GENERAL MEETING OF SHAREHOLDERS

Notice is hereby given that the 2022 Annual General Meeting (the “AGM”) of Shareholders of LivaNova PLC, a public limited company having its registered office at 20 Eastbourne Terrace, London W2 6LG, United Kingdom and incorporated in England and Wales with company number 09451374 (“LivaNova” or the “Company”), will be held as follows:

Date and Time:	Monday, June 13, 2022 3:00 pm British Summer Time/10:00 am Eastern Time
Virtual Meeting Site:	www.meetnow.global/M4X7X6Q
Shareholders Eligible to Attend:	<p>Shareholders of record at the close of The Nasdaq Stock Market LLC exchange on April 22, 2022 (the “Record Date”) may attend the meeting. If you plan to attend the meeting, please follow the registration instructions as outlined in this proxy statement. The meeting is a virtual meeting; no physical meeting will be held.</p> <p>A member who is entitled to attend and vote is entitled to appoint another person as a proxy to exercise all or any of his/her rights to attend, speak and vote at the meeting on his/her behalf in respect of the ordinary shares with nominal value £1 per share (each, an “Ordinary Share”) held by him/her.</p> <p>For information on attending and voting at the meeting and appointing a proxy, see our Frequently Asked Questions about the AGM.</p>
Number of Votes Outstanding:	The Company only has one class of voting share, being the Ordinary Shares. At April 22, 2022, there were 53,440,063 Ordinary Shares in issue and entitled to vote, each carrying one vote.

ITEMS OF BUSINESS AND BOARD VOTING RECOMMENDATIONS

No.	Proposed Resolution	Board Voting Recommendations
1	<p>Ordinary Resolution: To elect, by separate resolutions, each of the following nine (9) directors for a term expiring at the AGM to be held in 2023:</p> <ul style="list-style-type: none">a. Francesco Bianchib. Stacy Enxing Sengc. William Kozyd. Damien McDonalde. Daniel Mooref. Dr. Sharon O’Kaneg. Andrea Saiah. Todd Schermerhorni. Peter Wilver	For (in respect of each nominee)

No.	Proposed Resolution	Board Voting Recommendations
2	<u>Ordinary Resolution:</u> To approve, on an advisory basis, the Company's compensation of its named executive officers ("US Say-on-Pay").	For
3	<u>Ordinary Resolution:</u> To ratify the appointment of PricewaterhouseCoopers LLP, a Delaware limited liability partnership ("PwC-US"), as the Company's independent registered public accounting firm.	For
4	<u>Ordinary Resolution:</u> To approve the LivaNova PLC 2022 Incentive Award Plan and the French sub-plan thereof.	For
5	<p><u>Ordinary Resolution:</u> To generally and unconditionally authorize the directors, for the purposes of section 551 of the Companies Act 2006 (the "Companies Act") to exercise all powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company up to an aggregate nominal amount of £17,635,220,</p> <p>provided that:</p> <p>(A) (unless previously revoked, varied or renewed by the Company) this authority will expire at the end of the next annual general meeting of the Company or, if earlier, the close of business on the date that is fifteen (15) months after the date on which this resolution is passed, save that the directors may, before this authority expires, make offers or agreements which would or might require shares in the Company to be allotted, or rights to subscribe for, or convert securities into, shares to be granted, after its expiry and the directors may allot shares or grant rights to subscribe for, or convert securities into, shares pursuant to such offers or agreements as if this authority had not expired, and</p> <p>(B) this authority replaces all subsisting authorities previously granted to the directors for the purposes of section 551 of the Companies Act which, to the extent unused at the date of this resolution, are revoked with immediate effect without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made under such authorities.</p>	For
6	<p><u>Special Resolution:</u> Subject to the passing of resolution 5 and in accordance with sections 570 and 573 of the Companies Act, to empower the directors generally to allot equity securities (as defined in section 560 of the Companies Act) for cash pursuant to the authority conferred by resolution 5, and/or to sell ordinary shares (as defined in section 560 of the Companies Act) held by the Company as treasury shares for cash, in each case as if section 561 of the Companies Act (existing shareholders' pre-emption rights) did not apply to any such allotment or sale, provided that this power is limited to the allotment of equity securities or sale of treasury shares for cash:</p> <p>(a) up to an aggregate nominal amount of £2,672,003 for any purpose; and</p> <p>(b) (in addition to the amount set out under (a) above), up to an aggregate nominal amount of £2,672,003 to be used only for the purposes of financing an acquisition or other capital investments,</p>	For

No.	Proposed Resolution	Board Voting Recommendations
	<p>provided that:</p> <p>(A) (unless previously revoked, varied or renewed by the Company) this power will expire at the end of the next annual general meeting of the Company or, if earlier, the close of business on the date that is fifteen (15) months after the date on which this resolution is passed, save that the directors may, before this power expires, make offers or agreements which would or might require equity securities to be allotted and/or treasury shares to be sold after its expiry and the directors may allot equity securities and/or sell treasury shares pursuant to such offers or agreement as if this power had not expired; and</p> <p>(B) this power replaces (except for any power conferred by resolution 5) all subsisting powers previously granted to the directors for the purposes of section 570 of the Companies Act which, to the extent unused at the date of this resolution, are revoked with immediate effect, without prejudice to any allotment of equity securities already made, offered or agreed to be made under such powers.</p>	
7	<u>Ordinary Resolution:</u> To approve, on an advisory basis, the United Kingdom (“UK”) directors’ remuneration report in the form set out in the Company’s UK annual report (the “UK Annual Report”) for the period ended December 31, 2021.	For
8	<u>Ordinary Resolution:</u> To approve the directors’ remuneration policy contained in the directors’ remuneration report as set forth in the UK Annual Report.	For
9	<u>Ordinary Resolution:</u> To receive and adopt the Company’s audited UK statutory accounts for the year ended December 31, 2021, together with the reports of the directors and auditors thereon.	For
10	<u>Ordinary Resolution:</u> To re-appoint PricewaterhouseCoopers LLP, a limited liability partnership organized under the laws of England (“PwC-UK”), as the Company’s UK statutory auditor.	For
11	<u>Ordinary Resolution:</u> To authorize the directors and/or the Audit and Compliance Committee to determine the remuneration of the Company’s UK statutory auditor.	For

Section 527 Notice — Website Materials

Under section 527 of the Companies Act, shareholders meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company’s accounts (including the auditor’s report and the conduct of the audit) that are to be laid before the meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with section 527 or section 528 of the Companies Act. Where the Company is required to place a statement on a website under section 527 of the Companies Act, it must forward the statement to the Company’s auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required under section 527 of the Companies Act to publish on a website.

This notice and proxy statement is being mailed or made available to shareholders on April 29, 2022.

By order of the Board of Directors,

Keyna P. Skeffington
Senior Vice President,
General Counsel and Company Secretary
London, United Kingdom
April 29, 2022

Important Notice Regarding the Availability of Proxy Materials for the AGM to be held on June 13, 2022. The Notice of Meeting, Proxy Statement, Annual Report on Form 10-K and UK Annual Report are available free of charge at www.livanova.com. All website addresses given in this document and proxy statement are for informational purposes only and are not intended to be an active link or to incorporate any website information into this document or the proxy statement.

PLEASE VOTE. YOUR VOTE IS IMPORTANT TO US.

Attending the AGM

The AGM will again be a virtual meeting conducted exclusively by webcast.

You may attend the AGM if you were a shareholder of the Company as of the close of business on April 22, 2022 or if you hold a valid proxy for the AGM. To attend, vote and submit questions during the AGM, please go to www.meetnow.global/M4X7X6Q. You will also need the control number included with your proxy materials.

Voting

Please note that you will need the control number included with your proxy materials to vote in advance of or at the AGM.

In advance of the AGM, please vote in one of the following ways:



Internet

www.envisionreports.com/LIVN and use the 15 Digit Control Number in the shaded area of your proxy Card or Notice Card or as directed by your broker, as the case may be



Telephone

Call the number on your proxy card



By mail

Sign, date and return your proxy card in the enclosed envelope

At the meeting, please vote by:



Attending virtually at www.meetnow.global/M4X7X6Q and using your control number to record your vote

Additional information regarding attending the AGM and voting is included in this proxy statement starting on page 71.

Resolutions and Voting

Voting on a Poll

In accordance with our Articles of Association, all voting at the Company's AGM is done on a poll.

Ordinary and Special Resolutions

The Companies Act specifies a number of matters that must be effected by special resolution of a company's shareholders. A resolution passed on a poll taken at a meeting is passed as a special resolution if it is passed by the affirmative vote of a majority of 75% (or more) of the total votes cast by members who, being entitled to vote, do so virtually at the meeting, by proxy or in advance of the meeting. At the 2022 AGM, there is one special resolution to be voted upon (Proposal 6).

All other resolutions at the 2022 AGM are ordinary resolutions. These resolutions will pass on a poll at the AGM if they are passed by the affirmative vote of a simple majority of the total votes cast by members who, being entitled to vote, do so virtually at the meeting or by proxy or in advance of the meeting.

Abstentions

Under English law, an abstention is not a vote in law and will not be counted in the calculation of the proportion of votes 'for' or 'against' the resolution.

Broker Non-Votes

If you are a beneficial owner and hold shares through an account with a bank or broker, your shares may be voted if you do not provide voting instructions. Brokerage firms have the authority under the New York Stock Exchange rules to vote shares for which their customers do not provide voting instructions on routine matters. When a matter is not routine and the brokerage firm has not received voting instructions from the beneficial owner, the brokerage firm cannot vote the shares on that matter. This is called a broker non-vote. For example, the ratification of the selection of independent auditors is considered a routine matter, and the brokerage firm can vote for or against this resolution at its discretion, but the election of directors is not considered routine for these purposes. Following a narrowing of interpretation of the definition of a 'routine matter,' the only resolutions that are now considered routine are the ratification of the selection of independent auditors for US purposes, the re-appointment of independent auditors for UK purposes and the authorization of the remuneration of the UK auditor. All of the other resolutions proposed at the 2022 AGM are non-routine matters and broker non-votes will not be counted as "for" or "against" such non-routine matters.

Possible Selections on the Ballot

You can vote 'for' or 'against' a resolution. Each of these votes will have legal effect under English law in that they count as votes cast. An abstention, indicated by electing 'abstain' is not a vote under English law as indicated above.

Cautionary Note Regarding Forward-Looking Statements

This proxy statement contains forward-looking statements within the meaning of the United States ("US") federal securities laws. Forward-looking statements may be identified by words like "may," "could," "seek," "guidance," "predict," "potential," "likely," "believe," "will," "should," "expect," "anticipate," "estimate," "plan," "intend," "forecast," "foresee" or variations of these terms and similar expressions, or the negative of these terms or similar expressions. Forward-looking statements in this proxy statement include, but are not limited to, statements regarding individual and Company performance objectives and targets. These and other forward-looking statements are based on our beliefs, assumptions and estimates using information available to us at the time and are not intended to be guarantees of future events or performance. Factors that may cause actual results to differ materially from those contemplated by the statements in this proxy statement can be found in our periodic reports on file with the SEC. The forward-looking statements speak only as of the date of this proxy statement and undue reliance should not be placed on these statements. We disclaim any intention or obligation to publicly update or revise any forward-looking statements, unless required by applicable securities laws. This cautionary statement is applicable to all forward-looking statements contained in this document.

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Proxy Summary

This summary highlights information described in greater detail later in this proxy statement. Please read the proxy statement in its entirety and do not rely on this summary to give you the information you need to make an informed decision on the proposals presented for your consideration.

Our Board of Directors

As set forth in the charter of the Nominating and Corporate Governance Committee, the Board and Company are focused on ensuring a diverse Board. In addition to having diversity highlighted generally as a key criteria for consideration in the selection of new directors, the Nominating and Corporate Governance Committee made an additional update in 2021, adding language to the charter that requires that every slate of directors to be considered must include at least one woman and at least one underrepresented minority.

Board Diversity Matrix (as of April 29, 2022)⁽¹⁾

Total Number of Directors: 10

	Female	Male	Non-Binary	Did Not Disclose Gender
Part I: Gender Identity				
Directors	3	7	0	0
Part II: Demographic Background				
African American or Black	0	0	0	
Alaskan Native or Native American	0	0	0	
Asian	0	0	0	
Native Hawaiian or Pacific Islander	0	0	0	
White	3	6	0	
Latinx	0	1	0	
Two or More Races or Ethnicities	0	0	0	
LGBTQ+	0	0	0	
Did Not Disclose	0	0	0	

(1) Two directors, Alfred Novak and Dr. Arthur Rosenthal, both of whom identify as white males, are included in the matrix and are not nominees for re-election at the 2022 AGM.

The following individuals are nominated for election at the 2022 AGM.

Name	Occupation	Independent	Age	Director Since	Audit Committee	Compensation Committee	Nominating Committee
William Kozy (Chair)	Former EVP and COO, Becton, Dickinson and Company	Yes	70	2018			
Francesco Bianchi	Chair, Seven Capital Partners S.r.l.	Yes	65	2015	X	X	
Stacy Enxing Seng	Operating Partner, Lightstone Ventures	Yes	57	2019		Chair	
Damien McDonald	CEO, LivaNova	No	57	2017			
Daniel Moore	Private investor	Yes	61	2015			X

<u>Name</u>	<u>Occupation</u>	<u>Independent</u>	<u>Age</u>	<u>Director Since</u>	<u>Audit Committee</u>	<u>Compensation Committee</u>	<u>Nominating Committee</u>
Dr. Sharon O’Kane	Non-executive director of the Health Products Regulatory Authority Board in Ireland; Entrepreneur in Residence, University College Dublin	Yes	54	2015			Chair
Andrea Saia	Former Global Head of Vision Care, Alcon Division, Novartis AG	Yes	64	2016	X		X
Todd Schermerhorn	Former SVP and Chief Financial Officer, C.R. Bard, Inc.	Yes	61	2020	Chair		
Peter Wilver	Former EVP and Chief Administrative Officer, Thermo Fisher Scientific Inc.	Yes	62	2022			

Alfred Novak and Dr. Arthur Rosenthal, current directors, are not nominees for re-election at the 2022 AGM.

Executive Compensation

Our market-competitive executive compensation program acts as an incentive for our named executive officers (“NEOs”) to perform at their highest level, take appropriate risks and drive shareholder return in the short and long term. Our executive compensation program aims to ensure that we recruit and retain key executive officers responsible for our success and align the interests of our executive officers, including our NEOs, with shareholders. To achieve these ends, the Compensation Committee structures the executive compensation program to:

- Target NEO pay around the market median to attract, motivate and retain talented executive officers with the skills and experience to ensure our long-term success;
- Use multiple pay and award vehicles that work together to reward performance and retain talent, while maintaining alignment with shareholder interests;
- Reward individual performance with base salary and a cash-based short-term bonus ensuring a meaningful link to our operational performance and shareholder interests;
- Pay a substantial portion of each NEO’s compensation as variable pay contingent upon the achievement of our business objectives;
- Balance the components of compensation so that short-term (annual) and long-term performance objectives are recognized because our success depends on our executive officers being focused on critical strategic and tactical objectives, both short-term and long-term;
- Require NEOs to have a meaningful ownership interest in the Company with stock ownership requirements;

- Vest equity awards over time to promote retention;
- Reference the LivaNova Compensation Recoupment Policy, which provides for the clawback of awards in specified situations, in our award agreements; and
- Work with an independent compensation consultant to ensure our program is meeting its goals.

Corporate Governance

Overview

We are committed to effective corporate governance and high ethical standards. The following highlights our governance practices and are covered in greater detail in the following pages.

Board Independence	<ul style="list-style-type: none">• Nine of our ten current directors are independent• Our CEO is our only management director
Board Composition	<ul style="list-style-type: none">• Three of our current directors are female and seven are male
Board Committees	<ul style="list-style-type: none">• We have three committees:<ul style="list-style-type: none">• Audit and Compliance• Compensation• Nominating and Corporate Governance• All of the members of our committees are independent, and our Chair is not a member of any of the committees
Leadership Structure	<ul style="list-style-type: none">• Our Chair and CEO are separate roles• Our Chair, who is independent, presides over all executive sessions of the Board and engages frequently with members of our Board and management
Risk Oversight	<ul style="list-style-type: none">• Our Board is responsible for risk oversight and has designated committees to have particular oversight of certain key risks including cybersecurity and human capital management
Director Stock Ownership	<ul style="list-style-type: none">• Directors are required to hold meaningful equity ownership positions in the Company• A significant portion of director compensation is made in the form of Company equity• Directors are prohibited from hedging or using Company stock as collateral
Accountability to Shareholders	<ul style="list-style-type: none">• We use majority voting in director elections• All of our directors are elected each year• We do not have a shareholder rights (“poison pill”) plan• Since the past proxy season, we have engaged with the majority of our top 20 shareholders, who represented nearly 70% of our register as of December 31, 2021• Any shareholder may contact our Board or management through our website or by mail

Role of the Board of Directors

The Board oversees management as it operates the business and ensures the interests of shareholders are served. The Board provides leadership and guidance over the Company’s regular and nonrecurring business transactions and is also responsible for assessing the effectiveness of the Company’s organizational structure and systems and for evaluating its overall performance.

Board Meetings and Attendance

The Board held 12 meetings during the year ended December 31, 2021, of which four were regularly scheduled and eight were additional meetings. Each of the directors attended at least 75% of the total

number of Board meetings and meetings of the committees on which he/she served. While we do not have a formal policy on director attendance at our AGM, all but two of our directors attended our 2021 AGM.

Board Leadership Structure

The directors may at any time elect and remove a director as Chair of the Board. Unless he or she is unwilling to do so, the director appointed as Chair, or in his or her stead the director appointed as deputy Chair, presides at all meetings of the Board at which he or she is present. Our Board is currently led by a non-executive and independent Chair, Mr. Kozy. Currently, we do not have a policy requiring that the positions of Chair of the Board and CEO be held by different persons. However, these two positions have been separate and are expected to remain so because, at the present time, the Board believes that this structure better serves the needs of the Board and the Company by allowing the CEO to focus his attention on driving business performance rather than Board governance.

The Chair establishes the agenda for each Board meeting in consultation with the CEO and with the assistance of the Company Secretary. Each Board member is free to suggest the inclusion of items on the agenda and is also free to raise any subject that is not on the agenda for that meeting.

The non-executive, independent directors meet in private sessions at least quarterly, and the Chair is responsible for conducting these executive sessions.

Board Committees

Our Board has three standing committees: Audit and Compliance; Compensation; and Nominating and Corporate Governance. Each committee is comprised entirely of independent directors, and each committee is governed by a written charter approved by the Board. These charters, which are reviewed annually, form an integral part of our corporate governance policies, and a copy of each charter is available on our website at www.livanova.com.

Audit and Compliance Committee

<p>Under its charter, the Audit and Compliance Committee’s key responsibilities include:</p> <ul style="list-style-type: none"> • Reviewing our consolidated financial statements and internal controls with management and the independent auditors; • Monitoring actions we take to comply with our internal accounting and control policies as well as external financial, legal and regulatory requirements; • Monitoring our internal audit functions; • Reviewing the qualifications and independence of our independent auditors engaged for the purpose of auditing our consolidated financial statements and issuing an audit report for inclusion in appropriate regulatory filings; • Selecting, subject to required shareholder approvals, our independent auditors and evaluating their performance; and • The consideration of regular reports from the Company’s information technology function, including cybersecurity. <p>The Audit and Compliance Committee meets at least quarterly with management, the Chief Ethics and Integrity</p>	<p>Members:</p> <p>Todd Schermerhorn (Chair) Francesco Bianchi Alfred Novak Andrea Saia</p> <p>Eight meetings in 2021</p> <p>The Audit Committee Report is on pages 53-54 of this proxy statement.</p>
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<p>Officer, internal auditors and the independent auditors in separate executive sessions to discuss any matter that any of these groups believe should be discussed privately.</p> <p>Pursuant to its charter, the Audit and Compliance Committee has the authority, at the Company's expense, to retain professional advisors, including legal, accounting or other consultants, to advise it in connection with the exercise of its powers and responsibilities. This committee is also responsible for engaging and providing for appropriate compensation of the independent auditors.</p>	
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Compensation Committee

<p>Under its charter, the Compensation Committee is responsible for, among other things, the following:</p> <ul style="list-style-type: none"> • Regarding the CEO: determining and approving his goals as they relate to his compensation; evaluating the CEO in light of those goals; and determining and approving the CEO's compensation based on his performance; • Determining and approving the compensation of all other executive officers; • Reviewing and certifying the achievement of any performance goals for long-term and short-term incentive plans; • Reviewing and approving incentive compensation plans and equity-based plans and, where required, recommending such plans for shareholder approval; • Administering (including adopting, amending and terminating) incentive compensation and equity-based plans; • Reviewing and discussing with management the Compensation Discussion and Analysis to be included in appropriate regulatory filings and determining whether to recommend to the Board that the Compensation Discussion and Analysis be included in such filings; • Submitting to the Board for its approval an annual Remuneration Report to be included in our UK Annual Report; • Producing a report for inclusion in appropriate US regulatory filings, as well as in the UK Annual Report; and • Approving employment agreements and severance arrangements or plans for executive officers. <p>The Compensation Committee has the sole authority to retain and terminate a compensation consultant to assist with its responsibilities, as well as the sole authority to approve the consultant's fees, which are then paid by the Company (within any budgetary constraints imposed by the Board).</p>	<p>Members:</p> <p>Stacy Enxing Seng (Chair) Francesco Bianchi Alfred Novak Dr. Arthur Rosenthal</p> <p>Eight meetings in 2021</p> <p>The Compensation Committee Report is on page 36 of this proxy statement.</p>
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Nominating and Corporate Governance Committee

<p>Under the terms of its charter, the Nominating and Corporate Governance Committee is responsible for, among other things:</p> <ul style="list-style-type: none">• Developing and recommending corporate governance principles and policies to our Board;• Administering the process for identifying candidates for membership on the Board, including developing criteria for Board and committee memberships and recommending and recruiting director nominees;• Evaluating the independence and other standards applicable to service on the Board and its committees, including whether each Audit and Compliance Committee member is financially literate and whether the Audit and Compliance Committee has at least one “audit committee financial expert;”• Evaluating and recommending changes, as appropriate, to Board and committee size, composition and chair and committee structure; and administering the process for regular Board and committee self-evaluations;• Preparing and recommending, for Board approval, the Company’s CEO succession planning policies and reviewing succession planning activities; and• Approving, on behalf of the Board such standalone environmental, social and governance filings as may have to be approved by the Board by law or regulation.	<p>Members:</p> <p>Dr. Sharon O’Kane (Chair) Daniel Moore Andrea Saia</p> <p>Four meetings in 2021</p>
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Board Oversight

Board Role in Risk Management

The Board has determined that the Board as a whole, and not a separate committee, will oversee our risk management process. Each of our Board committees has historically and continues to focus on specific risks within their respective areas of responsibility.

The Board uses its committees to assist in its risk oversight responsibility as follows:

- **Audit and Compliance Committee** oversees the integrity of the financial reporting of the Company and its compliance with applicable legal and regulatory requirements. It also oversees our internal controls and compliance activities. The committee regularly discusses our major financial and business risk exposures and certain contingent liabilities and the steps management has undertaken to monitor and control such exposures. The committee also has responsibility for the oversight of the management of cybersecurity risks and is briefed on a quarterly basis by the Company’s Chief Information Security Officer (“CISO”) regarding such risks, as discussed further below.
- **Compensation Committee** oversees risks relating to our compensation policies and practices.
- **Nominating and Corporate Governance Committee** oversees risks relating to succession planning and governance structures in addition to environmental, social and governance (“ESG”) issues. The committee receives quarterly updates on the Company’s ESG efforts in addition to related industry trends.

The Company’s Chief Risk Officer reports to and works with the Board to assess, monitor, and mitigate risks that arise in the course of our business. In addition to our Chief Risk Officer, the Chief Financial Officer,

General Counsel, Chief Accounting Officer, Internal Audit team and CISO are key personnel responsible to the Board for the planning, assessment, and reporting of risks. The Board reviews an assessment of, and a report on, our risk profile delivered by the Chief Risk Officer on a regular basis.

Compensation Risk Management

Our executive compensation program is designed to motivate and reward our executive officers for their performance during the fiscal year and over the long term and for taking appropriate risks toward achieving our long-term financial and strategic growth objectives. The following characteristics of our executive compensation program are designed to reduce the possibility of our executive officers, either individually or as a group, making excessively risky business decisions that could maximize short-term results at the expense of long-term value:

- **Balanced Mix of Pay Components.** The target compensation mix is not overly weighted toward annual incentive awards and represents a balance of base salary, annual short-term incentive compensation in the form of a cash bonus, and long-term equity-based compensation vesting over four years or based on long-term performance objectives;
- **Bracketed Incentive Awards.** Annual cash bonuses can be as little as 0%, but no more than 200%, of target;
- **Stock Ownership Requirement.** Our executive officers and directors are subject to stock ownership requirements, demanding a minimum amount of equity ownership; and
- **Performance Assessments.** Compliance and ethical behaviors are integral factors considered in all performance assessments.

The Company also closely examines its broader compensation policies and actual compensation practices for all employees, including non-executive officers, to assess whether those compensation policies or practices create unreasonable risks. Management conducts the initial risk assessment before presenting potential plans to the Compensation Committee for its review, and, in the case of executive officers, its approval. The Compensation Committee believes that the mix and design of the elements of our compensation program are appropriate and encourage executive officers and key employees to strive to achieve goals that benefit the Company and our shareholders over the long term.

Consideration of Prior Year's Say on Pay Vote

At the 2021 AGM, our "Say on Pay" proposal regarding NEO compensation garnered shareholder support of 90.65% of the votes cast. The advisory vote on the UK directors' remuneration report regarding executive and non-executive director remuneration also showed strong support with 96.6% approval of the votes cast. Each of these proposals is voted on annually. The Compensation Committee reviewed shareholder and other stakeholder feedback along with the results of each of these votes, incorporating them into their compensation decisions.

LivaNova's Compensation Committee considers its remuneration policy annually to ensure that it remains aligned with business needs and is appropriately positioned relative to the market. However, in the absence of exceptional unexpected circumstances requiring a change to that policy, there is no intention to change the policy and we have not revised the policy more frequently than every three years as required by the UK Companies Act 2006. The remuneration policy applies to our directors, including our CEO, who is also our sole executive director. The remuneration policy received the support of 96% of the votes cast in 2019. This policy remains in force until the 2022 AGM. A new remuneration policy is presented to shareholders for approval at the 2022 AGM under Proposal 8.

Cybersecurity Risk Management

We are increasingly dependent on our information technology systems and those of third parties to operate our business. We have dedicated resources and processes to help prevent, detect, and respond to cyber threats. Our information security team, led by the CISO, manages our Information Security Management System ("ISMS") program with the objective of strengthening our cyber resiliency. Our ISMS program leverages leading industry standards, such as the National Institute of Standards Technology (NIST)

cybersecurity framework, ISO 27000 family of Standard, Information Technology Infrastructure Library (ITIL) Processes and other good practice control methods.

The Audit and Compliance Committee oversees our program, policies and procedures related to information asset security and meets quarterly with our CISO who reports on key security metrics, including external events impacting the Company, security incidents, user training and evaluation of user readiness to address cyber incidents.

Environmental, Sustainability and Corporate Social Responsibility

Corporate responsibility and sustainability are integral to LivaNova and guide our actions as a company. We have always focused on delivering strong financial results, but we are committed to doing so in a way that respects the communities and environments in which we operate. In 2020, the Company created the ESG Task Force, a cross-functional team of leaders focused on establishing a comprehensive program optimizing our ESG efforts with full support from the executive team and the Board. The Board has increased its own involvement in the ESG arena by enshrining such matters in the charter of the Nominating and Corporate Governance Committee which now formally maintains oversight for these issues. Since the creation of the ESG Task Force, the Nominating and Corporate Governance Committee receives quarterly updates on the Task Force's progress. In December 2021, management coordinated an ESG panel with the Board, outside counsel, an institutional investor and the Company's ESG consultant to address, among other issues, the duty of the Board with regard to ESG matters, a shareholder perspective on investor expectations with respect to ESG, status of the Company's ESG efforts and future expectations.

We believe that sound environmental performance contributes to our competitive strength while benefiting our customers, stockholders and employees. We are focused on continuous improvement in these areas by reducing pollution, depletion of natural resources and our overall environmental footprint. We work to optimize energy and resource usage, ultimately reducing greenhouse gas emissions and waste.

The Company is required to, and does, report on its greenhouse gas emissions and on certain other environmental and social (including employee) matters in our UK Annual Report which is available on the Company's website.

Human Capital Management

Our almost 3,000 employees worldwide are crucial in our mission to provide hope to our patients and their families through delivering life-changing medical innovation for the head and the heart.

Our Board's committees oversee elements of our culture associated with their area of responsibility. The Compensation Committee is kept informed of our compensation practices, including pay equity, through recurring updates. The Compensation Committee periodically reviews our performance in the development, implementation and effectiveness of our policies and strategies related to human capital management and diversity in our workforce.

The Audit and Compliance Committee is responsible for our ethics and compliance program and regularly receives updates on our culture of integrity and the tone set by our leadership.

Diversity, Equity and Inclusion

The success of LivaNova thrives on the diversity of perspective, thought, experience and background within our workforce. Accordingly, we closely monitor our diversity metrics. As of December 31, 2021, LivaNova had ten directors, 30% of whom are female and 70% of whom are male. Similarly, the Executive Team at the end of 2021 consisted of 10 individuals, 30% of whom are female and 70% are male. Of LivaNova's senior leadership team, which includes the executive team, vice presidents and directors, approximately 31% are women and 69% are men. Finally, as of December 31, 2021, LivaNova employed approximately 3,000 employees, approximately 52% of whom are women and 48% of whom are men. Our strategy for accelerating diversity begins with creating new ways to find extraordinary talent, and examples of our efforts include accurately mapping the talent market, creating job postings that attract highly qualified diverse candidates, expanding the diversity within our interview panels and guiding interviewers to conduct a fair interview process.

To help promote diversity, we also have a variety of diversity affinity initiatives that span the globe. We host two Diversity, Inclusion and Belonging (DIBs) groups, one in North America and one in the Asia Pacific region, with a mission to empower an environment where conversations of diversity and inclusion develop a culture of belonging. These employee-led, executive-sponsored initiatives are committed to building a network of LivaNova employees who embrace an open mindset with an appreciation of diverse experiences and have been meeting regularly. Topics range from inclusivity and harassment in the workplace to multigenerational integration and support for working parents. The discussions are open and thought-provoking, encouraging all to share their story, discuss views or simply be a supporter to the cause.

Our senior leadership team monitors and reviews gender and ethnic diversity across our organization on a monthly, quarterly and annual basis. The Compensation Committee receives similar reports regularly, and the entire Board of Directors is updated on an annual basis. In relation to director onboarding, our Corporate Governance Guidelines require that Board candidates bring diversified attributes to the Board, which encompass gender, race, ethnicity, geography, professional experience, national origin, sexual orientation, life experience, skills and tenure, among others. In the summer of 2021, our Nominating and Corporate Governance Charter was updated to emphasize the benefits of diversity and it currently requires that every slate of directors to be considered must include at least one woman and at least one underrepresented minority.

Shareholder Engagement

We are committed to engagement with our shareholders on executive compensation and corporate governance matters and review all shareholder input and feedback. Since the past proxy season, we engaged with the majority of our top 20 shareholders, who represented nearly 70% of our register as of December 31, 2021. We also met with several other shareholders and potential shareholders during the year. The key topics discussed included COVID-19-related impacts, performance, existing and future products, clinical data and milestones, strategic pipeline initiatives, executive compensation and ESG matters.

We successfully transitioned our investor communication strategy and initiatives to a virtual platform in light of remote working arrangements. As part of our outreach in 2021, we hosted a Virtual Investor Day, which was attended by over 180 external participants and included presentations from members of our executive and senior leadership and key opinion leader clinicians. Executive leadership shared our long-range business plan to maximize growth and shareholder value. Senior leadership, accompanied by key opinion leader clinicians, provided overviews on the Company's business units and strategic pipeline initiatives. The leadership team also was available for Q&A sessions.

Management attended six healthcare conferences including participation in one-on-one and group investor meeting and conducted three virtual investor events as part of an Investor Education Series, which began during 2020 and extended into 2021. These 90-minute events shaped the story around key value creation opportunities — *Therapy for Heart Failure — ART for the Heart; Cardiopulmonary — Nearly Half a Century of Technology; and Unlocking the Difficult-to-Treat Depression Opportunity*. Each event was co-hosted with a sell-side coverage analyst and included Q&A sessions for investors.

Our Board and management value the perspectives of our stockholders and work to provide our stockholders with continuous and meaningful engagement. We value the insights gained from our discussion with our investors and find them to be helpful even when points of view vary.

Succession Planning

Succession planning is a top priority for the Board and our management team, with the objective of having a pipeline of leaders for the immediate future and long term. The Board and management proactively address succession planning, and the Board has delegated the responsibility for CEO and senior management succession planning to the Nominating and Corporate Governance Committee. The Board tasked the Nominating and Corporate Governance Committee with doing so in the context of the challenges and opportunities facing us, of the skills and expertise likely to be required by us in the future and to achieve the benefits of diversity in its widest sense. These processes enable the Board to address both long-term, planned occurrences, such as retirement or change in roles, as well as short-term unexpected events. Similar processes, led by the relevant management team, occur within each of our business units and functions.

Board Independence

The Nominating and Corporate Governance Committee of the Board is empowered by its Board-approved charter to make all determinations of independence required under Nasdaq rules or other applicable laws and regulations, including but not limited to determinations as to which directors are independent, non-employee directors and “audit committee financial experts” as defined by US securities laws. The Nominating and Corporate Governance Committee has also determined that there are no known arrangements, including any pledge by any person of Company securities that may result in a change in control of the Company and no material agreements or arrangements between any director or nominee for director any person or entity, other than the Company, relating to compensation or any other payment in connection with the director or nominee’s candidacy or service.

Under the Nasdaq listing rules, a majority of the members of our Board must qualify as “independent directors.” An “independent director” for Nasdaq purposes is a person other than an executive officer or employee of the Company or any other individual having a relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

The Nominating and Corporate Governance Committee has evaluated all relevant transactions and relationships between each director, or any of his or her family members, and the Company, senior management and our independent registered public accounting firm. Based on this evaluation, the Nominating and Corporate Governance Committee has determined that all of the directors, other than Mr. McDonald, are “independent” as that term is defined in the Nasdaq listing standards and under the US securities laws.

The Board has also determined that all members of the Audit and Compliance Committee meet additional, heightened independence criteria applicable to audit committee members under the Nasdaq listing rules and the applicable rules of the SEC. The Board has further determined that all members of the Audit and Compliance Committee are financially literate and that Todd Schermerhorn (Chair), Francesco Bianchi and Alfred Novak are “audit committee financial experts.”

The Nominating and Corporate Governance Committee has also determined that all members of the Compensation Committee meet independence criteria applicable to compensation committee members under the Nasdaq listing rules and qualify as “non-employee directors” under Rule 16b-3 of the Exchange Act.

The Nominating and Corporate Governance Committee’s determinations for each director as to Nasdaq independence, status as a non-employee director and status as an audit committee financial expert are set out in the table below.

<u>Directors</u>	<u>Nasdaq “Independent Director”</u>	<u>Nasdaq Independence for Compensation Committee Purposes</u>	<u>“Non-Employee Director”</u>	<u>Audit Committee Financial Expert</u>
Francesco Bianchi	X	X	X	X
Stacy Enxing Seng	X	X	X	
William Kozy	X	X	X	
Damien McDonald				
Daniel Moore	X	X	X	
Alfred Novak	X	X	X	X
Dr. Sharon O’Kane	X	X	X	
Dr. Arthur Rosenthal	X	X	X	
Andrea Saia	X	X	X	
Todd Schermerhorn	X	X	X	X

Family Relationships

There are no family relationships among any of our directors or executive officers.

Compensation Committee Interlocks

During the year ended December 31, 2021, the Compensation Committee was composed of Stacy Enxing Seng (Chair), Francesco Bianchi, Alfred Novak and Dr. Arthur Rosenthal. No member of the Compensation Committee is now, or at any time has been, employed by or served as an executive officer of the Company or any of its subsidiaries, or has had any substantial business dealings with the Company or any of its subsidiaries. None of our executive officers currently serves or served in the year ended December 31, 2021 on the board of directors or compensation committee of another company at any time during which an executive officer of such other company served on our Board or Compensation Committee.

Governance Policies and Practices

Stock Ownership Requirements

The Board believes that ownership of our shares by our executive officers and directors further aligns their interests with those of our shareholders. As a result, the Company established stock ownership requirements applicable to those individuals. Failure to maintain the minimum amount of equity ownership once attained may be a factor considered by the Compensation Committee in recommending and/or approving future awards. The market value of equity holdings in the Company is required to be at least:

- Five times base salary for the CEO;
- Three times base salary for all executive officers, other than the CEO; and
- Five times the annual cash retainer for all non-executive directors.

Equity ownership used to determine the market value includes all ordinary shares, all unvested restricted stock units of our ordinary shares and all in-the-money, vested, unexercised stock appreciation rights (calculated based on stock market value, minus exercise price, minus estimated tax expense at a 40% tax rate). The Company includes not only equity owned by the individual but also that held individually by or jointly with the individual's spouse or children.

The Board has determined that those who were not at the level set forth above were making acceptable progress to achieving the required levels of equity ownership and no individual's compensation was adjusted to take into account progress toward the applicable requirements.

Communication with Directors

Any shareholder or other party interested in communicating with members of the Board, any of its committees, the independent directors as a group or any of the independent directors individually may send written communications to LivaNova Plc, 20 Eastbourne Terrace, London, England W2 6LG, Attention: Company Secretary or to company.secretariat@livanova.com. Any communications received in writing are forwarded to the Board, committee or to any individual director or directors to whom the communication is directed, unless the communication is unduly hostile, threatening, illegal, does not reasonably relate to us or our business or is inappropriate. The Company Secretary has the authority to discard or disregard any inappropriate communications or to take other appropriate actions with respect to any such inappropriate communications. The Board will endeavor to promptly respond to all appropriate communications and encourages all shareholders and interested persons to use the aforementioned email and mailing address to send communications relating to our business to the Board and its members.

Code of Business Conduct and Ethics

The Board-approved Code of Business Conduct and Ethics (the "Code") applies to all directors, officers and employees of the Company. The Code is intended to enhance understanding of the Company's standards of ethical business practices and values; provide clarity as to how to address ethical issues that may arise; guide interactions with patients and healthcare professionals; and provide information surrounding our marketing and promotional practices. The Code is designed to deter wrongdoing and to promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts; full, fair, accurate, timely and understandable disclosure in reports and documents that we file with, or submit to, the SEC and in other

public communications made by us; compliance with applicable governmental laws, rules and regulations; the prompt internal reporting of violations of the Code; and accountability for adherence to Code. A copy of the Code is available on our website at *www.livanova.com*. Any change to, or waiver from, the Code will be disclosed as required by applicable securities laws, which disclosure may occur on our website or by filing a Form 8-K.

The Company also has an Ethics and Integrity Program, which is a corporate compliance program, that includes written policies and procedures, training/education and ongoing monitoring to ensure effective implementation and maintenance of the program across the Company. In addition, the Company has a Third Party Code of Ethics and Business Conduct that embraces the key principles of the International Labour Organization's fundamental conventions, because the Company believes that its business can only succeed where the rights of all workers in the value chain of the business are protected and respected. The Company also has a Global Employee Privacy Notice with respect to the rights of an individual to protect his/her personal information and Global Anti-Discrimination and Anti-Harassment Policy to ensure that all LivaNova colleagues can thrive in an inclusive workplace free from all forms of harassment.

Hedging

The Company's Insider Trading Policy provides that the Company's employees and directors and the family members of those individuals may not engage in hedging transactions of any type concerning Company securities, including without limitation puts, calls, equity swaps, collars, exchange funds, prepaid variable forwards or other financial instruments or derivative securities.

Pledging

The Company's Insider Trading Policy also prohibits the pledging of any Company securities by the Company's employees, directors and their family members. Pledging is an activity in which the borrower of funds uses securities as a form of collateral to secure the funds it borrows or takes from the lender.

Related Party Transactions

We recognize that related party transactions involving the Company present a heightened risk of conflicts of interest or the perception of such a conflict. The Board updated its formal written policy for reviewing, approving and ratifying transactions with related parties in October 2021.

Under the policy, any "SEC/Nasdaq Related Party Transaction" may be consummated or may continue only if the Audit and Compliance Committee approves or ratifies the transaction in accordance with the guidelines set forth in the policy.

For these purposes, a "SEC/Nasdaq Related Person" means:

- An executive officer, director or nominee for director;
- A shareholder owning more than 5% of the Company;
- A person who is an immediate family member of someone listed above; and
- An entity that is owned or controlled by someone listed above.

For these purposes, an "SEC/Nasdaq Related Party Transaction" means any transaction, arrangement or relationship, or any series of similar transactions, arrangements, or relationships, in which (i) the Company or any of its subsidiaries is or will be a participant; (ii) the aggregate amount involved will or may be expected to exceed \$50,000, and (iii) any SEC/Nasdaq Related Party has or will have a direct or indirect material interest. It also includes any material amendment or modification to an existing SEC/Nasdaq Related Party Transaction.

The Board has determined that the Audit and Compliance Committee is best suited to review and approve SEC/Nasdaq Related Party Transactions. Prior to entering into an SEC/Nasdaq Related Party Transaction, the SEC/Nasdaq Related Party shall notify the Company's General Counsel and Company Secretary or such designee (each a "Responsible Officer") of the facts and circumstances of the proposed transaction. The Responsible Officer will report the SEC/Nasdaq Related Party Transaction, together with a summary of the material facts, to the Audit and Compliance Committee for consideration at its next regularly scheduled meeting. The Audit and Compliance Committee shall conduct, to the extent reasonably practicable, prior review of the relevant facts and circumstances and either approve or disapprove the entry into the transaction. The Audit and Compliance Committee may approve the transaction only if it determines in good faith that, under all the circumstances, the transaction is in the best interests of the Company and its shareholders. If the Responsible Officer determines that it is impractical or undesirable to wait until an Audit and Compliance Committee meeting to consummate the SEC/Nasdaq Related Party Transaction, the chair of the Audit and Compliance Committee may review and approve the transaction. Any such action must be reported to the Audit and Compliance Committee at its next regularly scheduled meeting. If the Company becomes aware of an SEC/Nasdaq Related Party Transaction that has not been approved under the policy, the Audit and Compliance Committee shall review the transaction and if the Audit and Compliance Committee determines it is appropriate, ratify it at its next regularly scheduled meeting. In any case where the Audit and Compliance Committee determines not to ratify the transaction that has been commenced without approval, it may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction, or modification of the transaction to make it acceptable for ratification.

The Board recognizes that a member of our management team or a director may be presented with a significant business opportunity that may equally be available to the Company, either directly or via referral. Before the opportunity may be consummated by a Related Party (other than an otherwise unaffiliated 5% shareholder), the opportunity must be presented to the Audit and Compliance Committee for consideration. The Audit and Compliance Committee, in its discretion, may present the opportunity to the Board for consideration.

In the fiscal year ended December 31, 2021, there were no Related Person Transactions and no such transactions are currently proposed.

Availability of Governance Documents

Our Corporate Governance Guidelines, charters of the committees of the Board and Code of Business Conduct and Ethics are available on our website and in print to any shareholder who requests any of these. To access these documents from our website, go to www.livanova.com, select the "Investor" link, and then click on the "Corporate Governance" menu located in a horizontal list in the middle of the screen. Requests for a printed copy should be addressed to LivaNova Plc, 20 Eastbourne Terrace, London, England W2 6LG, Attention: Company Secretary.

Board of Directors

Our Articles of Association provide that the number of directors shall be ten unless otherwise decided by the Board. Upon the recommendation of our Nominating and Corporate Governance Committee, the Board has nominated the persons named under Proposal No. 1 to serve as directors until the 2023 AGM or their earlier resignation or removal. All directors are elected annually.

Board Qualifications and Refreshment

The selection process for directors is set out in our Corporate Governance Guidelines and in the charter of the Nominating and Corporate Governance Committee. These documents are available at <https://investor.livanova.com>. The charter authorizes the Nominating and Corporate Governance Committee to determine the qualifications, qualities, skills and other expertise required to be a director but also sets out certain minimum qualification requirements:

- high ethical behavior;
- accomplishments within their respective fields;
- relevant business and financial expertise and experience;
- sound business judgment; and
- diversity, including with respect to gender, race/ethnicity, geography, professional experience, skills and tenure and the charter of the Nominating and Corporate Governance Committee demands that every slate of directors to be considered must include at least one woman and at least one underrepresented minority.

The Board has not introduced term or age limits. While term limits may foster fresh ideas and viewpoints, they hold the disadvantage of losing the contribution of directors who have been able to develop, over a period of time, increased insight into the Company and its operations and, therefore, provide significant contributions to the Board as a whole. As an alternative to term limits, the Nominating and Corporate Governance Committee reviews each director's continued tenure on the Board annually. The Company's Corporate Governance Guidelines provide that the Board will consider rotation of the Chair of the Board and Committee Chairs after a Chair has served for approximately five successive years after balancing the benefits of rotation against the benefit of continuity, experience and expense.

The Nominating and Corporate Governance Committee conducts an annual skills analysis and considers that analysis in the context of the Company's strategic plan in order to identify skills and expertise required to lead the Company now and in the future. It also considers the results of the Board and its committees' annual self-assessments. These assessments are used to enhance the effectiveness of the Board and its committees. The assessments are also used to identify any further gaps as well as Board succession planning and ultimately determines the qualifications, qualities, skills and other expertise (in addition to the minimum requirements set out above) desired at this juncture in the Company's development. The Nominating and Corporate Governance Committee then assesses all current directors who expressed an interest in being re-nominated as well as potential new candidates and makes its recommendation to the Board.

The Nominating and Corporate Governance Committee may consider candidates for our Board from any reasonable source, including from a search firm engaged by the committee and shareholder recommendations subject to the procedures set forth below and the full procedures identified in our Corporate Governance Guidelines. Any invitation to join our Board is extended by the Board and by the Chair of the Nominating and Corporate Governance Committee.

Although we do not have a formal policy with regard to the consideration of any director nominees recommended by shareholders, a shareholder or group of shareholders may recommend potential candidates for consideration. We do not have such a policy because the Nominating and Corporate Governance Committee believes that it can adequately evaluate any such nominees on a case-by-case basis.


Nominees for consideration by the Nominating and Corporate Governance Committee may be sent in writing to the Office of the Company Secretary, by mail at 20 Eastbourne Terrace, London W2 6LG, United Kingdom, not less than 90 nor more than 120 days prior to the first anniversary of the AGM in the

previous year. The written nomination must include all information relating to such director nominee that is required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors, or otherwise required, pursuant to Regulation 14A under the US Securities Exchange Act of 1934, as amended (the “Exchange Act”), including such person’s written consent to be named in the proxy statement as a nominee and to serve as a director if elected. In addition, the nomination must include:

- the nominating shareholder’s or shareholders’ name(s) and address(es) as they appear on the Company’s books;
- the class and number of shares beneficially owned by the nominating shareholder(s);
- a description of all agreements, arrangements and understandings between such shareholder(s), each proposed director nominee and any other person or persons (including their names) in connection with the nomination;
- any other information relating to such shareholder(s) that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies pursuant to Regulation 14A under the Exchange Act; and
- to the extent known by the shareholder(s) giving notice, the name and address of any other shareholder(s) supporting the election of the nominee.

From time to time, the Nominating and Corporate Governance Committee may request additional information from the nominee or the nominating shareholder(s). Potential nominees suggested by shareholders are evaluated by the Nominating and Corporate Governance Committee in the same manner as other potential candidates.

Director Nominees

FRANCESCO BIANCHI		
	Chair of Seven Capital Partners S.r.l., a financial consulting firm, since June 2018. He previously served as the Chief Executive Officer of Seven Capital Partners and has been with the firm since 2013. Mr. Bianchi has 30 years of mergers and acquisitions and strategic advisory experience working for well-recognized international financial institutions including JPMorgan Chase (Paris), Morgan Grenfell (London), Citi (Milan) and Bankers Trust (Milan), where he served in various roles including general manager and head of the mergers and acquisitions and corporate finance division. He also headed the strategic planning division of Banca-Intesa S.p.A. in Italy and abroad. Mr. Bianchi earned a degree in economic sciences with honors from the University of Florence and is a chartered accountant.	
INDEPENDENT	Committees:	Director Skills and Qualifications:
Age 65	• Audit and Compliance; Compensation	• Mr. Bianchi is an audit committee financial expert and has an extensive professional background working in strategy and mergers and acquisitions.
Seven years of service (since 2015)	Other Public Company Directorships During the Past Five Years:	
	• Intesa Sanpaulo S.p.A.	

STACY ENXING SENG



Operating Partner with Lightstone Ventures, a venture capital group focused on medical technology and biotechnology-related investments, since 2016. Prior to joining Lightstone, Ms. Enxing Seng was with Covidien, a global health care products company, as its President, Vascular Therapies (2011 to 2014) and President of Peripheral Vascular (2010 to 2011). Ms. Enxing Seng joined Covidien in 2010 through the \$2.6B acquisition of ev3 Incorporated, where she was a founding member and executive officer responsible for leading its Peripheral Vascular division (2001 to 2010). Prior to ev3, Ms. Enxing Seng held positions of increasing responsibility with Boston Scientific, SCIMED, Baxter and American Hospital Supply. She holds a B.A. in Public Policy from Michigan State University and an M.B.A. from Harvard University.

INDEPENDENT

Age 57

Three years of service (since 2019)

Committees:

- Compensation (Chair)

Other Public Company Directorships During the Past Five Years:

- Sonova Holding AG (current); Hill-Rom Holdings, Inc.

Director Skills and Qualifications:

- Ms. Enxing Seng has broad experience as a former senior executive responsible for a world-wide business unit of a major medical device company. In addition, she has significant experience as a co-founder of a successful medical device start-up. Her operational experience at both large and small medical device companies, combined with her first-hand experience gained from building ev3 from the ground up, provide the Board with valuable insights into strategy, marketing, sales, innovation, mergers and acquisitions and a variety of other medical device-related areas.

WILLIAM KOZY



Retired from Becton, Dickinson and Company, a global medical technology company, in 2016 where Mr. Kozy served as Executive Vice President and Chief Operating Officer from 2011 to 2016. At Becton Dickinson, he also served as a member of the corporate Leadership Team and in various executive roles since 1988, including head of BD Medical (2009 to 2011), President of the BD Biosciences segment (2006 to 2009), President of BD Diagnostics (2002 to 2006) and Senior Vice President of Company Operations (1998 to 2002). Mr. Kozy holds a B.A. from Kenyon College.

INDEPENDENT

Age 70

Four years of service (since 2018)

Committees:

- None, as Chair of the Board

Other Public Company Directorships During the Past Five Years:

- Cooper Companies, Inc. (current)

Director Skills and Qualifications:

- Mr. Kozy has a career spanning more than 40 years with global medical device companies. Prior to serving as COO for Becton Dickinson, Mr. Kozy's key business worldwide leadership roles included responsibility for the Biosciences, Diagnostic and Medical segments of Becton Dickinson. During his time at Becton Dickinson, he was responsible for all world-wide businesses of the company with leadership emphasis on profitable revenue growth and talent development. He also brings a depth of corporate leadership experience in the areas of innovation systems, operations, manufacturing and ERP implementation as well as his broad and relevant experience in global strategy, mergers and acquisitions, technology and product development.

DAMIEN MCDONALD



Age 57

Five years of
service
(since 2017)

CEO and an executive director of the Company since January 2017 and served as the Company's Chief Operating Officer from October through December 2016. Prior to joining the Company, Mr. McDonald was a Group Executive with Danaher Corporation, a global manufacturer of medical, industrial and commercial products, where he was Group President, Professional Consumables (2013 to 2016). From 2011 to 2013, Mr. McDonald served as Group President of Kerr Corporation, a subsidiary of Danaher, where he was responsible for a dental consumable business with operations in the US, Mexico, Switzerland, Italy and the Czech Republic. In 2010, Mr. McDonald undertook special projects for Danaher. From 2007 to 2010, Mr. McDonald was President, Zimmer Spine at Zimmer Holdings, where he was responsible for divisions in the US and France. From 1999 to 2007, Mr. McDonald had various roles with Johnson and Johnson. Mr. McDonald holds bachelor's degrees in pharmacy and economics from the University of Queensland in Australia, a master's degree in international economics from the University of Wales, and an M.B.A. from the Institute for Management Development in Lausanne.

Committees:

- None, as CEO

Director Skills and Qualifications:

- Mr. McDonald has extensive management experience in the medical device and life sciences industries and serves as the CEO of the Company.
-

DANIEL MOORE



INDEPENDENT

Age 61

Seven years of
service
(since 2015)

Private investor. Mr. Moore served as President and CEO and a member of the board of Cyberonics, Inc., a medical device company with core expertise in neuromodulation, from 2007 to 2015 when Cyberonics merged with Sorin S.p.A. to form the Company. Mr. Moore joined Cyberonics after 18 years with Boston Scientific where he was President of InterContinental as well as having roles in general management, sales and marketing earlier in his career. Mr. Moore has a B.A. from Harvard College and an Executive M.B.A. from Boston University.

Committees:

- Nominating and Corporate Governance

Other Public Company Directorships During the Past**Five Years:**

- ViewRay, Inc. (current)

Director Skills and Qualifications:

- Mr. Moore has extensive experience working with cutting edge medical device companies, including leadership of Cyberonics. He has significant experience in domestic and international general management and sales and marketing. Mr. Moore serves or has served on the boards of several medical device companies, the Epilepsy Foundation of America and other non-profits focused on epilepsy, the Medical Device Manufacturers Association and the Advisory Board of Purdue University's Weldon School of Biomedical Engineering.
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DR. SHARON O'KANE



Non-executive director of the Health Products Regulatory Authority Board in Ireland and has a Visiting Professorship at Ulster University where she advises the Faculty of Life and Health Sciences. She has also served as an Entrepreneur in Residence at University College Dublin since 2015. She was also an expert advisor to the Stevenage Bioscience Catalyst Facility at GlaxoSmithKline, a global healthcare company (2012 to 2019) and a Commercial Mentor to Queen's University, Belfast (2016 to 2019). Previously, Dr. O'Kane served as Entrepreneur in Residence at the University of Manchester Intellectual Property Company UMIP (2009 to 2014). Dr O'Kane co-founded and, from 1998 to 2010, was the Chief Scientific Officer, and a Director of Renovo Group Plc, a UK biotech company. Dr. O'Kane earned a B.Sc (Honours) First Class in Biomedical Sciences from the University of Ulster from which she also earned a Ph.D. in Biomedical Sciences. She also earned a Diploma in Company Direction from the Institute of Directors.

INDEPENDENT

Age 54

Seven years of service (since 2015)

Committees:

- Nominating and Corporate Governance (Chair)

Director Skills and Qualifications:

- Dr. O'Kane has extensive experience in healthcare, both in the academic and government realms and in research and development (R&D) capacities. She has served on the board of directors of several biotech and healthcare companies and organizations and has held numerous positions advising healthcare and biotech companies, governmental bodies and universities. Dr. O'Kane was also a co-founder, Chief Scientific Officer and executive director of Renovo Group Plc and was responsible for growing the university spin-out to a public company, and a non-executive director of Iomet Pharma Ltd. Dr. O'Kane received corporate director governance training at the Institute of Directors and Harvard Business School.

ANDREA SAIA



Retired from the Alcon Division of Novartis AG, a global healthcare company, where Ms. Saia served as Global Head of Vision Care from 2011 to 2012. Prior to this role, she served as President and CEO of CibaVision Corporation, a subsidiary of Novartis, from 2008 to 2011. From 2005 to 2007, Ms. Saia served as President of Europe, Middle East and Africa operations, CibaVision's largest regional business unit. She joined CibaVision in 2002 as Global Head of Marketing and was promoted to President of the Global Lens Business in 2003. Prior to joining Novartis, Ms. Saia was the Chief Marketing Officer for GCG Partners and also held senior management and marketing positions with global consumer products companies such as Procter & Gamble Co., Unilever and Revlon, Inc. Ms. Saia earned her B.S. in Business Administration from Miami University and her M.B.A. from J.L. Kellogg Graduate School of Management.

INDEPENDENT

Age 64

Six years of service (since 2016)

Committees:

- Audit and Compliance; Nominating and Corporate Governance

Other Public Company Directorships During the Past Five Years:

- Align Technology, Inc. (current); Outset Medical, Inc. (current)

Director Skills and Qualifications:

- Ms. Saia is an accomplished global business executive with nearly 40 years' experience in the medical device and consumer products industries including multinational companies such as Novartis, Unilever, Revlon and Procter & Gamble, and continuing involvement in business matters as a member of the Miami University Farmer School of Business Advisory Board. She has extensive global business experience, a broad understanding of healthcare, medical device and consumer products industries, strong management skills and significant operations experience.

TODD SCHERMERHORN



INDEPENDENT

Age 61

One years of
service
(since 2020)

Retired from C. R. Bard, Inc., a multinational developer, manufacturer and marketer of life-enhancing medical technologies, where Mr. Schermerhorn served as Senior Vice President and Chief Financial Officer from 2003 to 2012. Prior to that, he had been Vice President and Treasurer of C. R. Bard (1998 — 2003). From 1985 to 1998, Mr. Schermerhorn held various other management positions with C. R. Bard. Mr. Schermerhorn received a BS from the University of Lowell and an MBA from Babson College.

Committees:

- Audit and Compliance (Chair)

Other Public Company Directorships During the Past Five Years:

- The Travelers Companies, Inc. (current), The Spectranetics Corporation

Director Skills and Qualifications:

- Mr. Schermerhorn served as the Chief Financial Officer of a publicly traded company and has significant experience and expertise in management, accounting and business operations. Mr. Schermerhorn is also an audit committee financial expert.

PETER WILVER



INDEPENDENT

Age 62

Retired from Thermo Fisher Scientific Inc., a provider of laboratory products and services, where Mr. Wilver served as Executive Vice President and Chief Administrative Officer from August 2015 to March 2017, and as Senior Vice President and Chief Financial Officer from 2006 through July 2015. He served as Vice President and Chief Financial Officer of Thermo Electron from 2004 to 2006 and as Thermo Electron's Vice President, Financial Operations from 2000 to 2004. Before joining Thermo Electron, Mr. Wilver held financial leadership roles at Honeywell International, Grimes Aerospace Company and General Electric Company. Mr. Wilver holds a BS in Business Administration in Accounting from The Ohio State University.

Other Public Company Directorships During the Past Five Years:

- Evoqua Water Technologies Corporation (current), Shoals Technology Group (current), CIRCOR International, Inc. and Tenet Healthcare Corporation

Director Skills and Qualifications:

- Mr. Wilver served as the Chief Financial Officer of a publicly traded company and has significant experience and expertise in strategic planning and business development as well as in leading the financial, accounting and investor functions of large, multinational manufacturing companies.

Director Compensation

The Compensation Committee reviews the total compensation paid to our non-employee directors and non-executive Chair of our Board. The purpose of the review is to ensure that the level of compensation is appropriate to attract and retain a diverse group of directors with the breadth of experience necessary to perform our Board's duties and to compensate our directors fairly for their services. The review includes the consideration of qualitative and comparative factors. To ensure directors are compensated relative to the scope of their responsibilities, the Compensation Committee considers the factors set out in the Company's remuneration policy and the non-employee director compensation policy which governs payments to all directors, including non-executive directors. Some of the factors considered include: the time and effort involved in preparing for Board and committee meetings and the additional duties assumed by committee Chairs and the Chair of our Board; the level of continuing education required to remain informed of broad corporate governance trends and material developments relevant to strategic initiatives within our company; and the compensation paid to directors at a peer group of companies as determined by the Compensation Committee with advice from its compensation consultant.

Director fees for 2021 for our non-employee directors were consistent with the prior year. In 2021, non-employee directors who served on the Company's Board received the following fees paid in cash for their service on the Board:

- annual board retainer fee of \$110,000 (\$185,000 for the Board Chair)
- committee Chair fees:
 - \$15,000 (Nominating and Corporate Governance Committee)
 - \$20,000 (Compensation Committee)
 - \$30,000 (Audit and Compliance Committee)

- committee member fees (for members other than the committee Chairs):
 - \$6,000 (Nominating and Corporate Governance Committee)
 - \$8,000 (Compensation Committee)
 - \$15,000 (Audit and Compliance Committee)

In 2021, each of our non-executive directors was also granted RSUs with a grant date fair market value of \$110,000, other than our Board Chair who received an RSU award with a grant date fair market value of \$185,000. These are service-based awards that vest after one year. In the event of a termination prior to the end of a director's term, these RSUs are prorated.

The compensation for the non-executive directors remained flat from 2015 through 2021. On the advice of its compensation consultant, Pearl Meyer, the Compensation Committee recommended to the Board an increase in the grant value of the annual service-based share awards for non-executive directors of \$20,000 (to \$130,000 for all non-executive directors other than the Chair of the Board, and to \$205,000 for the Chair of the Board). On April 20, 2022, the Board approved this increase, which will go into effect after the 2022 AGM. In addition, in recognition of the additional work required by members of the NCG Committee and by its Chair to oversee the Company's ESG initiatives, on April 20, 2022, the Board approved a \$2,000 increase in the NCG Committee fee other than for the Chair of the NCG Committee, and an increase of \$5,000 for the Chair of the NCG Committee. The change will take effect after the 2022 AGM.

The following table sets forth a summary of the compensation due to our non-employee directors in the year ended December 31, 2021:

Name	Fees Earned in Cash (\$)	Stock Awards \$(8)	Total (\$)
William Kozy ⁽¹⁾	154,481	184,991	339,472
Daniel Moore ⁽²⁾	146,519	109,982	256,501
Todd Schermerhorn ⁽³⁾	133,365	109,982	243,347
Francesco Bianchi	133,000	109,982	242,982
Alfred Novak	133,000	109,982	242,982
Andrea Saia ⁽⁴⁾	131,000	109,982	240,982
Dr. Sharon O'Kane	125,000	109,982	234,982
Stacy Enxing Seng ⁽⁵⁾	124,692	109,982	234,674
Dr. Arthur Rosenthal ⁽⁶⁾	123,308	109,982	233,290
Hugh Morrison ⁽⁷⁾	61,923	—	61,923

- (1) Reflects the fees earned until the 2021 AGM as a member of the Nominating and Corporate Governance Committee and after the 2021 AGM as Chair of the Board. Due to a clerical error, an amount of \$2,274.73 was underpaid in 2021 and corrected in 2022.
- (2) Reflects the fees earned until the 2021 AGM as Chair of the Board and after the 2021 AGM as a member of the Nominating and Corporate Governance Committee.
- (3) Reflects the fees earned until the 2021 AGM as a member of the Audit and Compliance Committee and after the 2021 AGM as Chair of the Audit and Compliance Committee. Due to a clerical error, an amount of \$495 was underpaid in 2021 and corrected in 2022.
- (4) Due to a clerical error, Ms. Saia's 2020 fees were understated by \$3,033 in the 2020 Proxy Statement. In addition, due to a clerical error, an amount of \$1,533 was overpaid in 2021 and recovered in 2022.
- (5) Reflects the fees earned until the 2021 AGM as a member of the Compensation Committee and after the 2021 AGM as Chair of the Compensation Committee. Due to a clerical error, an amount of \$396 was underpaid in 2021 and corrected in 2022.
- (6) Reflects the fees earned until the 2021 AGM as Chair of the Compensation Committee and after the 2021 AGM as a member of the Compensation Committee.

- (7) Reflects the fees earned until the 2021 AGM as Chair of the Audit and Compliance Committee. Due to a clerical error, Mr. Morrison's 2020 fees were overstated by \$3,033 in the 2020 Remuneration report. In addition, due to a clerical error, an amount of \$1,533 was underpaid in 2021 and corrected in 2022.
- (8) Amounts reflect the full grant date fair value of RSUs granted in 2021 computed in accordance with FASB ASC Topic 718, rather than the amounts paid to or realized by the named individual. We provide information regarding the assumptions used to calculate the value of all stock awards and option awards made to our directors in "Note 2. Basis of Presentation, Use of Accounting Estimates and Significant Accounting Policies in the Company's US Annual Report on Form 10-K for the year ended December 31, 2021. The RSUs shown in the table will generally vest on the earlier of (i) June 15, 2022 and (ii) the date of a Change in Control. As of December 31, 2021, all RSU awards reflected in the column were unvested. The stock award values shown above correspond to the following number of RSUs: for Mr. Kozy 2,264 RSUs; and for all other directors listed above, 1,346 RSUs.

Executive Officers

Name	Age	Position
Damien McDonald	57	Chief Executive Officer
Alex Shvartsburg	52	Chief Financial Officer
Keyna Skeffington	60	Senior Vice President, General Counsel and Corporate Secretary
Marco Dolci	60	President, Cardiopulmonary Business Unit
Trui Hebbelinck	50	Chief Human Resources Officer

Damien McDonald's biographical information is set forth under “*Director Nominees.*”

Alex Shvartsburg joined LivaNova in September 2017 as Vice President Finance Strategy & Innovation (2017 — January 2020) and then became Vice President Corporate Finance & Chief Financial Officer, International Markets (January 2020 — November 2020). He assumed the role of Interim Chief Financial Officer in November 2020 and became CFO in July 2021. Prior to joining the Company, Mr. Shvartsburg was Chief Financial Officer/Chief Operating Officer of Caligor Coghlan (f/k/a CaligorRx), a pharmaceutical services company (June 2016 — September 2017); Vice President Finance Genetic Science Division at Thermo Fisher Scientific (January 2014 — June 2016); and Sr. Finance Director, Mergers & Acquisitions with Life Technologies (June 2012 — January 2014). Earlier in his career he held positions of increasing responsibility in Finance. Mr. Shvartsburg holds a BS in Accounting from Drexel University — College of Business and Administration and an MBA from La Salle University.

Keyna Skeffington joined LivaNova in June 2017 in the role of Senior Vice President and General Counsel and became Company Secretary in October 2019. Prior to joining the Company, Ms. Skeffington served in various roles at Medtronic Plc, a medical device company, from 2004 to 2017, most recently as Vice President of Legal — Corporate and Securities and Assistant Secretary (2006 to 2017). She also served as Senior Legal Counsel for Medtronic's Cardiac Surgery Business from 2005 to 2006. Before joining Medtronic, Ms. Skeffington was a Partner at the firm now known as Faegre Drinker Biddle & Reath LLP. Ms. Skeffington holds a BA in International Relations and Russian from Mount Holyoke College and a JD from Tulane University Law School.

Marco Dolci joined LivaNova in March 2017 as President, Europe, served as President, Europe and Head of Global Manufacturing Operations (December 2018 to January 2020), SVP, Global Operations and R&D (January 2020 to January 2022) and, since February 2022, President, Cardiopulmonary Business Unit. Prior to joining the Company, Mr. Dolci was with Danaher Corporation, a manufacturing conglomerate, as its Vice President of Danaher Business System — Dental Consumable Platform (April 2016 to March 2017); President of Global Digital Dentistry (November 2014 to April 2016); President — Dental Consumable Platform — EMEA, Asia and Pacific Region (December 2012 to December 2014); and President, Kerr EMEA (October 2010 to December 2012). Prior to his tenure at Danaher, Mr. Dolci served as President and CEO, EMEA for Hitachi Medical System Europe Holding AG. Earlier in his career, he worked in various positions at Eastman Kodak S.A. — Health Care Division, GE Healthcare and Philips Medical Systems. Mr. Dolci holds a master's degree in nuclear physics from University of Milan and an Executive M.B.A. from Polytechnic University of Milan.

Trui Hebbelinck joined LivaNova in March 2019 as the Company's Chief Human Resources Officer and oversees global human resources. Prior to joining LivaNova, Ms. Hebbelinck served as VP, Human Resources Trading & Supply with Royal Dutch Shell plc, a global petrochemical company, from September 2015 to March 2019 and as its VP HR Operations UK, Ireland, Nordics, South Africa from January 2014 to September 2015. Prior to Shell, Ms. Hebbelinck served as VP, HR International with General Electric Corporation and in Human Resources with GE Capital Real Estate and GE Healthcare. Ms. Hebbelinck earned a Master of Science in Psychology from Ghent University and a post-graduate degree in Business Management & Administration from the University of Leuven.

Executive Compensation

Compensation Discussion & Analysis

This Compensation Discussion and Analysis (“CD&A”) describes our executive compensation programs for our Named Executive Officers (“NEOs”) and the oversight exercised by the Compensation Committee in setting executive compensation for the year ended December 31, 2021. This CD&A supplements and should be read together with the compensation tables and related disclosure following this CD&A.

Our Named Executive Officers

Our NEOs for the year ended December 31, 2021 are:

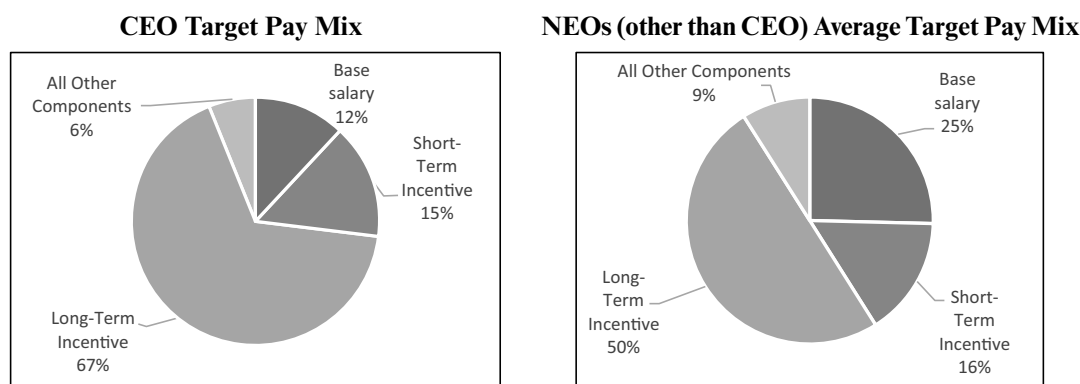
- Damien McDonald, Chief Executive Officer;
- Alex Shvartsburg, Chief Financial Officer;
- Marco Dolci, formerly SVP, Global Operations and R&D and, since February 2022, President, Cardiopulmonary Business Unit;
- Keyna Skeffington, SVP, General Counsel and Corporate Secretary; and
- Trui Hebbelinck, Chief Human Resources Officer.

CD&A Executive Summary

2021 — Compensation at Risk

As indicated by the pie charts below, a majority of the compensation of the Company’s NEOs is at risk. The Company’s focus on pay for performance is embedded in its compensation programs described more fully in this Compensation, Discussion and Analysis.

The following pie charts show the relative weighting of target pay for our CEO and the average for the other NEOs as a group for 2021:



Pay for Performance

For 2021, our Short-Term Incentive Plan paid a bonus at greater than 140% of target based on the achievement of set financial and non-financial objectives. The level of performance resulted in the achievement of the performance-based elements of adjusted free cash flow and return on invested capital being earned in our 2021 Long-Term Incentive Plan though the award of those units remains subject to two additional years of service-based vesting. Performance stock units granted in 2019 were subject to a three-year cliff vesting period with vesting contingent upon the Company achieving a three-year (2019-2021) comparative total shareholder return of at least the 30th percentile of the comparator group. As this was not achieved, these PSUs did not vest and all of the related stock units were cancelled. Further details regarding

these plans, the bonus paid to our NEOs and the elements of our pay-for-performance compensation program are described more fully later in this Compensation, Discussion and Analysis.

Executive Compensation Pay Practices

Our market-competitive executive compensation program is designed to attract and retain executives who perform at a high level and contribute to the success of the Company. It also provides strong financial incentives for the NEOs to increase shareholder value. To accomplish these objectives, the Company pays its NEOs a base salary in cash; a bonus in cash based on whether the metrics of the Short-Term Incentive Plan are achieved; equity in the form of service-based awards and performance-based awards; and other employment benefits. All of these are more fully described in this Compensation, Discussion and Analysis and in the narrative and tables below.

The following table sets out what we do and what we do not do in our executive compensation program to drive results for our shareholders:

What We DO:	What We DO NOT Do:
Target NEO pay around the market median to attract, motivate and retain talented executive officers with the skills and experience to ensure our long-term success	We prohibit the payment of excise tax gross-ups
Use multiple pay and award vehicles that work together to reward performance and retain talent, while maintaining alignment with shareholder interests	We prohibit stock option repricing and discounted stock option grants
Reward individual performance with base salary and a cash-based short-term bonus while ensuring a meaningful link to our operational performance and shareholder interests	We prohibit hedging transactions for any type of Company security, including without limitation puts, calls, equity swaps, collars, exchange funds, prepaid variable forwards or other financial instruments or derivative securities
Balance the components of compensation so that short-term (annual) and long-term performance objectives are recognized because our success depends on our executive officers being focused on critical strategic and tactical objectives, both in the short-term and long-term	We prohibit our officers or directors from pledging Company securities
Pay a substantial portion of each NEO's compensation as variable pay contingent upon the achievement of our business objectives	
Require NEOs to have a meaningful ownership interest in the Company with stock ownership requirements	
Vest equity awards over time to promote retention and mitigate risks	
Have the ability to clawback awards in specified situations through our LivaNova Compensation Recoupment Policy	

Participants in Executive Compensation Design and Decision-Making Process

Role of the Compensation Committee

The Compensation Committee determines our compensation philosophy and program design and is the decision-making body on all matters relating to the compensation paid to our NEOs. The Compensation

Committee has the sole authority to retain and terminate a compensation consultant to assist with its responsibilities as well as the sole authority to approve the compensation consultant's fees, which the Company pays. For more information about the Compensation Committee, its members and its duties as set forth in its charter, please refer to the section entitled "Corporate Governance — Role of the Board of Directors" beginning on page 4 of this proxy statement.

Role of the Compensation Consultant

The Compensation Committee directly engages a compensation consultant, Pearl Meyer & Partners, LLC ("Pearl Meyer"), to advise it on competitive pay practices, recommend a peer group for compensation purposes, provide market data and assist us in the analysis of that data. During 2021, Pearl Meyer did not perform any services for the Company or any of its executive officers or other employees. Based on these factors, the Compensation Committee's evaluation of Pearl Meyer's independence pursuant to the requirements approved and adopted by the SEC and Nasdaq and information provided by Pearl Meyer, the Compensation Committee determined that the work performed by Pearl Meyer did not raise any conflicts of interest.

Role of the CEO

Our Compensation Committee works with our executive management, including our CEO, to oversee our executive compensation program. Our CEO plays a key role in the process as it relates to executive officers other than himself. For the NEOs other than himself, our CEO:

- Recommends performance objectives for our annual short-term incentive plan ("STIP");
- Recommends adjustments to annual base salaries and target amounts under our STIP;
- Recommends equity incentive awards under our long-term incentive plan ("LTIP");
- Prepares an evaluation of each executive officer; and
- Prepares an analysis of performance objective achievements and recommends annual bonus amounts.

With respect to himself, our CEO prepares a self-evaluation that is reviewed by the Compensation Committee and used by the Compensation Committee in setting his compensation.

Executive Compensation Philosophy

The Compensation Committee has structured the Company's executive compensation program to incentivize our NEOs to perform at the highest level, take appropriate risks and drive shareholder return in the short and long term. We determine the compensation strategy for our NEOs and oversee its operation to ensure our goals — shareholder alignment, rewarding appropriate performance and competitive pay — are achieved in practice.

Our executive compensation program aims to ensure that we recruit and retain key executive officers responsible for our success and align the interests of our executive officers, including our NEOs, with shareholders. To achieve these ends, the Compensation Committee's executive compensation decisions are based on the following principal objectives:

- **Providing a competitive compensation package that attracts, motivates and retains talented executive officers with the skills and experience to ensure our long-term success, and enhance shareholder value.** We have included multiple pay and reward vehicles that work together to achieve our overall compensation objectives. These vehicles deliver a competitive package that focuses on rewarding performance and retaining talent, while maintaining alignment with shareholder interests.
- **Ensuring a meaningful link to our operational performance, shareholder interests, corporate governance and the total compensation received by our executive officers.** A substantial portion of each executive officer's compensation is based on the collective performance of our management team, as measured by the achievement of specific, key company objectives. The emphasis on overall performance is designed to focus our executive officers, working as a team, on a common purpose,

using shared performance standards aligned with shareholder interests and the highest levels of integrity, teamwork and ethical standards within the Company.

- **Balancing the components of compensation so that short-term (annual) and long-term performance objectives are recognized.** Our success depends on our executive officers being focused on the critical strategic and tactical objectives, both short-term and long-term, that lead to our success as a company. The components of our compensation package, coupled with the performance objectives, align our executive compensation with our business objectives. The design of the program, the selected performance objectives, and the timing of awards and pay-outs are all intended to drive business performance and increase shareholder returns.
- **Considering, among other things, comparable pay levels and structures in the US, the UK and the international medical devices industry.**

How We Establish Executive Compensation Levels

In making executive compensation determinations, the Compensation Committee relies on several factors to set compensation elements and compensation targets consistent with our executive compensation program objectives. These factors include:

- **Assessment of Company Performance.** The Compensation Committee establishes specific, objectively measurable company performance objectives that the Board, the Compensation Committee and management believe will drive shareholder value. Achievement or failure to achieve those performance objectives determines substantially all of the pay-outs under the STIP (individual objectives may also be relevant depending on the year) and the lapsing or not of forfeiture restrictions on performance-based equity incentive awards under the LTIP.
- **Assessment of Individual Performance.** Individual performance has a strong impact on compensation.
 - **CEO.** The Compensation Committee meets with our CEO at the end of the year to agree on the CEO's performance objectives for the next year. At the end of the year, the Compensation Committee and the Chair of the Board meet in executive session to assess the CEO's performance against his performance objectives, his contribution to our performance, his ethics and integrity and other leadership attributes.
 - **Other NEOs.** For all other NEOs, the Compensation Committee receives performance assessments and compensation recommendations from the CEO and also exercises its judgment based on the Board's interactions with the individuals. As with the CEO, an executive officer's performance assessment is based on individual achievements and contributions, contribution to our company's performance, ethics and integrity and other leadership accomplishments.
- **Benchmarking Analysis.** The Compensation Committee reviews peer-group data as a market check for compensation decisions, but does not base compensation targets on peer-group data alone. The Compensation Committee compares the overall pay of individual NEOs to the most relevant benchmarking data available from its independent advisor, Pearl Meyer. The NEOs' pay is driven primarily by individual and Company performance, as well as internal pay equity; peer group data is used as a market check to compare individual pay to comparable roles among our peer group. Pearl Meyer uses the peer group companies as well as survey data from Radford Aon to perform the benchmark analysis. Radford Aon is the compensation survey platform LivaNova uses for salary benchmark data.

The peer group used to benchmark executive compensation for the year ended December 31, 2021 consisted of the following companies selected by the Compensation Committee based upon the recommendation of its independent compensation consultant, Pearl Meyer:

Abiomed, Inc

Avanos Medical, Inc.

Cantel Medical Corp.

CONMED Corporation

Integra LifeSciences Holdings Corporation

iRhythm Technologies, Inc.

Masimo Corporation

Merit Medical Systems, Inc.

Envista Holdings Corporation
Globus Medical, Inc.
Haemonetics Corporation
Hill-Rom Holdings, Inc.
ICU Medical, Inc.
Integer Holdings, Corporation

Nevro Corp.
Nuvasive, Inc.
Penumbra, Inc.
STERIS plc
Tandem Diabetics Care, Inc.
The Cooper Companies, Inc.

Five companies, Penumbra, Inc., Tandem Diabetes Care, Inc., Nevro Corp., Envista Holdings Corporation and iRhythm Technologies, Inc., were added to form this year's peer group and five companies, DexCom, Inc., Hologic, Inc., ResMed Inc., Varian Medical Systems, Inc. and Wright Medical Group N.V., were removed from the peer group used last year. Varian Medical Systems, Inc. and Wright Medical Group N.V. were removed because they were acquired and are no longer stand-alone public companies. The Compensation Committee decided to make the changes, with the advice of Pearl Meyer, to better align the peer group to the Company based on number of employees, revenue and market capitalization.

- **Overall Competitiveness.** The Compensation Committee uses aggregated market data from the Radford Aon survey data as well as the peer group as a reference point to ensure that executive compensation falls within the broad middle range of comparable pay at peer companies with which the Company competes for talent.
- **UK Remuneration Policy.** For our CEO, who is also a director, the Compensation Committee must also ensure that any compensation plan it approves for him is consistent with our shareholder-approved UK remuneration policy. Under English company law, we are obliged to adopt a remuneration policy for our directors, including our CEO, who is also a director. Under our shareholder-approved remuneration policy, our CEO's maximum short-term incentive opportunity cannot exceed 200% of his base salary. In the case of a calculated payment higher than 200%, the Compensation Committee would affirmatively act to reduce the award to not exceed 200% of his base salary in compliance with the UK remuneration policy.

Elements of Compensation

Base Salary

Purpose: Attract and retain NEOs; compensate for individual performance

Key Features:

- Fixed annually at the beginning of the financial year by the Compensation Committee
- Measured against compensation peer group
- Serves as the baseline from which short-term incentives are calculated
- Each of the NEOs is party to an employment agreement that provides for a specified base salary.

The annual base salaries of our NEOs are an important part of their total compensation package and are intended to reflect their respective positions, duties and responsibilities. Base salaries help balance the incentive portions of the compensation program and thereby provide stability and reduce the incentive for excessive risk-taking.

In establishing base salaries, the Compensation Committee considers the following factors:

- Individual performance during the recently concluded financial year and potential future contribution;
- Responsibilities, including any recent changes in those responsibilities;
- Level of expertise and experience of the NEO;
- Strategic importance of a position;

- Internal pay equity among positions; and
- Competitive benchmarking data.

On February 21, 2021, the Compensation Committee approved the base salaries of our NEOs effective as of April 1, 2021. With the exception of an increase in base salary paid to Mr. Shvartsburg whose position changed from interim CFO to CFO, none of the NEOs' salaries changed in 2021 from 2020, in part in light of the continued uncertainty related to COVID-19 pandemic.

The Company pays its NEOs in local currencies and not in U.S. dollars. Other than with respect to Mr. Shvartsburg, the change in base salary shown in US dollars in the table below is a result of a change in the exchange rate from December 31, 2020 for the 2020 data to that in December 31, 2021 for the 2021 data and the inclusion of a lower salary in the months of January through March 2020 before there was a merit increase in base salaries for the NEOs, effective April 1, 2020.

	Currency	2021 Base Salary (local currency)	2020 Base Salary (local currency) ⁽¹⁾	Change from 2020	2021 Base Salary (\$) ⁽²⁾	2020 Base Salary (\$) ⁽²⁾
Damien McDonald . . .	GBP	768,075	768,075	0%	1,056,456	985,394
Alex Shvartsburg	GBP	330,000	242,050	36%	453,898	310,535
Marco Dolci	EUR	500,000	500,000	0%	591,140	570,190
Keyna Skeffington . . .	GBP	360,400	360,400	0%	495,712	462,372
Trui Hebbelinck	GBP	300,000	300,000	0%	412,635	384,882

(1) For all NEOs, the amounts in this column represent the annual base salary effective from April 1, 2020.

(2) For salary amounts, we used an exchange rate of \$1.3754 per British Pound and exchange rate of \$1.18228 per Euro for 2021 base salary. The exchange rate shown here for the 2020 data and in the proxy statement for the 2020 AGM was \$1.28294 per British Pound and \$1.14038 per Euro. The exchange rates reflect the applicable period average published rate from our BOPC Accounting System between January 1 and December 31 of the respective calendar year. The BOPC Accounting System uses Bloomberg as a source to obtain exchange rates.

Short-Term Incentives: 2021 Short-Term Incentive Plan (the “2021 STIP”)

Purpose: Our STIP provides incentives that compensate our executive officers for achieving objectives as described below intended to enhance shareholder value. It also promotes retention of our NEOs.

The STIP provides formulaic incentives to achieve or exceed set objectives to generate revenue in 2021 and beyond. The elements of the 2021 STIP were as follows:

- **Net Sales** were our net sales at budgeted currency exchange rates, excluding net sales from acquisitions (valued at 60% of financial objectives);
- **Adjusted Net Income** was our non-GAAP net income at reported currency exchange rates, after adjustments for the effects of acquisitions, divestitures, restructuring, integration, purchase price allocation and intangible amortization, special items, including 3T Heater Cooler remediation and significant and unusual litigation, including 3T Heater Cooler litigation, and equity compensation (valued at 40% of financial objectives)
- Non-financial objectives as follows that are combined into a modifier of the payout under the STIP:
 - **Clinical Study** projects that include enrollment objectives for two clinical studies (each valued at 25% for a total of 50%);
 - **Regulatory Project** related to a regulatory submissions objective (valued at 20%);
 - **Publication** goal related to publications in peer viewed journals (valued at 20%); and
 - **Product Development** objective related to two key milestones for new product development (each valued at 5% for a total of 10%).

Key Features:

- Annual cash-based bonus plan expressed as a percentage of the NEO's weighted average base salary conditioned on achievement of our Business Performance Factor ("BPF"), a formulaic calculation based on the above described financial and non-financial objectives. The BPF is calculated as follows:

$$\text{Business Performance Factor (BPF)} = (60\% \text{ Net Sales Payout \%} + 40\% \text{ Adjusted Net Income Payout \%}) \times \text{Non-Financial Goals Modifier \%}$$

- Incentive payouts range from threshold to maximum levels, depending on level of performance measured against the pre-set metrics, per the following tables:

Net Sales Payout		Adjusted Net Income Payout		Non-Financial Goals Modifier	
Achievement %	Payout %	Achievement %	Payout %	Achievement %	Payout Modifier of Net Sales & Adj Net Income %
<90%	0%	<80%	0%	0%	75%
90%	25%	80%	25%	Linear Interpolation	
Linear Interpolation		Linear Interpolation		50%	Target
100%	100%	100%	100%	Linear Interpolation	
Linear Interpolation		Linear Interpolation		100%	125%
≥110%	150%	≥120%	150%		

- The Non-Financial Goal Modifier is capped at 100% if the Adjusted Net Income target is not achieved.

The table below shows the minimum, target and maximum achievement of the short-term incentive payment under the 2021 STIP for each of the NEOs:

Name	2021 STIP Minimum (Percentage of Base Salary)	2021 STIP Target (Percentage of Base Salary)	2021 STIP Maximum (Percentage of Base Salary) ⁽¹⁾
Damien McDonald	0%	125%	200.0%
Alex Shvartsburg ⁽²⁾	0%	65%	121.9%
Marco Dolci	0%	60%	112.5%
Keyna Skeffington	0%	70%	131.2%
Trui Hebbelink	0%	65%	121.9%

- These percentages represent 160% of the target for Mr. McDonald and 187.5% for the other NEOs.
- Mr. Shvartsburg had a change in target bonus percentage in 2021. His target was at 50% from January through July 2021 and then increased to 65% effective August 1, 2021 in connection with the transition from interim CFO to CFO.

2021 Short-Term Incentive Plan Pay-Out

Bonuses are based on performance over the calendar year, which is also our financial year, and are generally paid in April of the following year after completion of the audit of our annual financial statements. The Company's performance in 2021, as defined by the 2021 STIP, was as follows:

Financial Objectives:

Objective	Target (\$)	Achievement (\$)	Achievement (%)	Financial Payout (%)
Net Sales	950M	1,033.5M	108.8	144
Adjusted Net Income	76.7M	106.7M	139.1	150

Non-Financial Objectives:

<u>Objectives</u>	<u>Weight (%)</u>	<u>Achievement (%)</u>	<u>Weighted Achievement (%)</u>	<u>Non-Financial Payout (%)</u>
Clinical Study Projects ⁽¹⁾	50	50	25	
Regulatory Project	20	0	0	
Publication Goal ⁽²⁾	20	75	15	
Product Development ⁽¹⁾	10	50	5	
Total			45	97.5

- (1) One Clinical Study objective and one of the two key milestones relating to the Product Development objective were achieved.
- (2) The initial Publication goal referenced an H-index target for the publications and that target was not met. The Committee recognized that the number of published publications in peer reviewed journals within the timeline articulated was met and, more importantly, that the purpose behind the Publication goal had been achieved, i.e., to increase clinical evidence in Neuromodulation and improve adoption among key opinion leaders, patients and payors. Upon reflection, the Committee determined that the H-index target was not an integral part of the Publication goal and accordingly, the Committee determined that the Publication goal was achieved. Nevertheless, because the goal as explicitly stated was not met, the Committee felt a reduction was appropriate, and accordingly, awarded a value of 15% in relation to the Publication goal, as opposed to 20%, resulting in a total 45% achievement on the Non-Financial Goals and 97.5% Non-Financial Goals Modifier.

Business Performance Factor:

As a result of achievement on Financial and Non-Financial objectives, the Business Performance Factor (“BPF”) produced a payout of 142.7% of target. The following table shows the target bonus amount, the BPF and the amount paid to each NEO under the STIP:

	<u>2021 Target Bonus (\$)⁽¹⁾</u>	<u>BPF</u>	<u>2021 Bonus payout (\$)⁽¹⁾⁽²⁾</u>
Damien McDonald	1,320,571	142.7%	1,884,454
Alex Shvartsburg	220,359	142.7%	314,453
Marco Dolci	354,685	142.7%	506,136
Keyna Skeffington	347,001	142.7%	495,170
Trui Hebbelinck	268,215	142.7%	382,742

- (1) For payout amounts, we used an exchange rate of \$1.37545 per British Pound and exchange rate of \$1.18228 per Euro, each of which reflects the applicable period average published rate from our BOPC Accounting System between January 1, 2021 and December 31, 2021.
- (2) $BPF = (60\% \times 144\% + 40\% \times 150\%) \times 97.50\% = 142.7\%$. 144% is the Net Sales Payout percentage payout and 150% is the Adjusted Net Income percentage payout.

Long-Term Incentives: 2021 Long-Term Incentive Plan (the “2021 LTIP”)

Purpose: Promote our long-term success and enhance our value by providing employees with an incentive for outstanding performance to generate superior returns for our shareholders. The plan also provides flexibility as we seek to motivate, attract and retain the services of the NEOs upon whose judgment, interest and special effort the successful conduct of our operations is largely dependent.

Key Features:

- **Service-Based Awards:**
 - Restricted Stock Units vest in substantially equal amounts on each of the first four anniversaries of the grant date
 - Stock Appreciation Rights vest in substantially equal amounts on each of the first four anniversaries of the grant date. SARs have a 10 year expiration period from grant date
- **Performance-Based Awards:**
 - Relative Total Shareholder Return Performance Stock Units are subject to a three-year relative total shareholder return market condition
 - Adjusted Free Cash Flow Performance Stock Units are subject to achievement of a cumulative adjusted free cash flow target
 - Return on Invested Capital Performance Stock Units are subject to achievement of a minimum threshold Return on Invested Capital target

We typically grant equity awards to executive officers under the 2021 LTIP on the same date we grant annual equity awards for other employees, or, in the event of an executive who joins after approval of the annual awards, at the first predetermined equity award grant date following the commencement of his/her employment with the Company. The predetermined quarterly grant dates are March 30, June 15, September 15 and December 15. There is no formal policy providing any affirmative right to an LTIP award.

2021 LTIP Design

On March 30, 2021, the Compensation Committee approved our 2021 LTIP in which all NEOs participate. Pursuant to the 2021 LTIP, the Committee approved an equity award value for each of the five award vehicles for each participant. The grant date fair value of equity awards made to the NEOs under the 2021 LTIP were as follows:

	<u>RSUs (\$)</u>	<u>SARs (\$)</u>	<u>rTSR PSUs (\$)</u>	<u>FCF PSUs (\$)</u>	<u>ROIC PSUs (\$)</u>	<u>Total Award Value (\$)</u>
Damien McDonald	1,500,000	1,250,000	1,500,000	750,000	750,000	5,750,000
Alex Shvartsburg	250,000	250,000	250,000	125,000	125,000	1,000,000
Marco Dolci	250,000	250,000	250,000	125,000	125,000	1,000,000
Keyna Skeffington	250,000	250,000	250,000	125,000	125,000	1,000,000
Trui Hebbelinck	200,000	200,000	200,000	100,000	100,000	800,000

Service-Based Elements:

Restricted Stock Units (“RSUs”)

Each NEO received an award of service-based RSUs vesting in substantially equal amounts on each of the first four anniversaries of the grant date. The Committee determined the number of RSUs awarded to each participant by dividing the award value by the most recent closing price of an ordinary share of our stock on Nasdaq as of the grant date and rounding down to the nearest whole unit. The first vesting occurred on March 30, 2022.

Stock Appreciation Rights (“SARs”)

Each NEO received an award of SARs vesting in substantially equal amounts on each of the first four anniversaries of the grant date. The Committee determined the number of SARs awarded to each participant by dividing the award value by the Black-Scholes value of a SAR based on the most recent closing price of an ordinary share of our stock on the Nasdaq as of the grant date and rounding down to the nearest whole unit. The first vesting occurred on March 30, 2022.

Performance-Based Elements:

Relative Total Shareholder Return Performance Stock Units (“2021 rTSR PSUs”)

Each NEO received an award of PSUs subject to a three-year rTSR market condition. At the end of calendar year 2023, our TSR for the three-year period 2021 through 2023 will be compared to the TSR for a group of companies (the “2021 rTSR Comparator Group”) selected by the Committee with the advice of its compensation consultant, Pearl Meyer, and the number of shares of our stock actually delivered to the participants will be determined by the following chart, with linear interpolation applied between specified levels.

<u>TSR Performance Percentile Rank</u>	<u>Percent of Target PSUs Earned</u>
≥90th	200%
80th	150%
50th	100%
30th	40%
<30th	0%

The following companies comprise the 2021 rTSR Comparator Group:

Abiomed, Inc.	Invacare Corporation
Avanos Medical, Inc.	iRhythm Technologies, Inc.
Boston Scientific Corporation	Masimo Corporation
CONMED Corporation	Medtronic plc
DexCom, Inc.	Merit Medical Systems, Inc.
Edwards Lifesciences Corporation	Natus Medical Incorporated
Envista Holdings Corporation	Nevro Corp.
Globus Medical, Inc.	NuVasive, Inc.
Haemonetics Corporation	Penumbra Inc.
Hill-Rom Holdings, Inc.	ResMed Inc.
Hologic, Inc.	Smith & Nephew plc
ICU Medical, Inc.	STERIS plc
Insulet Corporation	Tandem Diabetes Care, Inc.
Integer Holdings Corporation	Teleflex Incorporated
Integra LifeSciences Holdings Corp.	The Cooper Companies, Inc.
Intuitive Surgical, Inc.	Zimmer Biomet Holdings, Inc.

Companies included in the 2021 rTSR Comparator Group are in the healthcare industry and have, with the exception of Nevro Corp., revenue in excess of \$500 million. These companies were chosen because they are generally in the same sector as the Company and the comparison seeks to show the Company’s performance against peers in the Company’s area of business.

Adjusted Free Cash Flow PSUs (“FCF PSUs”)

In 2021, each NEO received an award of PSUs subject to achievement of a one-year cumulative adjusted free cash flow target. The FCF PSUs granted in March 2021 are subject to three-year service-based cliff vesting, with performance-based vesting contingent on the Company achieving adjusted FCF threshold (equivalent to 60% of target) and the target adjusted FCF of \$35.5 million.

For 2021, the FCF PSUs were granted with a one-year performance period rather than the three-year performance period used for grants in prior years because of the substantial continued uncertainty resulting

from the global pandemic at the time the awards were granted. Earned FCF PSUs remain subject to service-based vesting for an additional two years (for a total of a three-year cliff vesting period), at which time the earned FCF PSU awards are settled in shares of our common stock. We returned to a three-year performance period for FCF PSU awards granted in 2022.

The Compensation Committee determined the number of PSUs awarded to each participant by dividing the award value by the most recent closing price of an ordinary share of our stock on Nasdaq as of the grant date and rounding down to the nearest whole unit. The PSUs are scheduled to vest or lapse on March 30, 2024 based on how the Company’s adjusted free cash flow for fiscal year 2021 compares to a target, and the number of shares of our stock actually delivered to the participants will be determined by the following chart, with linear interpolation applied between specified levels:

<u>FCF Achievement Relative to FCF Target⁽¹⁾</u>	<u>Percent of Target PSUs Earned</u>
≥150%	200%
125%	150%
100%	100%
60%	20%
<60%	0%

-
- (1) “Adjusted Free Cash Flow” is defined as net cash provided by operating activities minus net cash used in investing activities, plus significant litigation settlement payments, minus CARES Act tax stimulus benefits, minus cash proceeds from the sale of the Heart Valve Business, as determined in accordance with the external definition provided in the LivaNova 4Q and full year 2021 performance presentation posted on the Company’s website, and further adjusted as needed for other one-time, nonrecurring, unusual or infrequent charges, expenses or gains, including associated expenses, that may not be indicative of the Company’s core business. In the event there are items that differ from the Company’s non-GAAP reported results, management will seek approval from the Compensation Committee of such potential adjustments in the regularly scheduled quarterly meeting after such adjustment is identified.

In 2021, the Company’s actual adjusted FCF performance was \$80 million, 226.4% of the target. Accordingly, the FCF PSUs were earned at 200% of target, subject to the two additional years of service-based vesting requirement.

Return on Invested Capital PSUs (“ROIC PSUs”)

Each NEO received an award of PSUs subject to achievement of a one-year average minimum threshold return on invested capital target (“ROIC Target”). The ROIC measure is designed to estimate core operating performance, excluding the impact of financing and capital structure decisions and encourages effective financial stewardship.

The ROIC PSUs are subject to a three-year cliff vesting period. The performance period of one year maximizes the Company’s agility in a highly variable operating environment, while the three-year service period (inclusive of the performance period) promotes long-term retention. As with the FCF PSUs, the ROIC PSUs granted in 2021 had a one-year performance period because of the uncertainty caused by the global pandemic. We returned to a three-year performance period for ROIC PSU awards granted in 2022.

Under the LTIP, at the end of the calendar year, ROIC for 2021 was compared to the ROIC Target, and the number of shares of our stock actually delivered to the participants was determined by the following chart, with linear interpolation applied between specified levels:

<u>ROIC Achievement Relative to ROIC Target⁽¹⁾</u>	<u>Percent of Target PSUs Earned</u>
Target ≥ +250 bps	200%
Target +125 bps	150%
Target	100%
Target – 125 bps	50%
Target < 250 bps	0%

(1) ROIC = Net operating profits/Invested Capital. The numerator shows core operating performance and the denominator denotes the capital required to achieve that performance.

For the 2021 awards, target adjusted ROIC was 3.4% and the Company achieved actual ROIC performance of 4.68%. Accordingly, the ROIC PSUs were earned at 151.3% of target, subject to the two additional years of service-based vesting requirement.

Vesting in 2021 of Performance Awards Made in Previous Years

Vesting of rTSR PSUs Granted in 2019

The rTSR PSUs granted in 2019 (“the 2019 rTSR PSUs”) were subject to a three-year cliff vesting period with vesting contingent on the Company achieving a three-year (2019-2021) rTSR threshold level of at least 30th percentile of the 2019 rTSR comparator group. The Company ranked below the 30th percentile of that group, and accordingly none of the 2019 rTSR PSUs vested.

Vesting of FCF PSUs Granted in 2019

The FCF PSU awards granted in March 2019 vested in March 2022. These FCF PSUs were subject to a three-year cliff vesting period with vesting contingent on the Company achieving a three-year cumulative threshold (equivalent to 60% of the \$541 million adjusted free-cash flow target as defined for that award). The Company’s cumulative 2019-2021 Adjusted Free Cash Flow was \$361 million resulting in an achievement above the threshold and vesting of 33.5% of the 2019-2021 FCF PSUs.

Other Benefits and Perquisites

Our NEOs are provided with certain perquisites and other benefits to aid in the performance of their respective duties and to provide compensation competitive with that of executives with similar positions and levels of responsibilities in their respective geographies. These benefits may include housing allowance, immigration assistance, expatriate school fees, car allowances, supplemental life insurance, supplemental health insurance, supplemental pension contributions, meal vouchers, childcare vouchers, gym membership and flexible benefit payments. Some of these are benefits received by all employees and so are not considered to be “perquisites” or “personal benefits” according to SEC rules, and, accordingly, do not appear in the Summary Compensation Table under *All Other Compensation*. However, some of the NEOs’ benefits are not offered to all other employees (e.g., car allowance) and accordingly are considered “perquisites” or “personal benefits” that are reflected in the Summary Compensation Table under *All Other Compensation* and separately identified in footnotes as perquisites and other benefits.

Health/Welfare Plans

All of our full-time US-based employees, are eligible to participate in our health and welfare plans, including:

- Medical, dental and vision benefits;
- Medical and dependent care flexible spending accounts;
- Short-term and long-term disability insurance; and
- Group term life insurance.

Outside the US, our employees are generally covered by a state-run health plan and may be eligible to participate in a supplemental health plan, depending on their geography and position in the Company. Our NEOs based in the UK, Mses. Skeffington and Hebbelinck and Messrs. McDonald and Shvartsburg, are eligible to receive Company-paid supplemental private health insurance, group term life insurance, disability insurance, a gym membership and tax assistance support. Mr. Dolci is based in Italy and receives Company-paid supplemental private health insurance, group term life insurance and disability insurance and income tax filing assistance.

Compensation Committee Report

Set out above is the Compensation Discussion and Analysis, which is a discussion of our executive compensation programs and policies written from the perspective of how we and management view and use such programs and policies. Given the Compensation Committee's role in providing oversight of the design of those programs and policies, and in making specific compensation decisions for senior executives using those policies and programs, the Compensation Committee reviewed successive drafts of the Compensation Discussion and Analysis and discussed those with management. We join with management in welcoming shareholders to examine our pay practices and in affirming the commitment of these pay practices to the long-term interests of shareholders. The Compensation Committee has reviewed and discussed the disclosure set forth above under the heading "Compensation Discussion and Analysis" with management and, based on the review and discussions, it has recommended to the Board that the "Compensation Discussion and Analysis" be included in our Form 10-K and our proxy statement for the 2022 AGM.

Stacy Enxing Seng (Chair)
Francesco Bianchi
Alfred Novak
Dr. Arthur L. Rosenthal

Compensation Tables

Summary Compensation Table

The following table contains information about the compensation earned by each of our NEOs during each of the last three financial years unless such individual was an NEO for fewer than three years.

Name and Principal Position	Year	Salary (\$) ⁽¹⁾	Stock Awards (\$) ⁽²⁾	Option Awards (\$) ⁽²⁾	Non-Equity Incentive Plan Compensation (\$) ⁽¹⁾⁽³⁾	All Other Compensation (\$) ⁽¹⁾⁽⁴⁾	Total
Damien McDonald, <i>CEO</i>	2021	1,056,456	5,349,239	1,249,971	1,884,453	540,525	10,080,644
	2020	973,663	4,371,196	1,249,834	—	307,660	6,902,353
	2019	933,202	4,309,277	1,249,978	277,244	362,226	7,131,927
Alex Shvartsburg, <i>CFO</i>	2021	431,476	891,335	249,988	314,453	142,107	2,029,359
	2020	321,104	572,817	122,923	46,243	77,942	1,141,029
Marco Dolci, <i>President, Cardiopulmonary BU</i>	2021	591,140	891,335	249,988	506,134	190,807	2,429,404
	2020	570,190	728,427	249,960	51,317	122,641	1,722,535
Keyna Skeffington, <i>SVP and General Counsel</i>	2021	495,716	891,335	249,988	495,170	198,150	2,330,359
	2020	455,828	728,427	249,961	47,866	119,585	1,601,667
Trui Hebbelinck, <i>CHRO</i>	2019	424,183	683,719	224,988	106,289	128,751	1,567,930
	2021	412,638	713,172	199,973	382,742	149,940	1,858,465

- (1) The base salaries of our NEOs did not change in 2021 from 2020, other than the base salary of Mr. Shvartsburg who became our CFO on August 1, 2021 and received an increase in base salary as a result of the change in role. Changes in the base salaries shown in the table above are due to changes in exchange rates in those years and the inclusion of a lower salary in the months of January through March 2020 before there was a merit increase in base salaries for the NEOs, effective April 1, 2020. For amounts reported in 2021, we used an exchange rate of \$1.37546 per British Pound and \$1.18228 per Euro. For amounts reported in 2020, we used an exchange rate of \$1.28293 per British Pound and \$1.14038 per Euro. For amounts reported in 2019, we used an exchange rate of \$1.27573 per British Pound. These exchange rates reflect the applicable period average published rate from our BOPC Accounting System between January 1 and December 31 of the respective year. The BOPC Accounting System uses Bloomberg as a source to obtain exchange rates. From October 2020 when Mr. Shvartsburg was appointed interim CFO until August 2021 when he became CFO, he received a monthly stipend of £5,000 in addition to his then salary to compensate him for his additional responsibilities. Salaries for our NEOs are reviewed and, if thought appropriate by the Compensation Committee, increased or decreased with effect on April 1st.
- (2) Amounts reflect the full grant-date fair value of PSUs, RSUs and SARs granted and computed in accordance with Financial Accounting Standards Board Accounting Standards Codification (“FASB ASC”) Topic 718, rather than the amounts paid to or realized by the named individual. We provide information regarding the assumptions used to calculate the value of all PSUs, RSUs and SARs awards made to executive officers in Notes 2 and 15 to our audited financial statements in our US Annual Report on Form 10-K for the year ended December 31, 2021. Under the terms of our PSU awards at grant, between 0% and 200% of the target number of shares subject to the awards can vest based on performance and the other vesting conditions applicable to the awards. For the PSUs awarded to our NEOs in 2021 the table below sets forth (i) the grant-date fair value of the awards determined in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, with these values determined based on a Monte Carlo simulation pricing model (included in the “Probable Outcome” column below) for the relative TSR PSUs and based on the last available stock price at grant date for the Adjusted Free Cash Flow and the ROIC PSUs, and (ii) the grant-date fair value of these awards assuming that the maximum level of performance was achieved.

Name	PSUs — Probable Outcome of Performance Conditions PSUs Grant-Date Value (\$)	PSUs — Maximum Outcome of Performance Conditions PSUs Grant-Date Fair Value (\$)
Damien McDonald	3,849,298	6,000,000
Alex Shvartsburg	641,405	1,000,000
Marco Dolci	641,405	1,000,000
Keyna Skeffington	641,405	1,000,000
Trui Hebbelinck	513,199	800,000

In granting equity awards, the Compensation Committee values PSUs at the latest available stock price of the underlying shares on the grant date with the value of PSUs based at the “target” level of performance. Under applicable accounting rules, however, the grant-date fair value of the rTSR PSUs awarded to our NEOs is calculated using a Monte Carlo simulation pricing model. The rTSR PSUs are included as compensation for our NEOs in the “Summary Compensation Table” based on this valuation methodology.

The following chart shows the values of the rTSR PSU awards approved by the Compensation Committee in 2021 that were used to determine the number of shares subject to the awards at “target” without taking the Monte Carlo simulation pricing model into account, as well as the accounting grant-date fair value of the rTSR PSUs required to be used under applicable SEC rules to report in the “Summary Compensation Table” (including the impact of the Monte Carlo simulation pricing model).

Name	rTSR PSUs Value Based on Grant Date Stock Price (\$)	rTSR PSUs — Value included in Summary Compensation Table (\$)
Damien McDonald	1,500,000	2,349,431
Alex Shvartsburg	250,000	391,476
Marco Dolci	250,000	391,476
Keyna Skeffington	250,000	391,476
Trui Hebbelinck	200,000	313,227

- (3) Values in this column reflect payments in respect of the relevant year’s short-term incentive plan.
- (4) The amounts reported in the All Other Compensation column represent the aggregate dollar amount for all other benefits and payment received by our NEOs. The following table shows the nature of the benefits and payments and specific amounts for each of our NEOs in 2021:

Name	Supplemental Health Insurance (\$)	Housing Allowance (\$) ^(a)	Car Allowance (\$) ^(b)	Defined Contribution Plan — Registrant Contributions (\$) ^(c)	Cash in Lieu of Pension (\$) ^(d)	Other (\$) ^(e)	Total (\$)
Damien McDonald	40,447	41,264	24,414	5,502	380,108	48,790	540,525
Alex Shvartsburg	27,781	—	16,230	—	92,546	5,550	142,107
Marco Dolci	4,561	—	17,025	131,798	—	37,423	190,807
Keyna Skeffington	45,095	—	18,155	—	129,900	5,000	198,150
Trui Hebbelinck	12,653	—	18,155	119,132	—	—	149,940

- (a) Represents the housing allowance to Mr. McDonald under the terms of his service agreement.
- (b) Represents the car allowance for each of Messrs. McDonald, Shvartsburg and Dolci, Ms. Skeffington and Hebbelinck; these allowances are customary for UK and Italian executive compensation packages.
- (c) Represents Company contributions to a defined contribution plan equal to the amount of contributions made by the executive officer (see — 2021 Nonqualified Deferred Compensation). For Mr. Dolci, includes \$92,906 which is equal to 1/13.5 of his recurring compensation item (salary and bonus) and

\$32,264 for supplementary pension. For Mr. McDonald and Ms. Hebbelinck, includes £4,000 (\$5,502) and £86,612 (\$119,132), respectively, for Company contributions into a personal pension plan sponsored by the Company.

- (d) Represents cash received in lieu of pension (*see* — 2021 Nonqualified Deferred Compensation).
- (e) For Mr. McDonald, represents school tuition fee allowance for his children (\$8,790); tax preparation and filing assistance for filing in the UK, US and Australia (\$20,000); and immigration assistance for Indefinite Leave status to remain permit in the UK (\$20,000). For Mr. Shvartsburg, represents gym membership (\$550) and tax preparation and filing assistance (\$5,000). For Mr. Dolci, represents a flexible benefit (\$2,068), meal voucher (\$2,837), travel allowance (\$2,421), cash in lieu of vacation (\$26,234); and tax preparation and filing assistance (\$3,863). For Ms. Skeffington, represents tax preparation and filing assistance (\$5,000).

2021 Grants of Plan-Based Awards Table

The following table provides supplemental information relating to grants of plan-based awards made during 2021 to help explain information provided above in our Summary Compensation Table. This table presents information regarding all grants of plan-based awards occurring during 2021.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan: Performance Stock Units (PSUs) (#)			All Other Stock Awards: Number of Shares of Service Based RSUs (#)	All Other Option Awards: Number of Securities Underlying SARs (#)	Exercise or Base Price of SAR Awards (\$/Sh)	Grant Date Fair Value of Stock and SAR Awards (\$) ⁽¹⁾
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)				
Damien McDonald		—	1,320,561	2,112,898							
	03/30/2021					10,238	20,476				(2) 749,934
	03/30/2021					10,238	20,476				(3) 749,934
	03/30/2021					20,477	40,954				(4) 2,349,431
	03/30/2021							20,477			1,499,940
Alex Shvartsburg	03/30/2021								42,186	73.25	1,249,971
	03/30/2021	—	220,359	413,173		1,706	3,412				(2) 124,965
	03/30/2021					1,706	3,412				(3) 124,965
	03/30/2021					3,412	6,824				(4) 391,476
	03/30/2021							3,412			249,929
Marco Dolci	03/30/2021								8,437	73.25	249,988
	03/30/2021	—	354,685	665,034		1,706	3,412				(2) 124,965
	03/30/2021					1,706	3,412				(3) 124,965
	03/30/2021					3,412	6,824				(4) 391,476
	03/30/2021							3,412			249,929
Keyna Skeffington	03/30/2021								8,437	73.25	249,988
	03/30/2021	—	346,999	650,623		1,706	3,412				(2) 124,965
	03/30/2021					1,706	3,412				(3) 124,965
	03/30/2021					3,412	6,824				(4) 391,476
	03/30/2021							3,412			249,929
Trui Hebbelinck	03/30/2021								8,437	73.25	249,988
	03/30/2021	—	268,215	502,903		1,365	2,730				(2) 99,986
	03/30/2021					1,365	2,730				(3) 99,986
	03/30/2021					2,730	5,460				(4) 313,227
	03/30/2021							2,730			199,973
03/30/2021								6,749	73.25	199,973	

- (1) The amounts reported represent the fair value of the RSU and SARs awards computed in accordance with FASB ASC Topic 718 on the grant date. The fair value for RSU awards is calculated by multiplying the number of units in each award by the closing price of an ordinary share of our stock on Nasdaq on the grant date, eventually discounted in case of a market price condition. The fair value for SARs awards is calculated by multiplying the number of rights subject to the award by the Black-Scholes value of an option for an ordinary share of our stock on the grant date. For a further discussion of the accounting treatment of the RSU and SAR awards, see “Note 2. Basis of Presentation, Use of Accounting Estimates and Significant Accounting Policies” included in the consolidated financial statements accompanying our US Annual Report on Form 10-K for the year ended December 31, 2021.
- (2) Award of Adjusted FCF PSUs.
- (3) Award of ROIC PSUs.
- (4) Award of rTSR PSUs. The amounts reported represent the fair value of the PSU awards computed in accordance with FASB ASC Topic 718 on the grant date. LivaNova received a computed Fair Value (Monte Carlo) from an outside source, MTI Consulting, that computed the Fair Value of the LivaNova PLC (LIVN) PSU contracts using the risk-neutral approach (i.e., assuming hedging and selling of the contract).

2021 Outstanding Equity Awards at Year End

The following table summarizes the number of ordinary shares of our stock underlying outstanding equity incentive plan awards for each NEO as of December 31, 2021.

Name	Option Awards				Stock Awards			Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)
	Number of Securities Underlying Unexercised Options (#) Exercisable ⁽¹⁾	Number of Securities Underlying Unexercised Options (#) Unexercisable ⁽²⁾	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#) ⁽³⁾	Market Value of Shares or Units of Stock That Have Not Vested (\$) ⁽⁴⁾	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested	
Damien McDonald	130,670	0	44.79	11/4/2026				
	31,134	10,378	88.38	3/15/2028				
	19,679	19,678	97.25	3/30/2029				
	19,630	58,887	43.57	3/30/2030				
	0	42,186	73.25	3/30/2031				
				3,182	⁽⁵⁾	278,202		
				6,426	⁽⁶⁾	561,825		
				25,820	⁽⁷⁾	2,257,443		
				20,477	⁽⁸⁾	1,790,304		
							15,424	⁽⁹⁾ 1,348,520
							15,424	⁽¹⁰⁾ 1,348,520
							34,427	⁽¹¹⁾ 3,009,953
							34,427	⁽¹²⁾ 3,009,953
							10,238	⁽¹³⁾ 895,108
							20,477	⁽¹⁴⁾ 1,790,304
							10,238	⁽¹⁵⁾ 895,108

Name	Option Awards				Stock Awards			Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)
	Number of Securities Underlying Unexercised Options (#) Exercisable ⁽¹⁾	Number of Securities Underlying Unexercised Options (#) Unexercisable ⁽²⁾	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#) ⁽³⁾	Market Value of Shares or Units of Stock That Have Not Vested (\$) ⁽⁴⁾	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested	
Alex Shvartsburg	5,833	0	80.26	12/15/2027				
	3,807	1,269	88.38	3/15/2028				
	2,437	2,437	97.25	3/30/2029				
	1,960	5,878	43.57	3/30/2030				
		8,437	73.25	3/30/2031				
					390	⁽⁵⁾ 34,098		
					785	⁽⁶⁾ 68,633		
					2,115	⁽⁷⁾ 184,914		
					3,412	⁽⁸⁾ 298,311		
					4,730	⁽¹⁶⁾ 413,544		
				1,839	⁽¹⁷⁾ 160,784			
						1,706	⁽¹³⁾ 149,156	
						3,412	⁽¹⁴⁾ 298,311	
						1,706	⁽¹⁵⁾ 149,156	
Marco Dolci	5,447	1,815	88.38	3/15/2028				
	3,190	3,189	97.25	3/30/2029				
	—	11,777	43.57	3/30/2030				
	—	8,437	73.25	3/30/2031				
					558	⁽⁵⁾ 48,786		
					1,028	⁽⁶⁾ 89,878		
					4,302	⁽⁷⁾ 376,124		
					3,412	⁽⁸⁾ 298,311		
							2,056	⁽⁹⁾ 179,756
							2,056	⁽¹⁰⁾ 179,756
						5,737	⁽¹¹⁾ 501,586	
						5,737	⁽¹²⁾ 501,586	
						1,706	⁽¹³⁾ 149,156	
						3,412	⁽¹⁴⁾ 298,311	
						1,706	⁽¹⁵⁾ 149,156	

Name	Option Awards				Stock Awards			Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)
	Number of Securities Underlying Unexercised Options (#) Exercisable ⁽¹⁾	Number of Securities Underlying Unexercised Options (#) Unexercisable ⁽²⁾	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#) ⁽³⁾	Market Value of Shares or Units of Stock That Have Not Vested (\$) ⁽⁴⁾	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested	
Keyna Skeffington	15,203	—	59.97	6/12/2027				
	4,497	1,499	88.38	3/15/2028				
	3,542	3,542	97.25	3/30/2029				
	3,926	11,777	43.57	3/30/2030				
	—	8,437	73.25	3/30/2031				
					459	⁽⁵⁾ 40,130		
					1,156	⁽⁶⁾ 101,069		
					4,302	⁽⁷⁾ 376,124		
					3,412	⁽⁸⁾ 298,311		
					300	⁽¹⁸⁾ 26,229		
						2,313	⁽⁹⁾ 202,226	
						2,313	⁽¹⁰⁾ 202,226	
						5,737	⁽¹¹⁾ 501,586	
						5,737	⁽¹²⁾ 501,586	
						1,706	⁽¹³⁾ 149,156	
						3,412	⁽¹⁴⁾ 298,311	
						1,706	⁽¹⁵⁾ 149,156	
Trui Hebbelinck	2,592	2,591	97.25	3/30/2029				
	3,141	9,421	43.57	3/30/2030				
	—	6,749	73.25	3/30/2031				
					835	⁽⁶⁾ 73,004		
					3,442	⁽⁷⁾ 300,934		
					2,730	⁽⁸⁾ 238,684		
					880	⁽¹⁹⁾ 76,938		
							1,670	⁽⁹⁾ 146,008
							1,670	⁽¹⁰⁾ 146,008
							4,590	⁽¹¹⁾ 401,304
						4,590	⁽¹²⁾ 401,304	
						1,365	⁽¹³⁾ 119,342	
						2,730	⁽¹⁴⁾ 238,684	
						1,365	⁽¹⁵⁾ 119,342	

(1) The SARs may be exercised up to three months after a termination and in no event (even with continued employment) after the expiration date.

(2) All SARs vest 25% per year on each of the first four anniversaries of the grant date and have a 10-year term.

(3) All RSUs vest 25% per year on each of the first four anniversaries of the grant date.

- (4) Market value of the outstanding RSUs. Amounts calculated using \$87.43, the closing price of our ordinary shares on December 31, 2021, multiplied by the number of units that have not yet vested.
- (5) Service-based RSUs granted on March 15, 2018.
- (6) Service-based RSUs granted on March 30, 2019.
- (7) Service-based RSUs granted on March 30, 2020.
- (8) Service-based RSUs granted on March 30, 2021.
- (9) FCF PSUs granted at target on March 30, 2019; subject to achievement of a three-year cumulative adjusted FCF Target with three-year cliff vesting.
- (10) rTSR PSUs granted at target on March 30, 2019, subject to a market condition based on rTSR with three-year cliff vesting.
- (11) FCF PSUs granted at target on March 30, 2020, subject to achievement of a three-year cumulative adjusted FCF Target with three-year cliff vesting.
- (12) rTSR PSUs granted at target on March 30, 2020, subject to a market condition based on rTSR with three-year cliff vesting.
- (13) FCF PSUs granted at target on March 30, 2021, subject to achievement of a one-year cumulative adjusted FCF Target with three-year cliff vesting.
- (14) rTSR PSUs granted at target on March 30, 2021, subject to a market condition based on rTSR with three-year cliff vesting.
- (15) ROIC PSUs granted at target on March 30, 2021, subject to achievement of a one-year cumulative adjusted ROIC Target with three-year cliff vesting.
- (16) Service-based RSUs granted on June 15, 2020.
- (17) Service-based RSUs granted on December 15, 2020.
- (18) Service-based RSUs granted on September 15, 2018.
- (19) Service-based RSUs granted on September 15, 2019.

2021 Option Exercises and Stock Vested

The following table presents information regarding the vesting of service-based RSUs in 2021 by our NEOs.

Name	Stock Options		Stock Shares	
	Number of LivaNova Option Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of LivaNova Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)⁽¹⁾
Damien McDonald			40,079	3,066,827
Alex Shvartsburg			4,342	342,873
Marco Dolci	3,926	154,724	6,044	461,263
Keyna Skeffington			4,970	383,230
Trui Hebbelink			2,005	152,477

(1) Value determined based on fair market value of shares on date of vesting before withholding for taxes.

2021 Pension Benefits

The Company has no defined benefit plan applicable to our NEOs.

2021 Non-Qualified Deferred Compensation

Each of our NEOs is eligible to participate in a supplemental pension plan that is a tax-qualified defined contribution plan, operated in accordance with local country rules and regulations. Ms. Skeffington and Mr. Shvartsburg opted out of the defined contribution plan, choosing a cash allowance in lieu thereof, equal to 15% of compensation (consisting of base and bonus), net of deduction to compensate for the UK employer national insurance burden.

For Mr. McDonald and Ms. Hebbelinck, we accrue an amount equal to 15% of compensation (consisting of base and bonus) for the purpose of supplemental pension plan contribution. For Mr. McDonald, a portion (£4,000 (\$5,550)), is paid to a qualified pension plan under UK tax legislation, with the difference paid as cash in lieu thereof, net of deduction to compensate for the UK employer national insurance burden. For Ms. Hebbelinck the accrued amount is contributed to a defined contribution plan.

For Mr. Dolci, he participates in a defined contribution plan in which the employee may defer an unlimited amount of base salary and bonus to the plan. We match up to four percent of employee deferrals, and we make contributions mandated under the Italian legislation and applicable collective agreement under the so-called *Trattamento di fine rapporto*. Payout and withdrawal rights are established under Italian law. The plan is managed by an independent third party, and we do not have access to the employee's investment choices, aggregate earnings, withdrawals, distributions, or aggregate balance, which are subject to privacy restrictions.

Potential Payments Upon Termination or Change in Control

The Compensation Committee's charter requires the Compensation Committee to review and approve severance arrangements and change-in-control agreements. The employment agreements with the NEOs provide for severance payments and benefits in amounts that have been deemed appropriate by the Compensation Committee. The severance amounts take into account the time it is expected to take a separated employee to find alternative employment, as well as market practice for global executives.

Upon death or disability, all outstanding SARs immediately vest. All vested SARs expire three months following termination based upon the terms of the plan from which they were awarded. The service-based SARs, RSUs and PSUs granted in 2019, 2020 and 2021 are subject to an "approved retirement" clause that allows the award to continue to vest in the event the recipient incurs a termination of service due to an approved retirement. Outstanding SARs, RSUs and PSUs will not be forfeited upon such an approved retirement, but instead, outstanding RSUs and PSUs shall continue to vest on the date(s) set out in the applicable grant notice; provided all other terms that apply to the RSUs and PSUs are met, including the terms regarding restricted activities set forth in the award agreements.

In the event of a change in control that occurs following the grant date, the SARs shall become fully vested and exercisable immediately prior to, but subject to the consummation of, such change in control, subject to NEO's continuous employment with the company or a subsidiary through such change in control.

In the event of a change in control that occurs following the grant date, the RSUs, to the extent not forfeited or otherwise vested immediately prior to such change in control, shall become fully vested immediately prior to, but subject to the consummation of, such change in control, subject to the NEO's continuous employment with the company or a subsidiary through such change in control.

At times, as circumstances dictate, we also enter into additional separation arrangements with departing executive officers. Employment agreements and any additional separation arrangements for departing NEOs are set out below.

Damien McDonald

The following table presents the potential payments that would have been made to Mr. McDonald if a termination or change-in-control event had occurred on December 31, 2021.

Type of Payment or Benefit ⁽⁵⁾	Termination without Cause ⁽¹⁾	Separation due to Change in Control ⁽²⁾	Separation due to Disability ⁽³⁾	Separation due to Death ⁽⁴⁾	Separation due to Retirement
Severance	\$1,289,391	—	—	\$4,225,823	—
STIP	—	—	—	—	—
LTIP	—	\$8,068,755	\$3,180,981	\$3,180,981	—
Benefits	—	—	—	—	—
Total	\$1,289,391	\$8,068,755	\$3,180,981	\$7,406,804	—

(1) The cash severance amount includes twelve months of base salary (\$1,056,456) and the value of the following benefits for a period of twelve months: pension (\$158,468), accommodation (\$41,264), school allowance (\$8,789), and car allowance (\$24,414). The Company may elect to pay this severance amount in installments, and in this case, if Mr. McDonald secures alternative employment, then the gross installments payable after the date when alternative employment commences will be reduced by a sum equal to the gross amount of his income from the alternative employment.

As to pension, this amount reflects 15% of Mr. McDonald's base salary.

(2) The potential payment in case of termination of employment without cause following a change in control is calculated by adding (i) the amount resulting from multiplying the 55,905 RSUs subject to accelerated vesting by the closing market price at December 31, 2021 (\$87.43) and (ii) the amount resulting from multiplying each SAR award subject to accelerated vesting by the difference between the closing market price at December 31, 2021 (\$87.43) and the exercise price for each SAR, as follows (58,887 SARs with an exercise price of \$43.57 and 42,186 SARs with an exercise price of \$73.25). This does not include SARs where the exercise price exceeds the market price.

(3) The potential payment amount in case of termination of employment due to disability represents LTIP payments calculated by multiplying each SAR award subject to accelerated vesting in case of a disability by the difference between the closing market price at December 31, 2021 (\$87.43) and the exercise price for each SAR, as follows (58,887 SARs with an exercise price of \$43.57 and 42,186 SARs with an exercise price of \$73.25). This does not include SARs where the exercise price exceeds the market price.

(4) The payment amount in case of termination of employment due to death represents four times the base salary. Any benefit that exceeds £2M will require specific medical underwriting in order for benefit in excess of £2M to be paid out. The benefit is insured by a third party (which can change from time to time) under a policy held by the Company on behalf of its employees. The benefit is written under trust and therefore payments made as a result of this insurance to the nominated beneficiary would not be subject to inheritance tax or income tax. In addition, LTIP potential payments in case of termination of employment due to death calculated by multiplying each SAR award subject to accelerated vesting by the difference between the closing market price at December 31, 2021 (\$87.43) and the exercise price for each SAR, as follows (58,887 SARs with an exercise price of \$43.57 and 42,186 SARs with an exercise price of \$73.25). This does not include SARs where the exercise price exceeds the market price.

(5) The currency conversion rates used are for 2021: £/\$ = 1.37546 (average currency rate for the period January 1, 2021 to December 31, 2021).

Alex Shvartsburg

The following table quantifies the potential payments that would be made to Mr. Shvartsburg if a termination or change-in-control event had occurred on December 31, 2021.

Type of Payment or Benefit ⁽⁵⁾	Termination without Cause ⁽¹⁾	Separation due to Change in Control ⁽²⁾	Separation due to Disability ⁽³⁾	Separation due to Death ⁽⁴⁾	Separation due to Retirement
Severance	\$453,902	—	—	\$1,815,608	—
STIP	—	—	—	—	—
LTIP	—	\$1,537,729	\$377,445	\$ 377,445	—
Benefits	—	—	—	—	—
Total	\$453,902	\$1,537,729	\$377,445	\$2,193,053	—

- (1) The potential payment in case of termination without cause represents 12 months of base salary (\$453,902).
- (2) The potential payment in case of separation due to change in control is calculated by adding (i) the amount resulting from multiplying the 13,271 RSUs subject to accelerated vesting by the closing market price at December 31, 2021 (\$87.43) and (ii) the amount resulting from multiplying each SAR award subject to accelerated vesting by the difference between the closing market price at December 31, 2021 (\$87.43) and the exercise price for each SAR, as follows (5,878 SARs with an exercise price of \$43.57 and 8,437 SARs with an exercise price of \$73.25). This does not include SARs where the exercise price exceeds the market price.
- (3) The potential payment in case of separation due to disability represents LTIP payments calculated by multiplying each SAR award subject to accelerated vesting by the difference between the closing market price at December 31, 2021 (\$87.43) and the exercise price for each SAR, as follows (5,878 SARs with an exercise price of \$43.57 and 8,437 SARs with an exercise price of \$73.25). This does not include SARs where the exercise price exceeds the market price.
- (4) The payment in case of separation due to death represents four times the base salary as a lump sum (payable by a third party insurer under a policy held by the Company for its employees) tax-free amount to the nominated person(s) plus LTIP potential payments calculated by adding the amount resulting from multiplying each SAR award subject to accelerated vesting by the difference between the closing market price at December 31, 2021 (\$87.43) and the exercise price for each SAR, as follows (5,878 SARs with an exercise price of \$43.57 and 8,437 SARs with an exercise price of \$73.25). This does not include SARs where the exercise price exceeds the market price.
- (5) The currency conversion rates used are for 2021: £/\$ = 1.37546 (average currency rate for the period January 1, 2021 to December 31, 2021).

Marco Dolci

The following table quantifies the potential payments that would be made to Mr. Dolci if a termination or change-in-control event had occurred on December 31, 2021.

Type of Payment or Benefit ⁽⁵⁾	Termination without Cause ⁽¹⁾	Separation due to Change in Control ⁽²⁾	Separation due to Disability ⁽³⁾	Separation due to Death ⁽⁴⁾	Separation due to Retirement
Severance	\$746,759	—	—	\$ 591,140	—
STIP	—	—	—	—	—
LTIP	—	\$1,449,275	\$636,176	\$ 636,176	—
Benefits	—	—	—	—	—
Total	\$746,759	\$1,449,275	\$636,176	\$1,227,316	—

- (1) The potential payment in case of termination without cause per the applicable Italian Collective agreement represents six months of base salary, plus average bonus paid in the last three years divided by 36 (for a total of \$373,379). In addition, in the event of an unjustified dismissal, Mr. Dolci is entitled to an additional indemnity calculated according to seniority within the Company that ranges from four to eight months for executives with two to six years of seniority. For purpose of the table, we have included the midpoint of this range (i.e., an additional six months).
- (2) The potential payment in case of separation due to change in control is calculated by adding (i) the amount resulting from multiplying the 9,300 RSUs subject to accelerated vesting by the closing market price at December 31, 2021 (\$87.43) and (ii) the amount resulting from multiplying each SAR award subject to accelerated vesting by the difference between the closing market price at December 31, 2021 (\$87.43) and the exercise price for each SAR, as follows (11,777 SARs with an exercise price of \$43.57 and 8,437 SARs with an exercise price of \$73.25). This does not include SARs where the exercise price exceeds the market price.
- (3) The potential payment amount in case of separation due to disability represents LTIP payments calculated by multiplying each SAR award subject to accelerated vesting by the difference between the

closing market price at December 31, 2021 (\$87.43) and the exercise price for each SAR, as follows (11,777 SARs with an exercise price of \$43.57 and 8,437 SARs with an exercise price of \$73.25). This does not include SARs where the exercise price exceeds the market price.

- (4) The payment in case of separation due to death represents two times the base salary up to a maximum of €500,000 (\$591,140), plus LTIP potential payments calculated by adding the amount resulting from multiplying each SAR award subject to accelerated vesting by the difference between the closing market price at December 31, 2021 (\$87.43) and the exercise price for each SAR, as follows (11,777 SARs with an exercise price of \$43.57 and 8,437 SARs with an exercise price of \$73.25). This does not include SARs where the exercise price exceeds the market price.
- (5) The currency conversion rates used are for 2021: £/\$ = 1.37546 (average currency rate for the period January 1, 2021 to December 31, 2021).

Keyna Skeffington

The following table quantifies the potential payments that would be made to Ms. Skeffington if a termination or change-in-control event had occurred on December 31, 2021.

Type of Payment or Benefit⁽⁵⁾	Termination without Cause⁽¹⁾	Separation due to Change in Control⁽²⁾	Separation due to Disability⁽³⁾	Separation due to Death⁽⁴⁾	Separation due to Retirement
Severance	\$495,716	—	—	\$1,982,864	—
STIP	—	—	—	—	—
LTIP	—	\$1,478,039	\$636,176	\$ 636,176	—
Benefits	—	—	—	—	—
Total	\$495,716	\$1,478,039	\$636,176	\$2,619,040	—

- (1) The potential payment in case of termination without cause represents 12 months of base salary (\$495,716). LivaNova may elect to pay this severance amount in installments, and in this case, if Ms. Skeffington secures alternative employment, then the gross installments payable after the date when alternative employment commences will be reduced by a sum equal to the gross amount of her income from the alternative employment.
- (2) The potential payment in case of separation due to change in control is calculated by adding (i) the amount resulting from multiplying the 9,629 RSUs subject to accelerated vesting by the closing market price at December 31, 2021 (\$87.43) and (ii) the amount resulting from multiplying each SAR award subject to accelerated vesting by the difference between the closing market price at December 31, 2021 (\$87.43) and the exercise price for each SAR (11,777 SARs with an exercise price of \$43.57 and 8,437 SARs with an exercise price of \$73.25). This does not include SARs where the exercise price exceeds the market price.
- (3) The potential payment amount in case of separation due to disability represents LTIP payments calculated by multiplying each SAR award subject to accelerated vesting by the difference between the closing market price at December 31, 2021 (\$87.43) and the exercise price for each SAR (11,777 SARs with an exercise price of \$43.57 and 8,437 SARs with an exercise price of \$73.25). This does not include SARs where the exercise price exceeds the market price.
- (4) The payment in case of separation due to death represents four times the base salary as a lump sum (payable by a third party insurer under a policy held by the Company for its employees) tax-free amount to the nominated person(s) plus LTIP potential payments calculated by adding the amount resulting from multiplying each SAR award subject to accelerated vesting by the difference between the closing market price at December 31, 2021 (\$87.43) and the exercise price for each SAR (11,777 SARs with an exercise price of \$43.57 and 8,437 SARs with an exercise price of \$73.25). This does not include SARs where the exercise price exceeds the market price.
- (5) The currency conversion rates used are for 2021: £/\$ = 1.37546 (average currency rate for the period January 1, 2021 to December 31, 2021).

Trui Hebbelinck

The following table quantifies the potential payments that would be made to Ms. Hebbelinck if a termination or change-in-control event had occurred on December 31, 2021.

Type of Payment or Benefit ⁽⁵⁾	Termination without Cause ⁽¹⁾	Separation due to Change in Control ⁽²⁾	Separation due to Disability ⁽³⁾	Separation due to Death ⁽⁴⁾	Separation due to Retirement
Severance	\$412,638	—	—	\$412,638	—
STIP	—	—	—	—	—
LTIP	—	\$1,198,466	\$508,906	\$508,906	—
Benefits	—	—	—	—	—
Total	\$412,638	\$1,198,466	\$508,906	\$921,544	—

- (1) The potential payment in case of termination without cause represents 12 months of base salary (\$412,638). LivaNova may elect to pay this severance amount in installments, and in this case, if Ms. Hebbelinck secures alternative employment, then the gross installments payable after the date when alternative employment commences will be reduced by a sum equal to the gross amount of her income from the alternative employment.
- (2) The potential payment in case of separation due to change in control is calculated by adding (i) the amount resulting from multiplying the 7,887 RSUs subject to accelerated vesting by the closing market price at December 31, 2021 (\$87.43) and (ii) the amount resulting from multiplying each SAR award subject to accelerated vesting by the difference between the closing market price at December 31, 2021 (\$87.43) and the exercise price for each SAR (9,421 SARs with an exercise price of \$43.57 and 6,749 SARs with an exercise price of \$73.25). This does not include SARs where the exercise price exceeds the market price.
- (3) The potential payment amount in case of separation due to disability represents LTIP payments calculated by multiplying each SAR award subject to accelerated vesting by the difference between the closing market price at December 31, 2021 (\$87.43) and the exercise price for each SAR (9,421 SARs with an exercise price of \$43.57 and 6,749 SARs with an exercise price of \$73.25). This does not include SARs where the exercise price exceeds the market price.
- (4) The payment in case of separation due to death represents four times the base salary as a lump sum (payable by a third party insurer under a policy held by the Company for its employees) tax-free amount to the nominated person(s) plus LTIP potential payments calculated by adding the amount resulting from multiplying each SAR award subject to accelerated vesting by the difference between the closing market price at December 31, 2021 (\$87.43) and the exercise price for each SAR (9,421 SARs with an exercise price of \$43.57 and 6,749 SARs with an exercise price of \$73.25). This does not include SARs where the exercise price exceeds the market price.
- (5) The currency conversion rates used are for 2021: £/\$ = 1.37546 (average currency rate for the period January 1, 2021 to December 31, 2021).

CEO Pay Ratio

SEC regulations require us to report the ratio of the CEO's total annual compensation to the compensation of the median employee of our company.

For the year ended December 31, 2021:

- the median annual total compensation of all employees of our company (other than the CEO), was \$98,965; and
- the annual total compensation of Mr. McDonald, our CEO, was \$10,080,643.

Based on this information, the ratio of our annual total compensation of our CEO to the median of the annual total compensation of all employees is 102 to 1.

The methodology and material assumptions, adjustments, and estimates that we used to identify the median of the annual total compensation of all our employees, as well as to determine the annual total compensation of our median employee were as follows:

- As of October 1, 2021, our employee population, excluding our CEO, consisted of 3,002 individuals working at our parent company and consolidated subsidiaries, with approximately 42% of these individuals located in the US and 58% located outside of the US (of the total number of employees, 47% were located in Europe, and 11% were located in various countries in Asia and America and Middle East). We selected October 1, 2021 to allow sufficient time to identify the median employee given the global scope of our operations.
- Our employee population, after taking into consideration the adjustments permitted by SEC rules (as described below) consisted of 2,868 individuals.
- Using the *de minimis* exception, we limited our employee population to individuals residing in Europe, North America, China, Singapore, Japan and Australia. The countries excluded were Brazil (57 employees), Chile (3 employees), Colombia (13 employees), Hong Kong (2 employees), India (12 employees), Malaysia (4 employees), Russian Federation (11 employees), Taiwan (4 employees), Thailand (14 employees) and United Arab Emirates (14 employees), totaling 134 employees.
- Given the global distribution of our employee population, we have a variety of pay elements in the compensation arrangements of our employees. For example, while most of our employees participate in our STIP, the incentive compensation element for some of our employees residing in the US and Europe is based on commissions. They do not participate in our STIP. Consequently, we selected base salary or wages as the most appropriate consistently applied compensation measure to identify the median employee.
- We annualized the compensation of all permanent employees who were hired in fiscal 2021 but did not work for us or our consolidated subsidiaries for the entire fiscal year.
- We did not make any cost-of-living adjustments in identifying the median employee.
- With respect to the annual total compensation of our CEO, we used the amount reported in the “Total” column of our 2021 Summary Compensation Table included in this proxy statement. We applied the same approach to determine the annual total compensation of the identified median employee.

Proposals to be Acted Upon at the AGM

Further details on the proposals to be acted upon at the AGM are presented in the following section of this proxy statement.

Proposal No. 1

Election of Directors

The selection of qualified directors is critical to the long-term success of the Company and its shareholders. Director nominees must be able to contribute significantly to the Board's discussion and decision-making on the broad array of complex issues facing the Company. The Board's established process for director selection begins with an assessment of our strategic objectives and the skills, experience and qualifications needed to further those objectives. Through that process, the Board has determined that its nominees for election as directors at the 2022 AGM collectively represent the best mix of experience, qualifications and skills to further the long-term interests of all shareholders.

The Board is unclassified. Directors are elected for one-year terms.

You are being asked to vote, by separate ordinary resolutions, on the election of the following nine director nominees, each for a one-year term:

Francesco Bianchi
Stacy Exing Seng
William Kozy
Damien McDonald
Daniel Moore
Dr. Sharon O'Kane
Andrea Saia
Todd Schermerhorn
Peter Wilver

Detailed information about each director nominee's background, skill sets and areas of expertise can be found beginning on page 16 of this proxy statement.

Vote Required:

Each director nominee is elected by a simple majority of the total votes cast.

Election is by a majority of the votes cast in an uncontested election such as this one. In a contested election, directors are elected by a plurality of the votes cast.

Board Recommendation:

FOR the election to the Board of each of the director nominees

Proposal No. 2

Advisory (Non-Binding) Vote to Approve Executive Compensation (Say on Pay)

<p>Our shareholders are entitled to cast an advisory vote at the AGM to approve the compensation of our NEOs, as disclosed in this proxy statement. The shareholder vote is an advisory vote only and is not binding on us, the Board, or the Compensation Committee but is required by Section 14A of the Exchange Act.</p> <p>Although the vote is non-binding, the Compensation Committee and the Board value your opinions and will consider the outcome of the vote in establishing compensation philosophy and making future compensation decisions. As described more fully in the “Compensation Discussion and Analysis” and “Executive Compensation” sections of this proxy statement, our NEOs are compensated in a manner consistent with our business strategy, competitive practice, sound compensation governance principles and shareholder interests and concerns. Our compensation policies and decisions are focused on pay-for-performance.</p> <p>We are requesting your non-binding vote to approve the compensation of our NEOs as disclosed pursuant to Item 402 of Regulation S-K, and as described in the “Compensation Discussion and Analysis” and “Executive Compensation” sections of the proxy statement.</p>	<p>Vote Required:</p> <p>This advisory vote will be approved if there is an affirmative vote of a simple majority of the total votes cast by members present at the AGM, in person or by proxy, and entitled to vote on the proposal.</p> <p>Board Recommendation:</p> <p>FOR the approval of the compensation of our NEOs as disclosed in this proxy statement, including the Compensation Discussion and Analysis, compensation tables, and narrative discussion</p>
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Proposal No. 3

Ratification of the Appointment of PwC-US as the Company’s Independent Registered Public Accounting Firm

<p>The Audit and Compliance Committee has appointed PwC-US as our independent registered public accounting firm for the year ending December 31, 2022, subject to ratification by our shareholders. Although the ratification of this appointment is not required to be submitted to a vote of the shareholders, the Board believes it appropriate as a matter of policy to request that the shareholders ratify the appointment of the registered public accounting firm for the year ending December 31, 2022.</p> <p>We anticipate that a representative of PwC-US or an affiliated member firm will be present at the AGM. The representative will be given the opportunity to make a statement if he or she desires to do so, and is expected to be available to respond to any appropriate questions that may be submitted by shareholders at the AGM.</p>	<p>Vote Required:</p> <p>This ordinary resolution vote will be approved if there is an affirmative vote of a simple majority of the total votes cast by members present at the AGM, in person or by proxy, and entitled to vote on the proposal.</p> <p>If this proposal does not receive the required vote for approval, the Audit and Compliance Committee will reconsider the appointment but may decide to maintain its appointment of PwC-US.</p> <p>Board and Audit and Compliance Committee Recommendation:</p> <p>FOR the ratification of the appointment of PwC-US as the Company’s independent registered public accounting firm for the year ending December 31, 2022</p>
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Fees Paid to PwC

The following table summarizes the aggregate fees billed to us by PwC-US and its respective network member firms including PwC S.p.A. and PwC-UK that acts as our UK statutory auditor (together, “PwC”) for services performed in connection with the financial year ended December 31, 2021 and the financial year ended December 31, 2020 (all numbers for fees in the table below are in thousands):

	<u>Year Ended December 31, 2020</u>	<u>Year Ended December 31, 2021</u>
Audit Fees ⁽¹⁾	\$6,270	\$4,650
Audit-Related Fees ⁽²⁾	\$ 260	\$ 325
Tax Fees ⁽³⁾	\$ 448	\$ 538
All Other Fees ⁽⁴⁾	<u>\$ 1</u>	<u>\$ 1</u>
Total	<u>\$6,979</u>	<u>\$5,514</u>

- (1) Audit Fees are fees we paid to PwC for professional services related to the audit of our annual financial statements and the review of our quarterly financial statements, and for services that are normally provided by the firm in connection with US or international statutory and regulatory filings or engagements.
- (2) Audit-Related Fees consist of aggregate fees to PwC for assurance services, other than those included in Audit Fees, related to the comfort letter issued in relation to an equity offering completed on August 6, 2021.
- (3) Tax Fees include applicable fees paid to PwC for tax services, including tax compliance and tax advice.
- (4) All Other Fees in 2021 and 2020 are for fees for disclosure checklist access.

Policy on Audit Committee Pre-Approval of Audit and Non-Audit Services Performed by the Independent Registered Public Accounting Firm

The Audit and Compliance Committee has established an auditor independence policy that addresses the hiring of former employees of the Company’s auditors as well as the provision by the auditors of audit and non-audit services. The policy sets out certain non-audit services that are prohibited at all times as well as a separate list of services that may be permitted if approved by the Audit and Compliance Committee, subject to certain caps (expressed as a percentage of the average of all fees paid to the auditor in each of the prior three years). The committee may approve non-audit services in excess of this cap only if it concludes that the auditor is, or a reasonable investor with knowledge of all relevant facts and circumstances would conclude that the auditor is, capable of exercising objective and impartial judgment on all issues encompassed within the auditor’s engagement. In this same policy, the committee also delegated approval authority to the committee’s Chair (or by resolution to any other member of the committee) to approve any one or more individual audit or permitted non-audit services for which estimated fees do not exceed \$100,000. In such cases, the committee Chair reports such approvals at the next scheduled meeting of the committee.

At the beginning of each audit year, management requests prior Audit and Compliance Committee approval of the annual audit, statutory audits and quarterly reviews for the upcoming audit year as well as any other services known at that time. Management will also present at that time an estimate of all fees for the upcoming audit year. As specific engagements are identified thereafter, they are brought forward to the committee for approval.

For each engagement, management provides the Audit and Compliance Committee with information about the services and fees, sufficiently detailed to allow the committee to make an informed judgment about the nature and scope of the services and the potential for the services to impair the independence of the firm. After the end of the audit year, management provides the Audit and Compliance Committee with a summary of the actual fees incurred for the completed audit year.

Audit and Compliance Committee Report

The Audit and Compliance Committee is comprised of four non-employee directors, all of whom are “independent” under the applicable Nasdaq rules and the applicable rules of the SEC. The Audit and Compliance Committee is governed by a written charter which has been adopted by the Board.

Our management team is responsible for the preparation, presentation, and integrity of the consolidated financial statements, maintaining a system of internal controls and having appropriate accounting and financial reporting principles and policies. The independent registered public accounting firm is responsible for planning and carrying out an audit of the consolidated financial statements and an audit of internal controls over financial reporting in accordance with the rules of the Public Company Accounting Oversight Board (United States) and expressing an opinion as to the consolidated financial statements’ conformity with US generally accepted accounting principles (“GAAP”) and as to internal controls over financial reporting. The Audit and Compliance Committee monitors and oversees these processes and is responsible for selecting and overseeing our independent registered public accounting firm. As part of the oversight process, the Audit and Compliance Committee met eight times in 2021 and acted via written resolutions on three occasions. Throughout the year, the Audit and Compliance Committee met with our independent registered public accounting firm, management and internal auditor, both together and separately in closed sessions. In the course of fulfilling its responsibilities, the Audit and Compliance Committee did, among other things, the following:

1. reviewed and discussed with management and the independent registered public accounting firm our consolidated financial statements for the year ended December 31, 2021 and the quarters ended March 31, 2021, June 30, 2021 and September 30, 2021;
2. oversaw and discussed with management the review of our internal controls over our financial reporting;
3. reviewed management’s representations that our consolidated financial statements were prepared in accordance with GAAP and present fairly our results of operations and financial position;
4. discussed with the independent registered public accounting firm the matters required to be discussed by the applicable requirements of the Public Company Accounting Oversight Board and the SEC;
5. received the written disclosures and letters from the independent registered public accounting firm required by the applicable requirements of the Public Company Accounting Oversight Board regarding the independent registered public accounting firm’s communication with the Audit and Compliance Committee concerning independence, and discussed with the independent registered public accounting firm its independence;
6. reviewed and evaluated the performance and quality of the independent registered public accounting firm and its lead audit partner in its determination to recommend the retention of the independent registered public accounting firm, including by assessing the performance of the independent registered public accounting firm from within the Audit and Compliance Committee and from the perspective of senior management and the internal auditor;
7. considered whether the provision of non-audit services by our registered public accounting firm is compatible with maintaining the registered public accounting firm’s independence;
8. reviewed the scope of and overall plans for the annual audit and the internal audit program;
9. reviewed new accounting standards applicable with our CFO, internal audit department and our external auditors;
10. consulted with management with respect to our processes for risk assessment and risk mitigation;
11. reviewed our processes for monitoring compliance with the law and Company policies and Code of Business Conduct and Ethics; and

12. reviewed and discussed with management its assessment and report on the effectiveness of our internal controls over financial reporting as of December 31, 2021.

Based on its review and discussion of the items listed above and Management’s Report on the Company’s internal controls over financial reporting as of December 31, 2021, the Audit and Compliance Committee recommended to the Board that the audited consolidated financial statements be included in the Company’s US Annual Report on Form 10-K for the year ended December 31, 2021.

Todd Schermerhorn (Chair)
Francesco Bianchi
Alfred Novak
Andrea Saia

Proposal 4

Approval of the LivaNova PLC 2022 Incentive Award Plan and the French sub-plan thereof

<p>Proposal No. 4 is to approve the LivaNova PLC 2022 Incentive Award Plan and the French sub-plan thereof (together, the “2022 Plan”). The full terms of the 2022 Plan are set out in the Appendix to this proxy statement.</p> <p>We are seeking shareholder approval of the 2022 Plan to ensure that we have an appropriate number of shares available to have a competitive equity incentive program to compete with our peer group for key talent.</p> <p>The Board approved and adopted the 2022 Plan, to be effective immediately following the AGM, subject to shareholder approval at the AGM. The 2022 Plan is intended to be the successor to our 2015 Incentive Award Plan, as amended (the “2015 Plan”) in respect of grants made to our employees and executives. Following the AGM, subject to approval of the 2022 Plan, the 2022 Plan and the 2015 Plan will be effective and all other equity plans maintained by the Company, including legacy plans of Sorin and Cyberonics, will be terminated, provided that any outstanding awards will continue to remain in full force and effect.</p> <p>If this proposal does not receive the required vote for approval, we expect that we may have an insufficient number of shares available to make equity-based compensation a meaningful part of our employees’ and executives’ overall compensation. Further, we believe our ability to retain and attract talented personnel could be adversely affected due to the ability of our competitors to offer long-term equity compensation to those individuals and our inability to do so. Without sufficient share capacity in our compensation program, we could lose employees or be forced to pay more compensation in cash to maintain competitive levels of compensation.</p> <p>Impact on the 2015 Plan</p> <p>Simultaneously with the coming into force of the 2022 Plan, and subject to shareholder approval of the 2022 Plan at the AGM, the Board has approved an amendment to the 2015 Plan to limit the number of shares which may be issued or transferred pursuant to awards granted on or after the AGM to 50,000, and</p>	<p>Vote Required:</p> <p>This ordinary resolution will be approved if there is an affirmative vote of a simple majority of the total votes cast by members present at the AGM, in person or by proxy, and entitled to vote on the proposal.</p> <p>Board Recommendation:</p> <p>FOR the approval of the LivaNova PLC 2022 Incentive Award Plan and the French sub-plan thereof.</p>
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to limit, as of the AGM, the persons who qualify as eligible individuals under the 2015 Plan to non-employee directors.

Accordingly, if the 2022 Plan is approved by shareholders, the 2022 Plan and the amendment to the 2015 Plan will become effective immediately following the AGM, and there will be no further awards or grants made to employees under the 2015 Plan, although any outstanding awards will continue to remain in full force and effect. The 2015 Plan, as amended, would then be used only to make awards or grants to non-employee directors who cannot receive awards or grants under the 2022 Plan (which, for UK corporate law reasons, is an employee-only plan).

French Sub-Plan

Proposal No.4 is also to approve the French sub-plan of the 2022 Plan (the “**French Sub-Plan**”), as set out in Appendix C to the 2022 Plan, in order to grant Restricted Stock Units to eligible French employees (as defined in the French Sub-Plan) complying with all applicable provisions of Articles L 225-197-1 *et seq.* of the French Commercial Code (or any successor provisions thereto) (as construed by the official guidelines of the French tax authorities, unless otherwise permitted by such guidelines) and which provides that (i) no portion of Restricted Stock Units granted under the French Sub-Plan may vest prior to the first anniversary of the date of grant of such award (except in the event of the participant’s death or disability as permitted by the provisions of Article L 225-197-1 of the French Commercial Code), (ii) following the settlement of any portion of an award in shares before the second anniversary of the date of grant, such shares must be held without being directly or indirectly transferred, assigned in any respect whatsoever or leased until the second anniversary of the date of grant (except in the event of the Participant’s death or disability as provided by the provisions of Articles L 225-197-1 and L 225-197-3 of the French Commercial Code) and (iii) the total number of Restricted Stock Units granted under the French Sub-Plan shall (when added together with other Restricted Stock Units granted by the Company under the 2022 Plan in accordance with Article L 225-197-1, § 2 of the French Commercial Code) not exceed 10% of the issued and outstanding shares of the Company upon the grant date and to further authorize, as long as the 2022 Plan remains in force, the Administrator (as defined in the 2022 Plan) to revise, renew or adopt a French sub-plan provided that it complies with all applicable provisions of Articles L 225-197-1 *et seq.* of the French Commercial Code (or any successor provisions thereto) (as construed by the official guidelines of the French tax authorities, unless otherwise permitted by such guidelines) and items (i) to (iii) above.

New Plan Benefits

Future grants under the 2022 Plan will be made at the discretion of the Administrator and, accordingly, are not yet determinable. In addition, benefits under the 2022 Plan will depend on a number of factors, including the fair market value of our common stock on future dates and the exercise decisions made by participants. Consequently, at this time, it is not possible to determine the future benefits that might be received by participants receiving discretionary grants under the 2022 Plan.

Description of the 2022 Plan

The following is a summary of the material features of the 2022 Plan. This summary is qualified in its entirety by the full text of the 2022 Plan, a copy of which is attached to this Proxy Statement as Appendix A.

Purpose

The purpose of the 2022 Plan is to promote the success and enhance the value of the Company by linking the individual interests of the employees to those of company shareholders and provide an incentive for outstanding performance to generate superior returns to Company shareholders.

Administration

The 2022 Plan will be administered by the Compensation Committee of the Board or a committee of one or more members of the Board or one or more officers of the Company authorized by the Compensation Committee or the Board to grant awards under the 2022 Plan in a manner that complies with the applicable requirements of Section 16 of the Exchange Act and any other applicable legal or stock exchange listing requirements (the “Administrator”). The Administrator has the authority to interpret the 2022 Plan and may prescribe, amend and rescind rules and make all other determinations necessary or desirable for the administration of the 2022 Plan.

Eligibility

Only employees of the Company and its subsidiaries will be eligible to receive awards under the 2022 Plan, which constitutes approximately 3,000 individuals.

Shares

The total number of our ordinary shares available for awards under the 2022 Plan may not exceed (i) 1,900,000 shares pursuant to options or stock appreciation rights (“SARs”); and (ii) 1,200,000 shares pursuant to awards other than options or SARs.

If any shares subject to an award are forfeited, lapse, or expire, or if any shares subject to an award are converted to shares of another company in connection with a takeover, sale, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination, exchange of shares or other similar event, or if any award is settled for cash (in whole or in part) or repurchased, the shares subject to such award shall, to the extent of such forfeiture, lapse, expiration or cash settlement, again be available for future grants of awards under the 2022 Plan.

However, the following shares shall not be added to the shares authorized for grant: (i) shares tendered by a holder or withheld by the Company in payment of the exercise price of an option; (ii) shares tendered by the holder or withheld by the Company to satisfy any tax withholding obligation with respect to any award; (iii) shares subject to a SAR that are not issued in connection with the settlement of the SAR in shares upon exercise thereof; and (iv) shares purchased on the open market with the cash proceeds from the exercise of options. No shares may again be optioned, granted or awarded if such action would cause an incentive stock option to fail to qualify as an incentive stock option under Section 422 of the Internal Revenue Code of 1986 (the “Code”).

Types of awards

The 2022 Plan permits the issuance of incentive stock options, non-statutory stock options, SARs, restricted stock, restricted stock units (“RSUs”), other stock- or cash-based awards, and dividend equivalent rights.

The 2022 Plan permits the Administrator to designate the eligible individuals who will receive awards, to determine the types and number of awards to be granted, the terms and conditions of those awards, including, but not limited to, the exercise price or other purchase price of an award, and the vesting schedule applicable to an award, to determine whether, to what extent, and under what circumstances an award may be settled or forfeited, prescribe the form of each award agreement, which need not be identical for each participant, and decide all other matters that must be determined in connection with an award.

Under the terms of the 2022 Plan, the Company is authorized to award or grant the following types of equity and equity-based awards to employees of the Company and its subsidiaries:

Options and SARs: The Administrator is authorized to grant options and SARs to eligible individuals in such amounts and subject to such terms and conditions as determined by the Administrator. Options granted under the 2022 Plan may be incentive stock options or nonqualified stock options. The Administrator will determine the term of each option and SAR, which may not exceed ten years, or five years in the case of an incentive stock option granted to a ten percent shareholder, the exercise price, which shall not be less than the fair market value of a share on the grant date, or in the case of an incentive stock option granted to a ten percent shareholder, 110% of the fair market value of a share on the grant date, the vesting schedule, if any, and the other material terms of each option and SAR, provided that the vesting period will in all cases be at least 12 months from the grant date. Unless otherwise provided by the Administrator or directed by the holder, each vested and exercisable option and SAR outstanding on the last day of the term such option or SAR with an exercise price per share that is less than the fair market value per share as of such date shall automatically be exercised.

Restricted Stock: The Administrator is authorized to grant restricted stock to eligible individuals under the 2022 Plan. The Administrator will determine the terms and conditions of restricted stock, including vesting conditions, provided that the vesting period will in all cases be at least 12 months from the grant date. Unless otherwise provided by the Administrator, holders of restricted stock will generally have all of the rights of a shareholder with respect to such restricted stock, including the right to receive dividends and other distributions, provided that any dividends that are paid prior to vesting shall only be paid out to the holder to the extent that vesting conditions are subsequently satisfied. Upon a termination of service all unvested restricted stock shall be forfeited, or if the holder paid a purchase price for such restricted stock, will be subject to a repurchase right by Company at a price equal to the purchase price or such other amount as specified in the applicable award agreement, except that in the event of a holder's death or disability, the Administrator may provide for the acceleration of unvested restricted stock.

RSU: The Administrator is authorized to grant RSUs to eligible individuals under the 2022 Plan. The Administrator will determine the terms and conditions of RSUs, including any purchase price, provided that the value of the consideration shall not be less than the par value of a share unless otherwise permitted by applicable law, the term of the RSUs, the vesting conditions, providing that the vesting period will in all cases be at least 12 months from the grant date, and the maturity date, which shall be no later than the vesting date and shall comply with Section 409A of the Code. An award of RSUs shall only be settled while the holder is an employee, unless the Administrator provides for settlement following termination of service in the event of the holder's death or disability.

Other Stock or Cash Based Award: The Administrator is authorized to grant other stock or cash based awards, including awards entitling a holder to receive shares or cash to be delivered immediately or in the future, to any eligible individual. The Administrator shall determine the terms and conditions of each stock or cash based award, including the term of the award, any exercise or purchase price, performance goals, transfer restrictions, and vesting conditions, but the vesting period shall in all cases be a period of at least 12 months from the grant date.

Dividend Equivalent Award: The Administrator is authorized to grant dividend equivalents, either alone or in tandem with another award (other than an option or SAR), based on dividends declared on ordinary shares, to be credited as of dividend payment dates determined by the Administrator, payable in cash or shares by such formula and at such time and subject to such restrictions and limitations as may be determined by the Administrator. In addition, dividend equivalents with respect to an award that are based on dividends paid prior to the vesting of such award shall only be paid out to the holder to the extent that the vesting conditions are subsequently satisfied and the award vests.

Notwithstanding each of the foregoing provisions, up to a maximum of five percent (5%) of the maximum aggregate number of shares that may be issued under the 2022 Plan without regard for any limitations or other requirements for vesting or transferability under the 2022 Plan.

Change in Control

In the event of a change in control as defined in the 2022 Plan and as explained further below (a "Change in Control"), unless the Administrator elects to (i) terminate an award in exchange for cash, rights or property,

or (ii) cause an award to become fully exercisable and no longer subject to any forfeiture restrictions prior to the consummation of a Change in Control, (A) such award (other than any portion subject to performance-based vesting) shall continue in effect or be assumed or an equivalent award substituted by the successor corporation or a parent or subsidiary of the successor corporation and (B) the portion of such award subject to performance-based vesting shall be subject to the terms and conditions of the applicable award agreement or the Administrator's discretion.

In the event that the successor corporation in a Change in Control refuses to assume or substitute for an award (other than any portion subject to performance-based vesting), the Administrator may cause (i) any or all of such award (or portion thereof) to terminate in exchange for cash, rights or other property or (ii) any or all of such award (or portion thereof) to become fully exercisable immediately prior to the consummation of such transaction and all forfeiture restrictions on any or all of such award to lapse. If any such award is exercisable in lieu of assumption or substitution in the event of a Change in Control, the Administrator shall notify the holder that such award shall be fully exercisable for a period of fifteen (15) days from the date of such notice, contingent upon the occurrence of the Change in Control, and such award shall terminate upon the expiration of such period.

An award shall be considered assumed if, following the Change in Control, the award confers the right to purchase or receive the same consideration as shareholders or an equivalent number of shares of the successor corporation, and an award with performance-based vesting will not be considered assumed if the applicable performance goals are modified without the holder's consent in a manner that could reasonably be expected to have a material adverse impact on the holder.

For purposes of the 2022 Plan, a Change In Control shall generally mean the sale of all or substantially all of the assets of the Company, or a takeover in which any person (or a group of persons acting in concert) obtains control of the Company as the result of (a) making a general offer to: (i) acquire all of the issued ordinary share capital of the Company, conditional on having control of the company; (ii) acquire all of the shares in the Company which are of the same class as the ordinary shares; or (b) obtains control of the Company as a result of a compromise or arrangement sanctioned by a court under Section 899 of the Companies Act 2006, or sanctioned under any other similar law of another jurisdiction; or (c) becomes bound or entitled under Sections 979 to 985 of the Companies Act 2006 (or similar law of another jurisdiction) to acquire shares of the same class as the ordinary shares; or (d) obtains control of the Company in any other way, provided that for award holders subject to Section 409A of the Code, to the extent that any amount payable under the 2022 Plan constitutes non-exempt deferred compensation for purposes of Section 409A of the Code, such amount shall not be payable due to a Change in Control unless it also constitutes a "change in control event" as defined in the regulations promulgated under Section 409A.

Tax Withholding

As a condition of the grant, all participants agree that the ultimate liability for all income tax, National Insurance contributions and any other social security contributions (including employer's National Insurance contributions or other employer's social security contributions to the extent such amounts may be lawfully recovered from the relevant holder) or any other relevant taxes (including, but not limited, to any federal, state, local or foreign taxes) related to the grant, vesting or exercise of any award, the transfer or issue of any shares or cash upon satisfaction of any award, any restrictions applicable to shares ceasing to apply, the disposal of any shares, or the participation in the 2022 Plan (a "Tax Liability") is and remains the responsibility of the relevant holder. The Company has reserved the authority to withhold, or require a holder to remit to the Company (or, if different, their employer), an amount sufficient to satisfy any Tax Liability. Holders also irrevocably agree to pay to the Company (or, if different, their employer) the amount of any Tax Liability or to enter into arrangements satisfactory to the Company (or the employer, as applicable) for the payment of any Tax Liability, and the 2022 Plan also includes an indemnity in favor of the Company in respect of a holder's liability to pay any Tax Liability.

Amendment and Termination of Plan

The 2022 Plan may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Board; provided that, no amendment, suspension or termination of the 2022

Plan shall, without the consent of the holder, materially and adversely affect any rights or obligations under any outstanding award, unless the award itself otherwise expressly so provides.

However, the Board may not, except as provided under “Adjustments in the Event of Corporate Events”, take any of the following actions without approval of the Company’s shareholders: (i) increase the maximum number of shares which may be issued under the 2022 Plan, (ii) reduce the price per share of any outstanding option or SAR granted under the 2022 Plan, (iii) cancel any Option or SAR in exchange for cash or another award, or (iv) any other action that may require approval of the Company’s shareholders under applicable law.

Term of Plan

The 2022 Plan will expire on the tenth (10th) anniversary of the earlier of: (i) the date on which the 2022 Plan was adopted by the Board or (ii) the date the 2022 Plan was approved by the Company’s shareholders, after which no awards may be granted or awarded. Any awards that are outstanding following the expiration of the 2022 Plan shall remain in force according to the terms of the 2022 Plan and the applicable award agreement.

Adjustments in the Event of Corporate Events

In the event of any dividend in specie, sub-division of shares, combination or exchange of shares, merger, consolidation of shares or other distribution (other than normal cash dividends) of Company assets to shareholders, or any other change affecting the shares of the Company, or the share price of the Company’s shares, the Administrator will make equitable adjustments, if any, as the Administrator, in its sole discretion, may deem appropriate to reflect such change with respect to: (i) the aggregate number and kind of shares that may be issued under the 2022 Plan; (ii) the number and kind of shares (or other securities or property) subject to outstanding awards; (iii) the terms and conditions of any outstanding awards (including, without limitation, any applicable performance targets or criteria with respect thereto); and (iv) the grant or exercise price per share for any outstanding awards under the 2022 Plan. Upon any such change affecting the shares of the Company, the Administrator, in its sole discretion, and on such terms and conditions as it deems appropriate, may also take any one or more of the following actions whenever the Administrator determines that such action is appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the 2022 Plan or with respect to any award under the 2022 Plan: (A) provide for the termination of any such award in exchange for an amount of cash and/or other property with an equivalent value; (B) provide that such award be assumed by the successor or survivor corporation, or shall be substituted for by similar options, rights or awards covering the stock of the successor or survivor corporation, with appropriate adjustments; (C) make adjustments in the number and type of shares (or other securities or property) subject to outstanding awards, and/or in the terms and conditions of (including the grant or exercise price); (D) provide that such award shall be exercisable or payable or fully vested with respect to all shares covered thereby, notwithstanding anything to the contrary in the 2022 Plan or the applicable award agreement; (E) replace such award with other rights or property selected by the Administrator; or (F) provide that the award cannot vest, be exercised or become payable after such event.

In the event of an equity restructuring, meaning a nonreciprocal transaction between the Company and its shareholders, such as a dividend in specie, sub-division of shares, consolidation of shares, spin-off or demerger, rights offering or recapitalization through a large, nonrecurring cash dividend, that affects the number or kind of shares (or other securities of the Company) or the share price of the shares (or other securities) and causes a change in the per-share value of the shares underlying outstanding awards (i) equitable adjustments to the number and type of securities subject to each outstanding award and the exercise price or grant price thereof, if applicable, shall be non-discretionary, and (ii) the Administrator shall make such equitable adjustments as it may deem appropriate to the aggregate number and kind of shares that may be issued under the 2022 Plan.

Malus and Claw-Back Provisions

All awards (including any proceeds upon any receipt or exercise of any award or upon the receipt or resale of any shares underlying the award) shall be subject to the terms of applicable law that regulates executive

remuneration and compensation from time to time and the provisions of any malus or claw-back policy implemented by the Company, including, without limitation, the LivaNova Compensation Recoupment Policy and any malus or claw-back policy adopted to comply with the requirements of applicable law, including, without limitation, the Dodd-Frank Wall Street Reform and Consumer Protection Act and any rules or regulations promulgated thereunder, to the extent set forth in such malus or claw-back policy and/or in the applicable award agreement.

Prohibition on Repricing

Other than in connection with a corporate event, the Administrator shall not, without the approval of the shareholders of the Company, (a) authorize the amendment of any outstanding option or SAR to reduce its price per share, or (b) cancel any option or SAR in exchange for cash or another award when the option or SAR price per share exceeds the fair market value of the underlying shares. Furthermore, except in connection with a corporate transaction involving the Company (including, without limitation, any dividend in specie, sub-division of shares, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination or exchange of shares), the terms of outstanding awards may not be amended to reduce the exercise price per share of outstanding options or SARs or to cancel outstanding options or SARs in exchange for cash or other awards with an exercise price per share that is less than the exercise price per share of the original options or SARs without the approval of the shareholders of the Company.

Federal Income Tax Consequences

The following is a brief summary of the principal U.S. federal income tax consequences of the 2022 Plan for a participant who is a U.S. tax resident under the provisions of the Internal Revenue Code, as currently in effect. The Internal Revenue Code and regulations are subject to change. This summary is not intended to be exhaustive and does not describe, among other things, state, local or foreign income and other tax consequences. The specific tax consequences to a participant will depend upon a participant's individual circumstances. The Program is not qualified under Section 401(a) of the Internal Revenue Code.

Options and SARs. Options granted under the 2022 Plan may be either incentive stock options, which satisfy the requirements of Section 422 of the IRC, or nonqualified stock options, which are not intended to meet such requirements. In general, neither the grant nor the exercise of an incentive stock option will result in taxable income to the participant (except possible alternative minimum tax upon an exercise) or a deduction to the Company. If: (i) the participant makes no disposition of the shares acquired pursuant to an incentive stock option within two years from the date of grant or within one year from the exercise of the option; and (ii) at all times during the period beginning on the date of the grant of the option and ending on the day three months before the date of such exercise, the participant was an employee of either the Company or one of its subsidiaries, any gain or loss realized on a subsequent disposition of the shares will be treated as a long-term capital gain or loss, and the Company will not be entitled to any deduction for federal income tax purposes. The grant of nonqualified stock options and SARs will not result in income taxable to the participant or provide a deduction to the Company. However, the exercise of a nonqualified stock option or SAR results in taxable income to the holder, and the Company is entitled to a corresponding tax deduction. At the time of the exercise of a nonqualified stock option, the participant will be taxed at ordinary income tax rates on the excess of the fair market value of the shares purchased over the option's exercise price. At the time of the exercise of a SAR, the participant will be taxed at ordinary income tax rates on the amount of the cash, or the fair market value of the shares, received by the employee upon exercise.

Restricted Stock Awards. A participant in the Program who is granted a restricted stock award will not be taxed upon the acquisition of such shares so long as the interest in such shares is subject to a "substantial risk of forfeiture" within the meaning of Section 83 of the Internal Revenue Code. Upon lapse or release of the restrictions, the recipient will be taxed at ordinary income tax rates on an amount equal to the then current fair market value of the shares. Any such awards that are not subject to a substantial risk of forfeiture will be taxed at the time of grant. The Company will be entitled to a corresponding deduction when the value of the award is included in the recipient's taxable income, subject to the limits of Section 162(m) of the Code. The basis of restricted shares held after lapse or termination of restrictions will be equal to their fair market value on the date of lapse or termination of restrictions, and upon subsequent disposition any further

gain or loss will be a long-term or short-term capital gain or loss, depending upon the length of time the shares are held. Pursuant to Section 83(b) of the Internal Revenue Code, a recipient of a restricted stock award may elect to be taxed at ordinary income tax rates on the full fair market value of the restricted shares at the time of grant. If the 83(b) election is made, the basis of the shares so acquired will be equal to the fair market value at the time of grant. If the election is made, no tax will be payable upon the subsequent lapse or release of the restrictions, and any gain or loss upon disposition will be a capital gain or loss.

RSU. A participant who is granted an RSU will not be taxed upon the grant of the award. Upon receipt of payment of cash or ordinary shares pursuant to an RSU, the participant will realize ordinary income in an amount equal to any cash received and the fair market value of any ordinary shares received, and subject to the limits of Section 162(m) of the Code, the Company will be entitled to an income tax deduction equal to the amount of ordinary income recognized by the participant.

Other Awards. With respect to other stock-based awards, generally when the participant receives payment in respect of the award, the amount of cash and/or the fair market value of any ordinary shares or other property received will be ordinary income to the participant, and the Company generally will be entitled to a tax deduction at the same time and in the same amount.

Dividend Equivalents. A recipient of dividend equivalents generally will recognize ordinary income at the time the dividend equivalent is paid. The Company will be entitled to a corresponding deduction equal to the ordinary income recognized by the participant, subject to the limits of Section 162(m) of the Code.

Proposal No. 5

Ordinary Resolution to Grant Authority to Allot Shares

<p>The action requested in this Proposal 5 is required because the Company is incorporated in England and Wales and is subject to the Companies Act. For Companies subject to the Companies Act, unlike for companies incorporated in the US, the power to allot (or issue) shares is restricted in terms of number of shares that may be allotted and the time period during which they may be allotted.</p> <p>Under the Companies Act, the directors may only allot shares in the Company or grant rights to subscribe for, or to convert any security, into shares in the Company if they are authorized to do so by the Company's Articles of Association or by shareholder resolution. The requirement for such authorization to allot by the Company's shareholders is an additional step not generally required when companies domiciled in the US are issuing securities. The directors believe that it is important for the Company to retain the flexibility to allot shares on an accelerated basis should the directors determine it is necessary or advisable and in the best interests of shareholders, without incurring the costs or delays associated with calling a special meeting and preparing and circulating proxy materials to approve specific allotments of shares.</p> <p>The Company sought a similar authority at the 2021 AGM and the 2020 AGM.</p> <p>Therefore, the Company is now requesting that its Board have the authority to allot up to an aggregate nominal amount of £17,635,220, which is equivalent to approximately 33% of the Company's existing issued share capital (excluding treasury shares). The authority sought under this resolution will, if granted, lapse at the end of the next annual general meeting of</p>	<p>Vote Required:</p> <p>This ordinary resolution will be approved if there is an affirmative vote of a simple majority of the total votes cast by members present at the AGM, in person or by proxy, and entitled to vote on the proposal.</p> <p>Board Recommendation:</p> <p>FOR the grant of authority to allot shares.</p>
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the Company or, if earlier, the close of business on the date that is fifteen (15) months after the date on which the resolution is passed, which is in line with the approach taken by public companies listed in the UK.

The directors have no present intention to exercise the authority sought under this resolution, other than to satisfy options and other awards to the non-employee directors of the Company who are not covered by the 2022 Plan, but believe it is in the interests of shareholders for the directors to have this flexibility to allot shares, should circumstances and their intentions change.

The approval of this resolution by the Company's shareholders will not substitute for any approvals that may be required for a specific transaction under any applicable Nasdaq listing rules.

Proposal 6

Special Resolution to Grant Power to Disapply Pre-Emption Rights

This action, like Proposal 5, is required because the Company is incorporated in England and Wales. In this proposal, the Company is requesting that when the Board allots (issues) shares for cash:

- a. up to an aggregate nominal amount of £2,672,003, which is equivalent to approximately 5% of the Company's existing issued share capital (excluding treasury shares), for any purpose and
- b. (in addition to the amount set out under (a) above), up to an aggregate nominal amount of £2,672,003, which is equivalent to approximately 5% of the Company's existing issued share capital (excluding treasury shares), to be used only for the purposes of financing an acquisition or other capital investments,

it not be required to offer pre-emption rights to existing shareholders.

The authority sought under this resolution will, if granted, lapse at the end of the next annual general meeting of the Company or, if earlier, the close of business on the date that is fifteen (15) months after the date on which the resolution is passed, which is in line with the approach taken by public companies listed in the UK. This resolution, if passed, would give the directors the power to allot new equity securities or to sell treasury shares held by the Company for cash without first offering them to shareholders in proportion to their existing holdings, subject to the limits set forth above. Under the Companies Act, when an allotment of shares is for cash, the Company must first offer those shares on the same terms to existing shareholders of the Company on a pro-rata basis (commonly referred to as statutory pre-emption rights) unless these statutory pre-emption rights are disapplied by approval of the shareholders.

The requirement to first offer shares to existing shareholders is an additional step not generally required when companies

Vote Required:

This special resolution will be approved if there is an affirmative vote of at least 75% of the total votes cast on the resolution by members present at the AGM, in person or by proxy, and entitled to vote on the proposal.

Board Recommendation:

FOR the proposal to disapply pre-emption rights.

domiciled in the United States are issuing securities. The directors believe that it is important for the Company to retain the flexibility to issue shares on an accelerated basis should the directors determine it is necessary or advisable and in the best interests of shareholders, without incurring the costs or delays associated with calling a special meeting and preparing and circulating proxy materials to disapply pre-emption rights in connection with specific allotments of shares.

The Company sought a similar authority at the 2021 AGM and the 2020 AGM.

The directors have no present intention to exercise the authority sought under this resolution, other than to satisfy options and other awards to the non-employee directors of the Company who are not covered by the 2022 Plan, but believe it is in the interests of shareholders for the directors to have this flexibility to allot shares for cash, should circumstances and their intentions change.

The approval of this resolution by the Company's shareholders will not substitute for any approvals that may be required for a specific transaction under any applicable Nasdaq listing rules.

Proposal No. 7

Advisory Vote to Approve the UK Directors' Remuneration Report

The Board considers that appropriate remuneration of directors plays a vital part in helping us to achieve our overall objectives, and accordingly, and in compliance with the Companies Act, we are providing shareholders with the opportunity to vote on an advisory resolution approving the directors' remuneration report included in our UK Annual Report. This proposal is similar to Proposal 2 regarding the compensation of our NEOs. However, the directors' remuneration report is concerned solely with the remuneration of our executive and non-executive directors and is required under the Companies Act.

We encourage shareholders to read the directors' remuneration report as set forth in the UK Annual Report and the directors' remuneration policy approved by shareholders in 2019 (which governs the directors' remuneration report included in the UK Annual Report). The Board and the Compensation Committee believe that the policies and procedures articulated in the directors' remuneration report are effective in achieving our compensation objectives, and serve to attract and retain highly qualified non-executive directors.

The directors' remuneration report for 2021 is set out on pages 49-86 of the UK Annual Report. The names of directors whose remuneration is the object of this proposal are set out on page 59 of the UK Annual Report. All UK incorporated companies that are "quoted companies" under the Companies Act are required to put their directors' remuneration report to shareholders.

Vote Required:

This advisory vote will be approved if there is an affirmative vote of a simple majority of the total votes cast by members present at the AGM, in person or by proxy, and entitled to vote on the proposal.

This vote is advisory only, pursuant to the Companies Act, and the directors' entitlement to receive remuneration is not conditional on it. Payments made or promised to directors will not have to be repaid, reduced or withheld in the event that the resolution is not passed. The resolution and vote are a means of providing shareholder feedback to the Board. The Compensation Committee will review and consider the outcome of the vote in connection with the ongoing review of our executive director and non-executive director compensation programs.

Board Recommendation:

FOR the approval of the 2021 UK directors' remuneration report.

Proposal No. 8

Vote to Approve the UK Directors' Remuneration Policy

The Board believes that appropriate remuneration of directors plays a vital part in helping to achieve the Company's overall objectives, and, accordingly, and in compliance with the Companies Act, we are providing shareholders with the opportunity to vote on a resolution to approve our directors' remuneration policy, which is included in our UK Annual Report.

The directors' remuneration policy sets out the Company's forward-looking policy on directors' remuneration and describes the components of the executive and non-executive directors' remuneration. At our 2019 AGM, we provided shareholders with the opportunity to vote to approve the policy and they did so with more than 96% of the votes cast at that meeting being cast in favor of its approval. We are required under the Companies Act and associated regulations to offer our shareholders an opportunity to vote on the policy at least once every three years. Upon approval of the policy, all payment by the Company to its directors and former directors (in their capacity as directors) will be made in accordance with the policy, or a shareholder-approved amendment to the policy.

We encourage shareholders to read the directors' remuneration report, which includes the remuneration policy in the UK Annual Report. The report describes how our compensation policies and procedures operate and support our compensation objectives for our sole executive director and to attract and retain our highly qualified non-executive directors.

The Board and the Compensation Committee believe that the policies and procedures articulated in the directors' remuneration policy are effective in achieving our compensation objectives for our CEO, and serve to attract and retain high-quality non-executive directors, and that the design of our compensation program and the compensation awarded to our executive and non-executive directors fulfills these objectives.

In accordance with the Companies Act, the policy has been approved by and signed on behalf of the Board and, upon approval by shareholders, will be delivered to the Registrar of Companies in the UK following the 2022 AGM.

If this proposal does not receive the affirmative vote of the holders of a majority of the shares entitled to vote and present in person or represented by proxy at the AGM, the Company will be required to incur additional expenses to comply with English law as it will be required to hold additional shareholder meetings until the policy is approved. In addition, if the directors' remuneration policy is not approved, the Company may not be able to pay the expected compensation to its directors, including its CEO, which could materially harm the Company's ability to retain its top executives and manage its business.

Vote Required:

This ordinary resolution will be approved if there is an affirmative vote of a simple majority of the total votes cast by members present at the AGM, in person or by proxy, and entitled to vote on the proposal.

Board Recommendation:

FOR the approval of the UK directors' remuneration policy.

Proposal No. 9

To Receive and Adopt the UK Annual Report and Accounts

<p>The Board is required to present at the Annual Meeting of Shareholders the Company's audited UK Annual Report for the year ended December 31, 2021. In accordance with its obligations under English law, the Company will provide shareholders at the AGM the opportunity to receive and adopt the UK Annual Report and ask any relevant and appropriate questions of the representative of PwC-UK in attendance at the AGM.</p>	<p>Vote Required:</p> <p>This ordinary resolution will be approved if there is an affirmative vote of a simple majority of the total votes cast by members present at the AGM, in person or by proxy, and entitled to vote on the proposal.</p> <p>Board Recommendation:</p> <p>FOR the receipt and adoption of the UK Annual Report.</p>
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Proposal No. 10

Re-appointment of PwC-UK as the Company's UK Statutory Auditor

<p>Under the Companies Act, the Company is required to appoint the UK statutory auditor at each meeting at which the UK Annual Report and accounts are presented to shareholders, to hold office until the conclusion of the next such meeting. PwC-UK has served as the Company's UK statutory auditor since completion of the merger of Sorin and Cyberonics in 2015.</p> <p>The Audit and Compliance Committee has recommended to the Board the re-appointment of PwC-UK as the Company's UK statutory auditor and has confirmed to the Board that its recommendation is free from third party influence and that no restrictive contractual provisions have been imposed on the Company limiting the choice of auditor.</p>	<p>Vote Required:</p> <p>This ordinary resolution will be approved if there is an affirmative vote of a simple majority of the total votes cast by members present at the AGM, in person or by proxy, and entitled to vote on the proposal.</p> <p>If this ordinary resolution is not approved, the Board may appoint an auditor to fill the vacancy.</p> <p>Board and Audit and Compliance Committee Recommendation:</p> <p>FOR the re-appointment of PwC-UK as the Company's UK statutory auditor under the Companies Act to hold office from the conclusion of the meeting until the conclusion of the next AGM at which accounts are laid before the Company.</p>
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Proposal No. 11

Authorization of the Directors and/or the Audit and Compliance Committee to Determine the Remuneration of PwC-UK in its Capacity as UK Statutory Auditor

Under the Companies Act, the remuneration of our UK statutory auditor must be fixed in a general meeting or in such manner as may be determined in a general meeting. We are asking our shareholders to authorize the Board and/or the Audit and Compliance Committee of the Company to determine the remuneration of PwC-UK in its capacity as the Company's UK statutory auditor under the Companies Act.

Vote Required:

This ordinary resolution will be approved if there is an affirmative vote of a simple majority of the total votes cast by members present at the AGM, in person or by proxy, and entitled to vote on the proposal.

Board Recommendation:

FOR the authorization of the Board and/or the Audit and Compliance Committee to determine the Company's UK statutory auditor's remuneration.

Other Information

Share Ownership Information

The following table sets forth, as of April 22, 2022, except where otherwise noted, certain information with respect to the amount of our ordinary shares beneficially owned by:

- Each of our NEOs;
- Each director;
- All current executive officers and directors as a group; and
- Each person known by us to own beneficially more than 5% of the outstanding ordinary shares.

We are not aware of any agreements among our shareholders that relate to voting or investment of our ordinary shares.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership ⁽¹⁾			
	Shares Owned	Shares Acquirable Within 60 Days	Total Beneficial Ownership	Percent of Class ⁽²⁾
Named Executive Officers:				
Damien McDonald	85,969	—	85,969	*
Marco Dolci	2,289	—	2,289	*
Trui Hebbelinck	3,001	—	3,001	*
Alex Shvartsburg	5,425	—	5,425	*
Keyna Skeffington	7,903	—	7,903	*
Directors:				
Francesco Bianchi	5,292	1,346	6,638	*
Stacy Enxing Seng	3,796	1,346	5,142	*
William Kozy	6,320	2,264	8,584	*
Daniel Moore	24,630	1,346	25,976	*
Alfred Novak	11,368	1,346	12,714	*
Dr. Sharon O’Kane	6,261	1,346	7,607	*
Dr. Arthur L. Rosenthal	22,383	1,346	23,729	*
Andrea Saia	6,775	1,346	8,121	*
Todd Schermerhorn	1,024	1,346	2,370	*
Peter Wilver	0	0	0	0
All current executive officers and directors as a group (14 persons)	192,436	13,032	205,468	*
5% Holders:⁽³⁾				
BlackRock, Inc. ⁽⁴⁾ 155 East 52nd Street New York, NY 10055	6,349,305	—	6,349,305	11.88
PRIMECAP Management Company ⁽⁵⁾ 177 E. Colorado Blvd., 11th Floor Pasadena, CA 91105	4,415,445	—	4,415,445	8.26
Harris Associates L.P. ⁽⁶⁾ 111. S. Wacker, Suite 4600 Chicago, IL 60606	3,823,266	—	3,823,266	7.15

* Less than 1%

- (1) Beneficial ownership is determined in accordance with the SEC's rules and regulations and generally includes voting or investment power with respect to securities. LivaNova ordinary shares subject to options and warrants currently exercisable, or exercisable within 60 days after April 22, 2021, are deemed outstanding for purposes of computing the percentage of shares beneficially owned by the person holding such rights, but are not deemed outstanding for computing the percentage of any other person. Except as indicated by footnote, and subject to community property laws where applicable, the persons named in the table have sole voting and investment power with respect to all ordinary shares shown as beneficially owned by them. The address for each executive officer and director of the Company is 20 Eastbourne Terrace London W2 6LG, United Kingdom.
- (2) Based on total shares outstanding of 53,440,063 as of April 22, 2022.
- (3) 5% holders are as of December 31, 2021, as reported on Schedules 13G filed with the SEC.
- (4) The shares set forth in the table reflect the number of shares beneficially owned as of December 31, 2021, based on a Schedule 13G/A filed on January 27, 2022 by BlackRock, Inc. In such Schedule 13G/A, BlackRock, Inc. reported having sole voting power over 6,286,197 shares, shared voting power over no shares, sole dispositive power over 6,349,305 shares and shared dispositive power over no shares.
- (5) The shares set forth in the table reflect the number of shares beneficially owned as December 31, 2021, based on a Schedule 13G/A filed on February 10, 2022 by PRIMECAP Management Company. In such Schedule 13G/A, PRIMECAP Management Company reported having sole voting power over 4,372,275 shares, shared voting power over no shares, sole dispositive power over 4,415,445 shares and shared dispositive power over no shares.
- (6) The shares set forth in the table reflect the number of shares beneficially owned as December 31, 2021, based on a Schedule 13G/A filed on February 11, 2022 by Harris Associates L.P. In such Schedule 13G/A, Harris Associates L.P. reported having sole voting power over 3,777,956 shares, shared voting power over no shares, sole dispositive power over 3,823,266 shares and shared dispositive power over no shares.

Equity Compensation Plan Information

The following table presents information as of December 31, 2021 regarding equity compensation plans applicable to our employees.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (#)	Weighted-average exercise price of outstanding options, warrants and rights (\$)	Number of securities remaining available for future issuance under equity compensation plans (#)
Equity compensation plans approved by security holders			
LivaNova PLC 2015 Incentive Award Plan and Sub-Plan ⁽¹⁾	3,872,420	63.98	3,575,752
Cyberonics Legacy Plans ⁽²⁾	219,807	53.33	1,858,706
Equity compensation plans not approved by security holders			
Cyberonics, Inc. New Employee Equity Inducement Plan ⁽³⁾			290,185
Total	4,092,227	58.65	5,724,643

- (1) The LivaNova 2015 Incentive Award Plan and the Sub-Plan were approved by our Board and our sole shareholder, effective on October 16, 2015. Amounts represent the number of LivaNova Shares

issuable upon the exercise or settlement of outstanding SARs (2,417,145) and RSUs (1,137,098), as granted under the LivaNova 2015 Incentive Award Plan as of December 31, 2021.

- (2) The Cyberonics, Inc. Amended and Restated 1996 Stock Option Plan (“1996 Stock Plan”), the Cyberonics, Inc. Amended and Restated 1997 Stock Plan (“1997 Stock Plan”), the Cyberonics, Inc. 2005 Stock Plan (“2005 Stock Plan”) and the Cyberonics, Inc. 2009 Stock Plan (“2009 Stock Plan”) were approved by Cyberonics board and became effective in November 1996, November 2000, March 2005 and August 2009, respectively. Options granted under the 1996 Stock Plan (now expired), the 1997 Stock Plan (no longer available) and the 2005 Stock Plan (no longer available) generally vest ratably over four or five years following their date of grant. Option awards have a maximum term of 10 years from grant date. In connection with the merger of Sorin and Cyberonics, on October 19, 2015, we assumed the 1996 Stock Plan, 1997 Stock Plan, 2005 Stock Plan and the 2009 Stock Plan and all outstanding Cyberonics stock options granted thereunder (9,375; 102,121; 500; and 689,526, respectively), were fully vested, canceled and converted into an option to purchase one LivaNova Share. The amount represents the number of LivaNova Shares that may be issuable upon exercise of the converted option awards as of December 31, 2021. Based on the unused share reserve of the assumed Cyberonics, Inc. 2009 Stock Plan, there remain 1,858,706 LivaNova Shares available for issuance thereunder, as converted in connection with the above-described merger Transaction.
- (3) The Cyberonics, Inc. New Employee Equity Inducement Plan (“New Employee Plan”) was not approved by the shareholders of Cyberonics. The New Employee Plan provides for the award of unrestricted shares, restricted stock and stock options to newly hired Cyberonics employees. On October 19, 2015, we assumed the New Employee Plan and each outstanding Cyberonics stock option granted thereunder was fully vested, canceled and converted into an option to purchase one LivaNova Share. The amounts represent the number of LivaNova Shares that may be issuable upon exercise of the converted options and the total number of shares that remain available for issuance under the New Employee Plan as of December 31, 2021.

Shareholder Proposals for the 2023 AGM

Shareholders who, in accordance with Rule 14a-8 of the Exchange Act, wish to present proposals for inclusion in the proxy materials to be published by us in connection with our 2023 AGM must submit their proposals to the Office of the Company Secretary of LivaNova at 20 Eastbourne Terrace, London W2 6LG by December 30, 2022. As the rules of the SEC make clear, simply submitting a proposal does not guarantee its inclusion in our proxy statement.

In accordance with our Articles of Association (our “Articles”), and without prejudice to the rights of a shareholder of record under the Companies Act, in order to nominate a candidate for election as a director or properly bring business before our 2023 AGM, a shareholder’s notice of the matter the shareholder wishes to present must be delivered to the Office of the Company Secretary of LivaNova at 20 Eastbourne Terrace, London W2 6LG, not less than 90 nor more than 120 days prior to the first anniversary of the date of this year’s AGM, subject to certain exceptions. As a result, any notice given by or on behalf of a shareholder pursuant to these provisions of our Articles (and not submitted pursuant to Rule 14a-8) must be received no earlier than February 13, 2023, and no later than March 15, 2023. The requirements for advance notice of shareholder proposals under our Articles do not apply to proposals properly submitted under Rule 14a-8 under the Exchange Act, as those shareholder proposals are governed by Rule 14a-8. Shareholders are advised to review our Articles for further details on the requirements and procedures to submit shareholder proposals. In addition, to comply with the universal proxy rules (once effective), shareholders who intend to solicit proxies in support of director nominees other than the Company’s nominees must provide notice that sets forth the information required by Rule 14a-19 under the Exchange Act no later than April 14, 2023.

We reserve the right to reject, rule out of order or take other appropriate action with respect to any proposal that does not comply with Rule 14a-8, our Articles or any other requirements, as applicable.

Under section 338 of the Companies Act, shareholders meeting the threshold requirements in that section may require that we include a resolution in the Notice of AGM. Provided that the appropriate thresholds are met, notice of the resolution must be received by us at the Office of the Company Secretary of LivaNova

at 20 Eastbourne Terrace, London W2 6LG at least six weeks prior to the date of the AGM or, if later, at the time notice of the AGM is delivered to shareholders.

Annual Reports and Proxy Materials

On April 29, 2022, we will begin mailing the Notice of Internet Availability of Proxy Materials (the “Notice”) and this proxy statement, the accompanying proxy card (as to CDIs as defined herein, a Form of Proxy), our UK Annual Report, and our US Annual Report on Form 10-K. Copies of these materials filed with the SEC may be accessed free of charge through our website (www.livanova.com). Requests for mailed copies of the US Annual Report and/or the UK Annual Report may also be submitted to the Office of the Company Secretary of LivaNova at 20 Eastbourne Terrace, London W2 6LG, United Kingdom (exhibits will be furnished upon payment of a nominal fee, which fee will be limited to the expenses we incur in providing you with the requested exhibits). Our US Annual on Form 10-K, including the exhibits thereto, is also available through the SEC’s web site at www.sec.gov, as is this proxy statement, filed on Schedule DEF 14A.

Saving Resources: Householding and Electronic Communications

We are mindful that sending notices, documents, or information to shareholders by non-electronic means is costly to us in terms of administration, printing and postage costs and has a greater environmental impact than electronic communications. In some cases, duplicate materials going to the same address add to these costs. Both US securities laws and English company law provide ways for us to cut costs and benefit the environment.

Householding of Proxy Materials

The SEC has adopted rules regarding delivery of proxy statements and annual reports to shareholders sharing the same address. We may satisfy these delivery rules by delivering a single proxy statement and annual report to an address shared by two or more of our shareholders who are not participating in electronic proxy material delivery. This delivery method, referred to as “householding,” results in significant cost savings for us. In order to take advantage of this opportunity, we have delivered only one proxy statement and annual report to multiple shareholders who share an address unless we have received contrary instructions from one or more of the shareholders. We will deliver promptly, upon written or oral request, a separate copy of the proxy statement and annual report to a shareholder at a shared address to which a single copy of the documents was delivered. If shareholders receive one set of materials due to householding, they may revoke their consent for future mailings at any time by contacting Computershare Inc., for registered holders, either by calling toll-free at 1-866-498-2549 or by writing to Computershare Inc. at P.O. Box 505008, Louisville, KY, USA 40233. Shareholders will be removed from the householding program within 30 days of their response, following which they will receive an individual copy of our proxy materials. If you are the beneficial owner, you will need to contact your broker, bank or other nominee to make such requests. Shareholders can also opt-in to householding if they are current receiving multiple sets of materials to the same address or change their previous elections by using the above contact information.

Internet Availability of Proxy Materials

Pursuant to rules adopted by the SEC, we are making this proxy statement available to our shareholders electronically via the internet. On April 29, 2022, we will mail the Notice to shareholders of our Ordinary Shares at the close of business on the Record Date, other than those shareholders who previously requested electronic or paper delivery of communications from us. The Notice contains instructions on how to access an electronic copy of our proxy materials, including this proxy statement and our UK Annual Report and US Annual Report. The Notice also contains instructions on how to request a paper copy of our proxy materials. We believe that this process will allow us to provide you with the information you need in a timely manner, while conserving natural resources and lowering the costs of the AGM.

Electronic Communications

At our 2016 AGM, shareholders voted in favor of a resolution to authorize the Company, under English law, to send notices, documents, or information to shareholders of record by electronic means. In conjunction

with our registrars, Computershare Inc., in early 2018, we offered to our shareholders of record the option of receiving an email notification each time we publish new shareholder documents on our website. Those shareholders who have supplied us with an email address will no longer receive copies of certain paper documents, such as our UK Annual Report and US Annual Report. Instead they will receive an email containing links to our website where electronic copies of the documents can be viewed and downloaded. Others have opted to receive paper notices of documents available on our website, and those who did not respond to our letter will, by default, continue to receive notifications in the same way.

Expenses of Solicitation

This solicitation is made by the Company. We will bear the costs of soliciting proxies, including the reimbursement to record holders of their expenses in forwarding proxy materials to beneficial holders. Directors, officers and employees of LivaNova and its subsidiaries may solicit proxies personally, telephonically, electronically or by other means of communication but will receive no additional compensation for such solicitation. We have engaged Alliance Advisors to assist in the solicitation of proxies and provide related advice and informational support, for a services fee, plus customary disbursements, which are not expected to exceed \$15,000 in total.

Frequently Asked Questions About the Annual General Meeting

What is a proxy statement and what is a proxy?

A proxy statement is a document that the rules and regulations of the US including the SEC require us to give to you when we ask you to give a proxy designating individuals to vote on your behalf. A proxy is your legal designation to another person to vote shares that you own. That other person is called a proxy. If you designate someone as your proxy in a written document, that document is also called a proxy or proxy card.

Why did I receive these proxy materials?

We have delivered or made available the Notice, this proxy statement, proxy cards, the UK Annual Report, and the US Annual Report of LivaNova (the “proxy materials”) to our shareholders of record and beneficial holders of our shares as of the Record Date, in connection with the solicitation of proxies for use at the AGM, or at any adjournment or postponement thereof.

In addition, we have provided brokers, dealers, bankers, voting trustees and their nominees, at our expense, with additional copies of the proxy materials so that our shareholders of record can, as needed, supply these materials to the beneficial owners of shares as of the Record Date.

Copies of the proxy materials have also been supplied, at our expense, to Computershare Investor Services PLC (the “Voting Agent”), acting as voting agent on behalf of the custodian, being CREST International Nominees Limited (“CREST Nominees”) as custodian for Euroclear UK & Ireland Ltd (“Euroclear”) as the depository and issuer of the CREST Depository Interests (“CDIs”) to be supplied to the holders of CDIs.

What should I do if I receive more than one Notice, proxy card or Form of Proxy?

If you own some ordinary shares directly in your name as a registered holder and other ordinary shares as a beneficial owner holding through a broker, bank or other nominee, or if you own ordinary shares through more than one broker, bank or other nominee, you may receive multiple Notices and/or proxy cards. It is necessary for you to complete, sign and return all of the proxy cards included in the proxy materials you receive (or vote over the internet or by telephone for each card) and vote separately for each Notice you receive in order for all your shares to be voted.

What are the total voting rights in the Company?

As of April 22, 2022, there were 53,440,063 ordinary shares in issue and entitled to vote. Each Ordinary Share is entitled to one vote on each matter properly brought before the AGM.

Who is entitled to vote at the AGM?

Shareholders of record and beneficial holders as of the Record Date are entitled to attend (virtually) and vote at the AGM. Please note the following special cases:

- Beneficial owners of ordinary shares as of the Record Date have the right to direct their broker or other agent on how to vote the ordinary shares in their account. They are also invited to attend the AGM. However, as beneficial owners are not shareholders of record of the relevant ordinary shares, they may not vote their ordinary shares at the AGM unless they request and obtain a legal proxy from their broker or agent.
- Any corporation that is a shareholder of record may by resolution of its directors or other governing body authorize such person as it thinks fit to act as its representative at the AGM and the person so authorized shall (on production of a certified copy of such resolution at the AGM) be entitled to exercise the same powers on behalf of the corporation as that corporation could exercise if it were an individual shareholder of the Company.
- Holders of CDIs may instruct the Voting Agent on behalf of CREST Nominees, as custodian in the DTC clearance system for Euroclear, as the depository and issuer of the CDIs, as to how to exercise the votes attaching to the ordinary shares underlying such CDIs by voting through www.envisionreports.com/livn or returning a completed Form of Proxy to Computershare Investor Services Plc, acting as Voting Agent on behalf of CREST Nominees. Alternatively, holders of CDIs can vote using the CREST system. After the Voting Agent has received instructions on how to vote on the proposals from the holders of CDIs, it will complete an omnibus proxy card reflecting such instructions and send it to the transfer agent.

How is a quorum determined?

The presence of the holders of record of shares in the Company who together represent at least the majority of the voting rights of all the shareholders of record entitled to vote, present in person or by proxy, at the AGM is necessary to constitute a quorum. Abstentions and broker non-votes will be counted as present and entitled to vote for the purposes of determining a quorum at the AGM (but, as noted elsewhere in this proxy statement, will not be counted in the calculation of the proportion of votes cast “for” or “against” the resolution).

Who will count the votes?

Representatives of the Company’s transfer agent, Computershare, will serve as scrutineers of the poll, and will also serve as master tabulator.

Where can I find the voting results of the AGM?

The preliminary voting results will be announced at the AGM. The final voting results will be checked by the scrutineers and disclosed by way of an announcement via a Current Report on Form 8-K, which LivaNova is required to file with the SEC. The results of the polls taken on the resolutions at the AGM and any other information required by the Companies Act will be made available on our website (www.livanova.com) as soon as reasonably practicable after the AGM and for a period of two years thereafter.

What is the difference between holding ordinary shares as a shareholder of record, or as a beneficial owner and holder of CDIs?

If a shareholder is registered on the register of members of the Company as holding ordinary shares, that shareholder is considered, with respect to those ordinary shares, the shareholder of record. As of April 22, 2022, being the latest practicable date prior to publication of this proxy statement, our shareholders of record were Cede & Co., the nominee for the Depository Trust Company (“DTC”), and XX other shareholders of record.

In order to become a shareholder of record of ordinary shares, a beneficial owner must withdraw the relevant ordinary shares from the DTC system. Beneficial owners are reminded that any transfer of the

ordinary shares out of the DTC system will generally be subject to UK stamp duty or stamp duty reserve tax. Beneficial owners are, therefore, strongly discouraged from withdrawing their ordinary shares from the DTC system.

If your ordinary shares are held for you in a stock brokerage account or by a broker, bank or other nominee, you are considered the beneficial owner of shares held in street name, and these proxy materials are being made available or forwarded to you by your broker, bank or other nominee through whom you hold the ordinary shares. As the beneficial owner, you have the right to direct your broker, bank or other nominee on how to vote your ordinary shares by following the instructions for voting on the proxy card.

In addition, in connection with the admission to trading of the ordinary shares on the London Stock Exchange, we entered into depositary arrangements to enable holders to settle interests in ordinary shares through the CREST system without the need for the underlying ordinary shares to be withdrawn from the DTC system. When trading in LivaNova's ordinary shares on the London Stock Exchange was canceled, any holders of depositary interests who took no action to withdraw their interests from the depositary facility operated by Computershare Investor Services PLC by the date of termination of that facility had their interests replaced through CREST with CDIs. These CDIs represent underlying ordinary shares on a one-for-one basis.

How do I vote if I am a shareholder of record?

If you are a shareholder of record on the Record Date, you may vote your ordinary shares virtually at the AGM or appoint another person or persons as your proxy to exercise any or all of your rights to attend and to speak and vote at the AGM. You may appoint more than one proxy in relation to the AGM (provided that each proxy is appointed to exercise the rights attached to a different Ordinary Share(s)). Such proxy need not be a shareholder of record, but must attend the AGM to represent you and must vote as you instruct for your vote to be counted.

You may appoint a proxy to vote on your behalf using one of the following methods:

- By returning the proxy card, or other instrument appointing a proxy, completed in accordance with the instructions therein and signed to Proxy Services, c/o Computershare Investor Services, PO Box 505008, Louisville, KY, USA 40233.
- By submission via the internet by going to www.envisionreports.com/livn and following the instructions provided; or
- By telephone, using the number shown on the Notice or proxy card;
- During the AGM, you may submit a ballot at www.meetnow.global/M4X7X6Q. You will need to review the information included on your Notice or on your proxy card or in the instructions accompanying your proxy materials.

To be effective, the proxy appointment must be received by 3:00 pm British Summer Time on June 13, 2022.

Details of how to appoint the chair of the AGM, or another person, as your proxy are set out in the proxy card.

Please sign the proxy card exactly as your name appears on the card. If a shareholder of record is a corporation, limited liability company or partnership, the proxy card should be signed in the full corporate, limited liability company or partnership name by a duly authorized person. If the proxy card is signed pursuant to a power of attorney or by an executor, administrator, trustee or guardian, please state the signatory's full title and provide a certificate or other proof of appointment. In the case of joint holders, the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and seniority shall be determined by the order in which the names of the holders stand in the register of members.

The return of a completed proxy card, or the submission of proxy instructions via the internet or by telephone, will not prevent a shareholder of record from attending (virtually) and voting at the AGM. If you have appointed a proxy and attend the AGM (virtually) and vote in person, your proxy appointment will automatically be terminated.

If you properly give instructions as to your proxy appointment by executing and returning a paper proxy card or through the internet or by telephone, and your proxy appointment is not subsequently revoked, your ordinary shares will be voted in accordance with your instructions.

If you are a shareholder of record and you execute and return a proxy card, but do not give instructions, your proxy will be voted FOR each of the proposals.

If you have not received a proxy card and believe that you should have one, please contact your broker, bank or other nominee for more information.

How do I vote if I am a beneficial owner?

If you are a beneficial owner, you should follow the directions provided by your broker, bank or other nominee. You may submit instructions by telephone or through the internet to your broker, bank or other nominee, or request and return a paper proxy card to your broker, bank or other nominee.

If you are a beneficial owner and you wish to vote virtually at the meeting in person at the AGM, you must obtain a legal proxy from your broker, bank or other nominee and register to attend the AGM following the instructions below. To register to attend the AGM virtually, you must submit proof of your proxy power (legal proxy) reflecting your LivaNova holdings along with your name and email address to Computershare Inc. Requests for registration should be directed to: Computershare Inc. LivaNova PLC Legal Proxy PO Box 43001 Providence, RI USA 02940-3001 or legalproxy@computershare.com. Requests for registration must be labeled as “Legal Proxy” and be received no later than 5:00 pm (Eastern Standard Time) on June 8, 2022. You will receive a confirmation of your registration by email after we receive your registration materials.

How do I vote if I am a holder of CDIs?

If you are a holder of CDIs, you should follow the instructions on the notice of meeting and vote your shares at www.envisionreports.com/livn. Alternatively, holders of CDIs may transmit voting instructions by utilizing the CREST voting service in accordance with the procedures described in the CREST Manual (available via www.euroclear.com). To be effective, the CREST Voting Instruction must be transmitted so as to be received by the Voting Agent (ID: 3RA50) no later than 3:00 British Summer Time on June 7, 2022 (or, in the event of an adjourned meeting, four business days before the adjourned meeting (excluding weekends and public holidays in the UK and the US)). If you are a holder of CDIs and you wish to vote in person at the AGM, please contact the Voting Agent, Computershare Investor Services PLC (contact details for whom are set in the Form of Proxy to be sent by Computershare Investor Services PLC to all holders of CDIs) to obtain a letter of representation to allow you to attend, speak at and vote at the AGM.

Can I change my vote or revoke my proxy?

If you are a shareholder of record, you can change how you wish to instruct the proxy to vote or revoke your proxy at any time before the AGM, by:

- Delivering a valid, later-dated proxy card prior to the cut-off time for receipt of proxies, in which case your later-submitted proxy will be recorded and your earlier proxy revoked. Any later-dated proxy card received after the relevant cut-off time will be disregarded;
- Amending your internet or telephone proxy instruction prior to the cut-off time for receipt of proxies, whereby your original instruction will be superseded. Any amended proxy instruction received after the relevant cut-off time will be disregarded;
- Sending written notice to the office of the Company Secretary at the Company’s registered office, which must be received at least 24 hours prior to the start of the AGM; or
- Voting at the AGM.

If you are a beneficial owner of ordinary shares, you may submit new proxy appointment instructions by contacting your broker, bank or other nominee. You may also vote in person at the AGM if you obtain a legal proxy and register for the meeting.

If you are a CDI holder, you may submit a new Form of Proxy following the instructions previously set out, at any time prior to 3:00 British Summer Time on June 10, 2022.

All ordinary shares that have been properly voted and not revoked will be counted in the votes held on the resolutions proposed at the AGM. Attending the AGM without taking further action will not automatically revoke your prior proxy.

What are “routine” and “non-routine” matters and what are “broker non-votes”?

Under the rules and interpretations of the New York Stock Exchange (which by extension imposed by the SEC apply to all US brokers), “non-routine” matters are matters that may substantially affect the rights or privileges of shareholders, such as mergers, shareholder proposals, elections of directors (even if not contested) and executive compensation, including advisory shareholder votes on executive compensation and on the frequency of shareholder votes on executive compensation. The ratification of the selection of the independent registered public accounting firm for both the US and the UK and the authorization of the remuneration of the UK auditor are generally considered to be “routine” and accordingly, these are the only proposals on which a bank, broker or other nominee can vote without instructions. All other proposals being considered at the AGM are considered to be non-routine matters. Brokers, banks and other nominees may not vote on your behalf on these matters unless you have provided instructions from you on how to vote your shares.

Brokers, banks or other nominees generally have discretionary voting power with respect to routine matters but not non-routine matters. If you own your ordinary shares through a bank, broker or other nominee and you do not provide them with specific voting instructions, the bank, broker or nominee will be permitted to vote only on routine matters and will submit a “broker non-vote” on non-routine matters.

Broker non-votes will be counted for the purpose of determining whether a quorum is present at the AGM.

What are the voting requirements to approve the resolutions?

In accordance with the Articles, all resolutions will be taken on a poll. Voting on a poll will mean that each share represented in person or by proxy will be counted in the vote. Please see the discussion under each proposal for a detailed explanation of the voting requirement for each proposal.

You can vote ‘for’ or ‘against’ a resolution. Each of these votes will have legal effect under English law in that they count as votes cast. An abstention, indicated by electing ‘abstain’ is not a vote under English law.

Why are you holding a virtual meeting instead of a physical meeting?

We are excited to embrace the latest technology to provide expanded access, improved communication and cost savings for our shareholders and the Company. We believe that hosting a virtual meeting will enable more of our shareholders to attend and participate in the meeting since our shareholders can participate from any location around the world with internet access.

How may I attend the AGM?

The AGM will be a completely virtual meeting of shareholders, which will be conducted exclusively by webcast. You are entitled to participate in the AGM only if you were a shareholder of the Company as of the close of business on the Record Date, or if you hold a valid proxy for the AGM. No physical meeting will be held.

You will be able to attend the AGM online and submit your questions during the meeting by visiting www.meetnow.global/M4X7X6Q. You also will be able to vote your shares online by attending the AGM by webcast.

To participate in the AGM, you will need to review the information included on your Notice, on your proxy card or on the instructions that accompanied your proxy materials.

If you hold your shares through an intermediary, such as a bank or broker, you must register in advance using the instructions below.

The online meeting will begin promptly at 3:00 pm British Summer Time on June 13, 2022. We encourage you to access the meeting prior to the start time leaving ample time for the check in. Please follow the registration instructions as outlined in this proxy statement.

How do I register to attend the AGM virtually on the internet?

If you are a registered shareholder (i.e., you hold your shares through our transfer agent, Computershare), you do not need to register to attend the AGM. Please follow the instructions on the Notice or proxy card that you received.

If you hold your shares through an intermediary, such as a bank or broker, you must obtain a legal proxy from your intermediary and then register in advance to attend the AGM.

To register to attend the AGM, you must submit proof of your proxy power (legal proxy) reflecting your LivaNova holdings along with your name and email address to Computershare. Requests for registration must be labeled “Legal Proxy” and be received no later than 5:00 p.m., Eastern Time, on June 8, 2022. Requests for registration should be directed as follows:

By email: Forward the email from your broker, or attach an image of your legal proxy, to legalproxy@computershare.com

By mail: Computershare LivaNova PLC Legal Proxy PO Box 43001 Providence, RI USA 02940-3001

You will receive a confirmation of your registration by email after we receive your registration materials.

If you are a holder of CDIs and would like to attend, speak and vote at the AGM, please contact the Voting Agent Computershare Investor Services PLC (contact details for whom are set out in the Form of Proxy to be sent by Computershare Investor Services PLC to all holders of CDIs) who will provide you with a letter of representation with respect to your CDI holding as at the Record Date that will enable you to attend, speak at and vote your underlying ordinary shares at the AGM on CREST Nominees’ behalf.

What if I have trouble accessing the AGM virtually?

The virtual meeting platform is fully supported across browsers (MS Edge, Firefox, Chrome and Safari) and devices (desktops, laptops, tablets and cell phones) running the most up-to-date version of applicable software and plugins. Participants should ensure that they have a strong internet connection wherever they intend to participate in the meeting. We encourage you to access the meeting prior to the start time. A link on the meeting page will provide further assistance should you need it or you may call 1-888-724-2416.

May I ask questions at the AGM?

If you were a shareholder on the Record Date and have the right to attend the AGM, you may ask questions at the AGM. There will be a space to enter your questions online and, subject to meeting rules, a response will be provided verbally for all to hear. The Company also commits to posting answers to relevant questions presented at the AGM on the Investor page of our website, www.livanova.com, after the AGM.

Additional Information

For additional information, please contact company.secretariat@livanova.com.

Other Business

The Board is not aware of any business to be acted upon at the AGM other than that described in this proxy statement. If any other business comes before the AGM, the proxy holders (as indicated in the accompanying proxy card or cards) will vote their proxies according to their best judgment with respect to such matters.

Appendix A

LivaNova PLC 2022 Incentive Award Plan and the French Sub-Plan Thereof

**LIVANOVA PLC
2022 INCENTIVE AWARD PLAN**

*(Adopted by the Board of Directors of LivaNova PLC on April 20, 2022, conditional on shareholder approval.)
(Approved by the shareholders of LivaNova PLC on _____, 2022.)*

ARTICLE 1.

PURPOSE

The purpose of the LivaNova PLC 2022 Incentive Award Plan (as it may be amended or restated from time to time, the “Plan”) is to promote the success and enhance the value of LivaNova PLC, a public limited company incorporated under the laws of England and Wales (the “Company”), by linking the individual interests of the Employees to those of Company shareholders and by providing Employees with an incentive for outstanding performance to generate superior returns to Company shareholders. The Plan is further intended to provide flexibility to the Company in its ability to motivate, attract, and retain the services of Employees upon whose judgment, interest, and special effort the successful conduct of the Company’s operation is largely dependent.

ARTICLE 2.

DEFINITIONS AND CONSTRUCTION

Wherever the following terms are used in the Plan they shall have the meanings specified below, unless the context clearly indicates otherwise. The singular pronoun shall include the plural where the context so indicates.

2.1 “Administrator” shall mean the entity that conducts the general administration of the Plan as provided in Article 11. With reference to the duties of the Committee under the Plan which have been delegated to one or more persons pursuant to Section 11.6, or as to which the Board has assumed, the term “Administrator” shall refer to such person(s) unless the Committee or the Board has revoked such delegation or the Board has terminated the assumption of such duties.

2.2 “Applicable Accounting Standards” shall mean Generally Accepted Accounting Principles in the United States, International Financial Reporting Standards or such other accounting principles or standards as may apply to the Company’s financial statements under United States federal securities laws from time to time.

2.3 “Applicable Law” shall mean any applicable law, including without limitation: (a) the Code, the Securities Act, the Exchange Act and any rules or regulations thereunder; (b) corporate, securities, tax or other laws, statutes, rules, requirements or regulations, whether federal, state, local or foreign, applicable in England and Wales, the United States or any other jurisdiction; and (c) rules of any securities exchange or automated quotation system on which the Shares are listed, quoted or traded.

2.4 “Automatic Exercise Date” shall mean, with respect to an Option or a Stock Appreciation Right, the last business day of the applicable Option Term or SAR Term that was initially established by the Administrator for such Option or Stock Appreciation Right (*e.g.*, the last business day prior to the tenth anniversary of the date of grant of such Option or Stock Appreciation Right if the Option or Stock Appreciation Right initially had a ten-year Option Term or SAR Term, as applicable).

2.5 “Award” shall mean an Option, Stock Appreciation Right, Restricted Stock, Restricted Stock Unit, Other Stock or Cash Based Award or a Dividend Equivalent award, which may be awarded or granted under the Plan.

2.6 “Award Agreement” shall mean any written notice, agreement, terms and conditions, contract or other instrument or document evidencing an Award, including through electronic medium, which shall contain such terms and conditions with respect to an Award as the Administrator shall determine consistent with the Plan.

2.7 “Award Limit” shall mean with respect to Awards that shall be payable in Shares or in cash, as the case may be, the respective limit set forth in Section 3.2.

2.8 “Board” shall mean the Board of Directors of the Company.

2.9 “Change in Control” shall mean:

(a) a Sale; or

(b) a Takeover.

The Administrator shall have full and final authority, which shall be exercised in its sole discretion, to determine conclusively whether a Change in Control has occurred, the date of the occurrence of such Change in Control and any incidental matters relating thereto.

To the extent that any amount payable under the Plan constitutes non-exempt “deferred compensation” for purposes of Section 409A and would otherwise be payable or distributable under the Plan by reason of the occurrence of a Change in Control, such amount or benefit will not be payable or distributable to any Participant who is subject to Section 409A by reason of such Change in Control unless the circumstances giving rise to such Change in Control constitutes a “change in control event” as defined in Treasury Regulation Section 1.409A-3(i)(5). If this provision prevents the payment or distribution of any amount, such payment or distribution shall be made on the next earliest payment or distribution date or event specified in the Plan that is permissible under Section 409A.

2.10 “Code” shall mean the Internal Revenue Code of 1986, as amended from time to time, together with the regulations and official guidance promulgated thereunder, whether issued prior or subsequent to the grant of any Award.

2.11 “Committee” shall mean the Compensation Committee of the Board, or another committee or subcommittee of the Board or the Compensation Committee of the Board described in Article 11 hereof.

2.12 “Company” shall have the meaning set forth in Article 1.

2.13 “Consultant” shall mean any consultant or adviser engaged to provide services to the Company or any Subsidiary.

2.14 “Control” shall have the meaning given in section 995(2) of the Income Tax Act 2007, unless otherwise specified.

2.15 “Director” shall mean a member of the Board, as constituted from time to time.

2.16 “Dividend Equivalent” shall mean a right to receive the equivalent value (in cash or Shares) of dividends paid on Shares, awarded under Section 9.2.

2.17 “DRO” shall mean a “domestic relations order” as defined by the Code or Title I of the Employee Retirement Income Security Act of 1974, as amended from time to time, or the rules thereunder.

2.18 “Effective Date” shall mean the date on which the Plan is approved by the shareholders of the Company.

2.19 “Eligible Individual” shall mean any person who is an Employee, as determined by the Administrator. For the avoidance of doubt, no person who is a Consultant or a Non-Employee Director can qualify as an Eligible Individual under the Plan.

2.20 “Employee” shall mean any person who is an employee of the Company or of any Subsidiary, including any employee who is also a director or officeholder of the Company or of any Subsidiary.

2.21 “Employer” shall have the meaning set forth in Section 10.2.

2.22 “Equity Restructuring” shall mean a nonreciprocal transaction between the Company and its shareholders, such as a dividend in specie, sub-division of shares, consolidation of shares, spin-off or demerger, rights offering or recapitalization through a large, nonrecurring cash dividend, that affects the number or kind of Shares (or other securities of the Company) or the share price of the Shares (or other securities) and causes a change in the per-share value of the Shares underlying outstanding Awards.

- 2.23 “Exchange Act” shall mean the Securities Exchange Act of 1934, as amended from time to time.
- 2.24 “Expiration Date” shall have the meaning given to such term in Section 12.1(c).
- 2.25 “Fair Market Value” shall mean, as of any given date, the closing sales price for a Share as quoted on the Nasdaq Global Select Market for such date or, if there is no closing sales price for a Share on the date in question, the closing sales price for a Share on the last preceding date for which such quotation exists, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable.
- 2.26 “Greater Than 10% Shareholder” shall mean an individual then owning (within the meaning of Section 424(d) of the Code) more than 10% of the total combined voting power of all classes of shares of the Company or any subsidiary corporation (as defined in Section 424(f) of the Code) or parent corporation thereof (as defined in Section 424(e) of the Code).
- 2.27 “Holder” shall mean a person who has been granted an Award.
- 2.28 “Incentive Stock Option” shall mean an Option that is intended to qualify as an incentive stock option and conforms to the applicable provisions of Section 422 of the Code.
- 2.29 “Non-Employee Director” shall mean a Director of the Company who is not an Employee.
- 2.30 “Non-Qualified Stock Option” shall mean an Option that is not an Incentive Stock Option or which is designated as an Incentive Stock Option but does not meet the applicable requirements of Section 422 of the Code.
- 2.31 “Option” shall mean a right to purchase Shares at a specified exercise price, granted under Article 5. An Option shall be either a Non-Qualified Stock Option or an Incentive Stock Option.
- 2.32 “Option Term” shall have the meaning set forth in Section 5.4.
- 2.33 “Organizational Documents” shall mean, collectively: (a) the Company’s memorandum and articles of association; and (b) the Committee’s charter or other similar organizational documentation relating to the creation and governance of the Committee.
- 2.34 “Other Stock or Cash Based Award” shall mean a cash bonus award, stock bonus award, performance award or incentive award that is paid in cash, Shares or a combination of both, awarded under Section 9.1, which may include, without limitation, deferred stock, deferred stock units, stock payments and performance awards.
- 2.35 “Performance Criteria” shall mean the criteria (and adjustments) that the Administrator selects for an Award for purposes of establishing the Performance Goal or Performance Goals for a Performance Period, determined as follows:
- (a) The Performance Criteria that shall be used to establish Performance Goals include without limitation: (i) net earnings or losses (either before or after one or more of the following: (A) interest, (B) taxes, (C) depreciation, (D) amortization and (E) non-cash equity-based compensation expense); (ii) gross or net sales or revenue or sales or revenue growth; (iii) net income (either before or after taxes); (iv) adjusted net income; (v) operating earnings or profit (either before or after taxes); (vi) cash flow (including, but not limited to, operating cash flow and free cash flow); (vii) return on assets; (viii) return on capital (or invested capital) and cost of capital; (ix) return on shareholders’ equity; (x) total shareholder return or total shareholder return relative to peers; (xi) return on sales; (xii) gross or net profit or operating margin; (xiii) costs, reductions in costs and cost control measures; (xiv) expenses; (xv) working capital; (xvi) earnings or loss per share; (xvii) adjusted earnings or loss per share; (xviii) price per share or dividends per share (or appreciation in and/or maintenance of such price or dividends); (xix) regulatory achievements or compliance (including, without limitation, regulatory body approval for commercialization of a product); (xx) implementation or completion of critical projects or study milestones; (xxi) market share; (xxii) economic value; (xxiii) productivity; (xxiv) operating efficiency; (xxv) economic value-added; (xxvi) cash flow return on capital; (xxvii) return on net assets; (xxviii); funds from

operations; (xxix) funds available for distributions; (xxx) sales and sales unit volume; (xxxii) licensing revenue; (xxxiii) brand recognition and acceptance; (xxxiv) inventory turns or cycle time; (xxxv) market penetration and geographic business expansion; (xxxvi) customer satisfaction/growth; (xxxvii) customer service; (xxxviii) employee satisfaction; (xxxix) recruitment and maintenance of personnel; (xl) human resources management; (xli) supervision of litigation and other legal matters; (xlii) strategic partnerships and transactions; (xliii) financial ratios (including those measuring liquidity, activity, profitability or leverage); (xliv) new or existing store results and operations and new store openings; (xlv) supply chain achievements; (xlvi) debt levels or reductions; (xlvii) sales-related goals; (xlviii) financing and other capital raising transactions; (xlix) year-end cash; (l) acquisition activity; (li) investment sourcing activity; (lii) marketing initiatives, (lii) environmental, social or governance metrics, any of which may be measured either in absolute terms or as compared to any incremental increase or decrease or as compared to results of a peer group or to market performance indicators or indices.

(b) The Administrator, in its sole discretion, may provide that one or more objectively determinable adjustments shall be made to one or more of the Performance Goals. Such adjustments may include, but are not limited to, one or more of the following: (i) items related to a change in Applicable Accounting Standards; (ii) items relating to financing activities; (iii) expenses for restructuring or productivity initiatives; (iv) other non-operating items; (v) items related to acquisitions; (vi) items attributable to the business operations of any entity acquired by the Company during the Performance Period; (vii) items related to the sale or disposition of a business or segment of a business; (viii) items related to discontinued operations that do not qualify as a segment of a business under Applicable Accounting Standards; (ix) items attributable to any dividend in specie, sub-division of shares, consolidation of shares, or exchange of shares occurring during the Performance Period; (x) any other items of significant income or expense which are determined to be appropriate adjustments; (xi) items relating to unusual or extraordinary corporate transactions, events or developments, (xii) items related to amortization of acquired intangible assets; (xiii) items that are outside the scope of the Company's core, on-going business activities; (xiv) items related to acquired in-process research and development; (xv) items relating to changes in tax laws; (xvi) items relating to major licensing or partnership arrangements; (xvii) items relating to asset impairment charges; (xviii) items relating to gains or losses for litigation, arbitration and contractual settlements; (xix) items attributable to expenses incurred in connection with a reduction in force initiative; (xx) items relating to foreign exchange or currency transactions and/or fluctuations; or (xxi) items relating to any other unusual or nonrecurring events or changes in Applicable Law, Applicable Accounting Standards or business conditions.

2.36 "Performance Goals" shall mean, for a Performance Period, one or more goals established in writing by the Administrator for the Performance Period based upon one or more Performance Criteria. Depending on the Performance Criteria used to establish such Performance Goals, the Performance Goals may be expressed in terms of overall Company performance or the performance of a Subsidiary, division, business unit, or an individual. The achievement of each Performance Goal shall be determined, to the extent applicable, with reference to Applicable Accounting Standards.

2.37 "Performance Period" shall mean one or more periods of time, which may be of varying and overlapping durations, as the Administrator may select, over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Holder's right to, vesting of, and/or the payment in respect of, an Award.

2.38 "Permitted Transferee" shall mean, with respect to a Holder, any "family member" of the Holder, as defined in the General Instructions to Form S-8 Registration Statement under the Securities Act (or any successor form thereto), or any other transferee specifically approved by the Administrator after taking into account Applicable Law.

2.39 "Plan" shall have the meaning set forth in Article 1.

2.40 "Program" shall mean any program adopted by the Administrator pursuant to the Plan containing the terms and conditions intended to govern a specified type of Award granted under the Plan and pursuant to which such type of Award may be granted under the Plan.

- 2.41 “Restricted Stock” shall mean Shares awarded under Article 7 that are subject to certain restrictions and may be subject to risk of forfeiture or repurchase.
- 2.42 “Restricted Stock Units” shall mean the right to receive Shares awarded under Article 8.
- 2.43 “Sale” shall mean the sale of all or substantially all of the assets of the Company.
- 2.44 “SAR Term” shall have the meaning set forth in Section 5.4.
- 2.45 “Section 409A” shall mean Section 409A of the Code and the Department of Treasury regulations and other interpretive guidance issued thereunder, including, without limitation, any such regulations or other guidance that may be issued after the Effective Date.
- 2.46 “Securities Act” shall mean the Securities Act of 1933, as amended.
- 2.47 “Shares” shall mean ordinary shares in the capital of the Company.
- 2.48 “Stock Appreciation Right” shall mean an Award entitling the Holder (or other person entitled to exercise pursuant to the Plan) to exercise all or a specified portion thereof (to the extent then exercisable pursuant to its terms) and to receive from the Company an amount (in cash or Shares, at the discretion of the Administrator) determined by multiplying the difference obtained by subtracting the exercise price per share of such Award from the Fair Market Value on the date of exercise of such Award by the number of Shares with respect to which such Award shall have been exercised, subject to any caps or limitations the Administrator may impose.
- 2.49 “Subsidiary” shall mean a company that is a subsidiary of the Company within the meaning of Section 1159 of the Companies Act 2006.
- 2.50 “Substitute Award” shall mean an Award granted under the Plan in connection with a corporate transaction, such as a merger, combination, consolidation or acquisition of property or stock, in any case, upon the assumption of, or in substitution for, outstanding equity awards previously granted by a company or other entity; provided, however, that in no event shall the term “Substitute Award” be construed to refer to an award made in connection with the cancellation and repricing of an Option or Stock Appreciation Right.
- 2.51 “Takeover” shall mean if any person (or a group of persons acting in concert) (the “Acquiring Person”):
- (a) obtains Control of the Company as the result of making a general offer to:
 - (i) acquire all of the issued ordinary share capital of the Company, which is made on a condition that, if it is satisfied, the Acquiring Person will have Control of the Company; or
 - (ii) acquire all of the shares in the Company which are of the same class as the Shares; or
 - (b) obtains Control of the Company as a result of a compromise or arrangement sanctioned by a court under Section 899 of the Companies Act 2006, or sanctioned under any other similar law of another jurisdiction; or
 - (c) becomes bound or entitled under Sections 979 to 985 of the Companies Act 2006 (or similar law of another jurisdiction) to acquire shares of the same class as the Shares; or
 - (d) obtains Control of the Company in any other way.
- 2.52 “Tax Liability” shall have the meaning set forth in Section 10.2(a).
- 2.53 “Termination of Service” shall mean the time when the employee-employer relationship between a Holder and the Company or any Subsidiary is terminated for any reason, including, without limitation, a termination by resignation, discharge, dismissal, agreement, redundancy, death, disability, ill-health, injury or retirement; for the avoidance of doubt including a termination of an employee-employer relationship simultaneously with the commencement of a Non-Employee Director, Consultant or other non-employee service provider relationship with the Company or any Subsidiary, but excluding

a termination of an employee-employer relationship simultaneously with the commencement of another employee-employer relationship with the Company or any Subsidiary.

The Administrator, in its sole discretion, shall determine the effect of all matters and questions relating to any Termination of Service, including, without limitation, whether a Termination of Service has occurred, whether a Termination of Service resulted from a discharge or dismissal for cause and all questions of whether particular leaves of absence constitute a Termination of Service; provided, however, that, with respect to Incentive Stock Options, unless the Administrator otherwise provides in the terms of any Program, Award Agreement or otherwise, or as otherwise required by Applicable Law, a leave of absence or other change in the employee-employer relationship shall constitute a Termination of Service only if, and to the extent that, such leave of absence or other change interrupts employment for the purposes of Section 422(a)(2) of the Code and the then-applicable regulations and revenue rulings under said Section. For purposes of the Plan, a Termination of Service shall be deemed to occur in the event that: (i) the Subsidiary employing such Holder ceases to remain a Subsidiary; or (ii) there is a transfer by the Subsidiary employing such Holder of the undertaking, or part of the undertaking, in which the Holder works to a person which is not a Subsidiary and such transfer involves an automatic transfer of the Holder's employment to such person by operation of Applicable Law, in each case as a result of any merger, sale of stock or other corporate transaction or event (including, without limitation, a spin-off).

ARTICLE 3.

SHARES SUBJECT TO THE PLAN

3.1 Number of Shares.

(a) Subject to Sections 3.1(b) and 12.2, the maximum aggregate number of Shares which may be issued or transferred pursuant to Awards under the Plan is: (i) 1,900,000 Shares pursuant to Options or Stock Appreciation Rights; and (ii) 1,200,000 Shares pursuant to Awards other than Options or Stock Appreciation Rights. Any Shares distributed pursuant to an Award may consist, in whole or in part, of authorized and unissued Shares, treasury Shares or Shares purchased on the open market.

(b) If any Shares subject to an Award are forfeited, if any Award or any portion of an Award lapses or expires (including the unvested portion of any Award granted subject to Performance Goals, which fails to achieve its Performance Goals in full), if any Shares subject to an Award are converted to shares of another Person in connection with a Takeover, Sale, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination, exchange of shares or other similar event, or if any Award is settled for cash (in whole or in part) (including Shares repurchased by the Company under Section 7.4 at the same price paid by the Holder), the Shares subject to such Award shall, to the extent of such forfeiture, lapse, expiration or cash settlement, again be available for future grants of Awards under the Plan. Notwithstanding anything to the contrary contained herein, the following Shares shall not be added to the Shares authorized for grant under Section 3.1(a) and shall not be available for future grants of Awards: (i) Shares tendered by a Holder or withheld by the Company in payment of the exercise price of an Option; (ii) Shares tendered by the Holder or withheld by the Company to satisfy any tax withholding obligation with respect to any Award; (iii) Shares subject to a Stock Appreciation Right that are not issued in connection with the settlement of the Stock Appreciation Right in Shares upon exercise thereof; and (iv) Shares purchased on the open market with the cash proceeds from the exercise of Options. Any Shares repurchased by the Company under Section 7.4 at the same price paid by the Holder so that such Shares are returned to the Company shall again be available for Awards. The payment of Dividend Equivalents in cash in conjunction with any outstanding Awards shall not be counted against the Shares available for issuance under the Plan. Notwithstanding the provisions of this Section 3.1(b), no Shares may again be optioned, granted or awarded if such action would cause an Incentive Stock Option to fail to qualify as an incentive stock option under Section 422 of the Code.

(c) Substitute Awards shall not reduce the Shares authorized for grant under the Plan, except as may be required by reason of Section 422 of the Code. Additionally, in the event that a company

acquired by the Company or any Subsidiary or with which the Company or any Subsidiary combines has shares available under a pre-existing plan approved by its shareholders and not adopted in contemplation of such acquisition or combination, the shares available for grant pursuant to the terms of such pre-existing plan (as adjusted, to the extent appropriate, using the exchange ratio or other adjustment or valuation ratio or formula used in such acquisition or combination to determine the consideration payable to the holders of shares of the entities party to such acquisition or combination) may be used for Awards under the Plan and shall not reduce the Shares authorized for grant under the Plan; provided that Awards using such available Shares shall not be made after the date awards or grants could have been made under the terms of the pre-existing plan, absent the acquisition or combination, and shall only be made to individuals who were not employed by or providing services to the Company or its Subsidiaries immediately prior to such acquisition or combination.

3.2 Limitation on Number of Shares Subject to Awards. Notwithstanding any provision in the Plan to the contrary, and subject to Section 12.2, the maximum aggregate number of Shares with respect to one or more Awards that may be granted to any one person during any calendar year shall be 1,250,000 and the maximum aggregate amount that may be paid in cash to any one person during any calendar year with respect to one or more Awards payable in cash shall be \$12,500,000.

ARTICLE 4.

GRANTING OF AWARDS

4.1 Participation. The Administrator may, from time to time, select from among all Eligible Individuals, those to whom an Award shall be granted and shall determine the nature and amount of each Award, which shall not be inconsistent with the requirements of the Plan. No Eligible Individual or other Person shall have any right to be granted an Award pursuant to the Plan and neither the Company nor the Administrator is obligated to treat Eligible Individuals, Holders or any other persons uniformly. Participation by each Holder in the Plan shall be voluntary and nothing in the Plan or any Program shall be construed as mandating that any Eligible Individual or other Person shall participate in the Plan.

4.2 Award Agreement. Each Award shall be evidenced by an Award Agreement that sets forth the terms, conditions and limitations for such Award as determined by the Administrator in its sole discretion (consistent with the requirements of the Plan and any applicable Program). Award Agreements evidencing Incentive Stock Options shall contain such terms and conditions as may be necessary to meet the applicable provisions of Section 422 of the Code.

4.3 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan, the Plan, and any Award granted or awarded to any individual who is then subject to Section 16 of the Exchange Act, shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including Rule 16b-3 of the Exchange Act and any amendments thereto) that are requirements for the application of such exemptive rule. To the extent permitted by Applicable Law, the Plan and Awards granted or awarded hereunder shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

4.4 No Right to Continued Employment. Nothing in the Plan or in any Program or Award Agreement hereunder shall confer upon any Holder any right to continue in the employ of the Company or any Subsidiary, or shall interfere with or restrict in any way the rights of the Company and any Subsidiary, which rights are hereby expressly reserved, to discharge or dismiss any Holder at any time for any reason whatsoever, with or without cause, and with or without notice, or to terminate or change any Holder's terms and conditions of employment, except to the extent expressly provided otherwise in a written agreement between the Holder and the Company or any Subsidiary.

4.5 Foreign Holders. Notwithstanding any provision of the Plan or applicable Program to the contrary, in order to comply with the laws in countries other than the United States in which the Company and its Subsidiaries operate or have Employees, or in order to comply with the requirements of any foreign securities exchange or other Applicable Law, the Administrator, in its sole discretion,

shall have the power and authority to: (a) determine which Subsidiaries shall be covered by the Plan; (b) determine which Eligible Individuals outside the United States are eligible to participate in the Plan; (c) modify the terms and conditions of any Award granted to Eligible Individuals to comply with Applicable Law (including, without limitation, applicable foreign laws or listing requirements of any foreign securities exchange); (d) establish sub-plans and modify exercise procedures and other terms and procedures, to the extent such actions may be necessary or advisable; provided, however, that no such sub-plans and/or modifications shall increase the share limitation contained in Section 3.1 or the Award Limit; and (e) take any action, before or after an Award is made, that it deems advisable to obtain approval or comply with any necessary local governmental regulatory exemptions or approvals or listing requirements of any foreign securities exchange.

ARTICLE 5.

GRANTING OF OPTIONS AND STOCK APPRECIATION RIGHTS

5.1 Granting of Options and Stock Appreciation Rights to Eligible Individuals. The Administrator is authorized to grant Options and Stock Appreciation Rights to Eligible Individuals from time to time, in its sole discretion, on such terms and conditions as it may determine, which shall not be inconsistent with the Plan.

5.2 Qualification of Incentive Stock Options. The Administrator may grant Options intended to qualify as Incentive Stock Options only to employees of the Company, any of the Company's present or future "parent corporations" or "subsidiary corporations" as defined in Sections 424(e) or (f) of the Code, respectively, and any other entities the employees of which are eligible to receive Incentive Stock Options under the Code. No person who qualifies as a Greater Than 10% Shareholder may be granted an Incentive Stock Option unless such Incentive Stock Option conforms to the applicable provisions of Section 422 of the Code. To the extent that the aggregate fair market value of stock with respect to which "incentive stock options" (within the meaning of Section 422 of the Code, but without regard to Section 422(d) of the Code) are exercisable for the first time by a Holder during any calendar year under the Plan, and all other plans of the Company and any parent corporation or subsidiary corporation thereof (as defined in Section 424(e) and 424(f) of the Code, respectively), exceeds \$100,000, the Options shall be treated as Non-Qualified Stock Options to the extent required by Section 422 of the Code. The rule set forth in the immediately preceding sentence shall be applied by taking Options and other "incentive stock options" into account in the order in which they were granted and the fair market value of stock shall be determined as of the time the respective options were granted. Any interpretations and rules under the Plan with respect to Incentive Stock Options shall be consistent with the provisions of Section 422 of the Code. Neither the Company nor the Administrator shall have any liability to a Holder, or any other Person, (a) if an Option (or any part thereof) which is intended to qualify as an Incentive Stock Option fails to qualify as an Incentive Stock Option or (b) for any action or omission by the Company or the Administrator that causes an Option not to qualify as an Incentive Stock Option, including without limitation, the conversion of an Incentive Stock Option to a Non-Qualified Stock Option or the grant of an Option intended as an Incentive Stock Option that fails to satisfy the requirements under the Code applicable to an Incentive Stock Option. Subject to Sections 3.1(b) and 12.2, the aggregate number of Shares which may be issued or transferred pursuant to Incentive Stock Options under the Plan is 1,900,000.

5.3 Option and Stock Appreciation Right Exercise Price. The exercise price per Share subject to each Option and Stock Appreciation Right shall be set by the Administrator, but shall not be less than 100% of the Fair Market Value of a Share on the date the Option or Stock Appreciation Right, as applicable, is granted (or, as to Incentive Stock Options, on the date the Option is modified, extended or renewed for purposes of Section 424(h) of the Code). In addition, in the case of Incentive Stock Options granted to a Greater Than 10% Shareholder, such price shall not be less than 110% of the Fair Market Value of a Share on the date the Option is granted (or the date the Option is modified, extended or renewed for purposes of Section 424(h) of the Code). Notwithstanding the foregoing, in the case of an Option or Stock Appreciation Right that is a Substitute Award, the exercise price per share of the Shares subject to such Option or Stock Appreciation Right, as applicable, may be less than the

Fair Market Value per share on the date of grant; provided that the exercise price of any Substitute Award shall be determined in accordance with the applicable requirements of Sections 424 and 409A of the Code.

5.4 Option and SAR Term. The term of each Option (the “Option Term”) and the term of each Stock Appreciation Right (the “SAR Term”) shall be set by the Administrator in its sole discretion; provided, however, that the Option Term or SAR Term, as applicable, shall not be more than (a) ten (10) years from the date the Option or Stock Appreciation Right, as applicable, is granted to an Eligible Individual (other than a Greater Than 10% Shareholder), or (b) five (5) years from the date an Incentive Stock Option is granted to a Greater Than 10% Shareholder. Except as limited by the requirements of Section 409A or Section 422 of the Code and regulations and rulings thereunder or the first sentence of this Section 5.4 and without limiting the Company’s rights under Section 10.7, the Administrator may extend the Option Term of any outstanding Option or the SAR Term of any outstanding Stock Appreciation Right, and may extend the time period during which vested Options or Stock Appreciation Rights may be exercised, in connection with any Termination of Service of the Holder or otherwise, and may amend, subject to Sections 10.7 and 12.1, any other term or condition of such Option or Stock Appreciation Right relating to such Termination of Service of the Holder or otherwise.

5.5 Option and SAR Vesting.

(a) The period during which the right to exercise, in whole or in part, an Option vests in the Holder shall be set by the Administrator and set forth in the applicable Award Agreement, but shall in all cases be a period of at least 12 months from the Grant Date; provided, that up to a maximum of five percent (5%) of the maximum aggregate number of Shares that may be issued under the Plan pursuant to Section 3.1 may be issued pursuant to Awards granted under the Plan without regard for any limitations or other requirements for vesting or transferability under the Plan. Unless otherwise determined by the Administrator in the Award Agreement, the applicable Program or by action of the Administrator following the grant of the Option, (a) no portion of an Option which is unexercisable at a Holder’s Termination of Service shall thereafter become exercisable and (b) the portion of an Option that is unexercisable at a Holder’s Termination of Service shall automatically expire on the date of such Termination of Service.

(b) The period during which the right to exercise, in whole or in part, a Stock Appreciation Right vests in the Holder shall be set by the Administrator and set forth in the applicable Award Agreement, but shall in all cases be a period of at least 12 months from the Grant Date; provided, that up to a maximum of five percent (5%) of the maximum aggregate number of Shares that may be issued under the Plan pursuant to Section 3.1 may be issued pursuant to Awards granted under the Plan without regard for any limitations or other requirements for vesting or transferability under the Plan. Unless otherwise determined by the Administrator in the Award Agreement, the applicable Program or by action of the Administrator following the grant of the Stock Appreciation Right, (a) no portion of a Stock Appreciation Right which is unexercisable at a Holder’s Termination of Service shall thereafter become exercisable and (b) the portion of a Stock Appreciation Right that is unexercisable at a Holder’s Termination of Service shall automatically expire on the date of such Termination of Service.

5.6 Substitution of Stock Appreciation Rights; Early Exercise of Options. The Administrator may provide in the applicable Program or Award Agreement evidencing the grant of an Option that the Administrator, in its sole discretion, shall have the right to substitute a Stock Appreciation Right for such Option at any time prior to or upon exercise of such Option; provided that such Stock Appreciation Right shall be exercisable with respect to the same number of Shares for which such substituted Option would have been exercisable, and shall also have the same exercise price, vesting schedule and remaining term as the substituted Option. The Administrator may provide in the terms of an Award Agreement that the Holder may exercise an Option in whole or in part prior to the full vesting of the Option in exchange for unvested Restricted Stock with respect to any unvested portion of the Option so exercised. Restricted Stock acquired upon the exercise of any unvested portion of an Option shall be subject to such terms and conditions as the Administrator shall determine.

ARTICLE 6.

EXERCISE OF OPTIONS AND STOCK APPRECIATION RIGHTS

6.1 Exercise and Payment. An exercisable Option or Stock Appreciation Right may be exercised in whole or in part. However, an Option or Stock Appreciation Right shall not be exercisable with respect to fractional Shares and the Administrator may require that, by the terms of the Option or Stock Appreciation Right, a partial exercise must be with respect to a minimum number of Shares. Payment of the amounts payable with respect to Stock Appreciation Rights pursuant to this Article 6 shall be in cash, Shares (based on its Fair Market Value as of the date the Stock Appreciation Right is exercised), or a combination of both, as determined by the Administrator.

6.2 Manner of Exercise. Except as set forth in Section 6.3, all or a portion of an exercisable Option or Stock Appreciation Right shall be deemed exercised upon delivery of all of the following to the Secretary of the Company, the share plan administrator of the Company or such other person or entity designated by the Administrator, or his, her or its office, as applicable:

- (a) A written or electronic notice complying with the applicable rules established by the Administrator stating that the Option or Stock Appreciation Right, or a portion thereof, is exercised. The notice shall be signed by the Holder or other person then entitled to exercise the Option or Stock Appreciation Right or such portion thereof;
- (b) Such representations and documents as the Administrator, in its sole discretion, deems necessary or advisable to effect compliance with Applicable Law;
- (c) In the event that the Option or Stock Appreciation Right shall be exercised pursuant to Section 10.3 by any person or persons other than the Holder, appropriate proof of the right of such person or persons to exercise the Option or Stock Appreciation Right, as determined in the sole discretion of the Administrator; and
- (d) Full payment (which term shall include an arrangement for full payment having been made) of any Tax Liability arising on exercise (or partial exercise) of the Option or Stock Appreciation Right (or in respect of the issue of Shares pursuant to such exercise (or partial exercise)), and, in the case of an Option, full payment of the exercise price, in a manner permitted by the Administrator in accordance with Sections 10.1 and 10.2.

6.3 Expiration of Option Term or SAR Term: Automatic Exercise of In-The-Money Options and Stock Appreciation Rights. Unless otherwise provided by the Administrator in an Award Agreement or otherwise or as otherwise directed by an Option or Stock Appreciation Rights Holder in writing to the Company, each vested and exercisable Option and Stock Appreciation Right outstanding on the Automatic Exercise Date with an exercise price per Share that is less than the Fair Market Value per Share as of such date shall automatically and without further action by the Option or Stock Appreciation Rights Holder or the Company be exercised on the Automatic Exercise Date. In the sole discretion of the Administrator, payment of the exercise price of any such Option shall be made pursuant to Section 10.1(b) or 10.1(c) and the Company or any Subsidiary shall be entitled to deduct or withhold an amount sufficient to satisfy any Tax Liability associated with such exercise in accordance with Section 10.2. Unless otherwise determined by the Administrator, this Section 6.3 shall not apply to an Option or Stock Appreciation Right if the Holder of such Option or Stock Appreciation Right incurs a Termination of Service on or before the Automatic Exercise Date. For the avoidance of doubt, no Option or Stock Appreciation Right with an exercise price per Share that is equal to or greater than the Fair Market Value per Share on the Automatic Exercise Date shall be exercised pursuant to this Section 6.3.

6.4 Notification Regarding Disposition. The Holder shall give the Company prompt written or electronic notice of any disposition of Shares acquired by exercise of an Incentive Stock Option which occurs within: (a) two years from the date of granting (including the date the Option is modified, extended or renewed for purposes of Section 424(h) of the Code) such Option to such Holder; or (b) one year after the date of transfer of such Shares to such Holder. Such notice shall specify the date of

such disposition or other transfer and the amount realized, in cash, other property, assumption of indebtedness or other consideration, by the Holder in such disposition or other transfer.

ARTICLE 7.

AWARD OF RESTRICTED STOCK

7.1 Award of Restricted Stock. The Administrator is authorized to grant Restricted Stock to Eligible Individuals, and shall determine the terms and conditions, including the restrictions applicable to each award of Restricted Stock, which terms and conditions shall not be inconsistent with the Plan or any applicable Program, and may impose such conditions on the issuance of such Restricted Stock as it deems appropriate. The Administrator shall establish the purchase price, if any, and form of payment for Restricted Stock; provided, however, that if a purchase price is charged, such purchase price shall be no less than the par value, if any, of the Shares to be purchased, unless otherwise permitted by Applicable Law. In all cases, legal consideration shall be required for each issuance of Restricted Stock to the extent required by Applicable Law.

7.2 Rights as Shareholders. Subject to Section 7.4, upon issuance of Restricted Stock, the Holder shall have, unless otherwise provided by the Administrator, all the rights of a shareholder with respect to said Shares, subject to the restrictions in the Plan, any applicable Program and/or the applicable Award Agreement, including the right to receive all dividends and other distributions paid or made with respect to the Shares to the extent such dividends and other distributions have a record date that is on or after the date on which the Holder to whom such Restricted Stock are granted becomes the record holder of such Restricted Stock; provided, however, that, in the sole discretion of the Administrator, any extraordinary distributions with respect to the Shares may be subject to the restrictions set forth in Section 7.3. In addition, with respect to a share of Restricted Stock, dividends which are paid prior to vesting shall only be paid out to the Holder to the extent that the vesting conditions are subsequently satisfied and the share of Restricted Stock vests.

7.3 Restrictions. All Restricted Stock (including any shares received by Holders thereof with respect to Restricted Stock as a result of stock dividends, stock splits or any other form of recapitalization) shall be subject to such restrictions and vesting requirements as the Administrator shall provide in the applicable Program or Award Agreement, but the vesting period shall in all cases be a period of at least 12 months from the Grant Date; provided, up to a maximum of five percent (5%) of the maximum aggregate number of Shares that may be issued under the Plan pursuant to Section 3.1 may be issued pursuant to Awards granted under the Plan without regard for any limitations or other requirements for vesting or transferability under the Plan. By action taken after the Restricted Stock is issued, in the event of a Holder's Termination of Service due to:

- (a) death or disability, the Administrator may, on such terms and conditions as it may determine to be appropriate, accelerate the vesting of such Restricted Stock by removing any or all of the restrictions imposed by the terms of the applicable Program or Award Agreement; or
- (b) retirement, the Administrator may, on such terms and conditions as it may determine to be appropriate, determine that such Restricted Stock shall continue to vest on the date(s) set out, and remain subject to such restrictions as are provided, in the applicable Program or Award Agreement.

7.4 Repurchase or Forfeiture of Restricted Stock. Except as otherwise determined by the Administrator, if no price was paid by the Holder for the Restricted Stock, upon a Termination of Service during the applicable restriction period, the Holder's rights in unvested Restricted Stock then subject to restrictions shall lapse, and such Restricted Stock shall be surrendered to the Company or a person nominated by the Company without consideration on the date of such Termination of Service. If a price was paid by the Holder for the Restricted Stock, upon a Termination of Service during the applicable restriction period, the Company or a person nominated by the Company shall have the right to repurchase from the Holder the unvested Restricted Stock then subject to restrictions at a cash price per Share equal to the price paid by the Holder for such Restricted Stock or such other amount as may be specified in the applicable Program or Award Agreement. Notwithstanding the foregoing, the

Administrator, in its sole discretion, may provide (in an Award Agreement or otherwise) that in the event of a Holder's Termination of Service due to:

(a) death or disability, the Holder's rights in unvested Restricted Stock then subject to restrictions shall not lapse, such Restricted Stock shall vest and cease to be forfeitable and, if applicable, the Company shall cease to have a right of repurchase; or

(b) retirement, the Holder's rights in unvested Restricted Stock then subject to restrictions shall not lapse, but shall continue to vest on the date(s) set out, and remain subject to such restrictions as are provided, in the applicable Program or Award Agreement.

7.5 Section 83(b) Election. If a Holder makes an election under Section 83(b) of the Code to be taxed with respect to the Restricted Stock as of the date of transfer of the Restricted Stock rather than as of the date or dates upon which the Holder would otherwise be taxable under Section 83(a) of the Code, the Holder shall be required to deliver a copy of such election to the Company promptly after filing such election with the Internal Revenue Service along with proof of the timely filing thereof with the Internal Revenue Service.

ARTICLE 8.

AWARD OF RESTRICTED STOCK UNITS

8.1 Grant of Restricted Stock Units. The Administrator is authorized to grant Awards of Restricted Stock Units to any Eligible Individual selected by the Administrator in such amounts and subject to such terms and conditions as determined by the Administrator.

8.2 Term. Except as otherwise provided herein, the term of a Restricted Stock Unit award shall be set by the Administrator in its sole discretion.

8.3 Purchase Price. The Administrator shall specify the purchase price, if any, to be paid by the Holder to the Company with respect to any Restricted Stock Unit award; provided, however, that value of the consideration shall not be less than the par value of a Share, unless otherwise permitted by Applicable Law.

8.4 Vesting of Restricted Stock Units. At the time of grant, the Administrator shall specify the date or dates on which the Restricted Stock Units shall become fully vested and non-forfeitable, and may specify such conditions to vesting as it deems appropriate, including, without limitation, vesting based upon the Holder's duration of service to the Company or any Subsidiary, one or more Performance Criteria, Company performance, individual performance or other specific criteria, in each case on a specified date or dates or over any period or periods, as determined by the Administrator, but the vesting period shall in all cases be a period of at least 12 months from the Grant Date; provided, up to a maximum of five percent (5%) of the maximum aggregate number of Shares that may be issued under the Plan pursuant to Section 3.1 may be issued pursuant to Awards granted under the Plan without regard for any limitations or other requirements for vesting or transferability under the Plan.

8.5 Maturity and Payment. At the time of grant, the Administrator shall specify the maturity date applicable to each grant of Restricted Stock Units, which shall be no earlier than the vesting date or dates of the Award and may be determined at the election of the Holder (if permitted by the applicable Award Agreement); provided that, except as otherwise determined by the Administrator, and subject to compliance with Section 409A, in no event shall the maturity date relating to each Restricted Stock Unit occur following the later of (a) the 15th day of the third month following the end of calendar year in which the applicable portion of the Restricted Stock Unit vests; or (b) the 15th day of the third month following the end of the Company's fiscal year in which the applicable portion of the Restricted Stock Unit vests. On the maturity date, and subject to the achievement in full of any applicable Performance Goals during any applicable Performance Period, the Company shall, in accordance with the applicable Award Agreement and subject to Section 10.4(f), transfer to the Holder one unrestricted, fully transferable Share for each Restricted Stock Unit scheduled to be paid out on such date and not previously forfeited, or in the sole discretion of the Administrator, an amount in cash equal to the Fair Market Value of such Shares on the maturity date or a combination of cash and Shares as determined by the Administrator.

8.6 Settlement after Termination of Service. An Award of Restricted Stock Units shall only be settled (whether by a distribution of Shares or a payment in cash) while the Holder is an Employee; provided, however, that the Administrator, in its sole discretion, may provide (in an Award Agreement or otherwise) that a Restricted Stock Unit award:

- (a) may be settled subsequent to a Termination of Service in the event of a Holder's Termination of Service due to death or disability; or
- (b) may continue to vest on the date(s) set out, and remain subject to such restrictions as are provided, in the applicable Program or Award Agreement.

ARTICLE 9.

AWARD OF OTHER STOCK OR CASH BASED AWARDS AND DIVIDEND EQUIVALENTS

9.1 Other Stock or Cash Based Awards. The Administrator is authorized to grant Other Stock or Cash Based Awards, including awards entitling a Holder to receive Shares or cash to be delivered immediately or in the future, to any Eligible Individual. Subject to the provisions of the Plan and any applicable Program, the Administrator shall determine the terms and conditions of each Other Stock or Cash Based Award, including the term of the Award, any exercise or purchase price, performance goals, including the Performance Criteria, transfer restrictions, vesting conditions and other terms and conditions applicable thereto, which shall be set forth in the applicable Award Agreement, but the vesting period shall in all cases be a period of at least 12 months from the Grant Date; provided, up to a maximum of five percent (5%) of the maximum aggregate number of Shares that may be issued under the Plan pursuant to Section 3.1 may be issued pursuant to Awards granted under the Plan without regard for any limitations or other requirements for vesting or transferability under the Plan. Other Stock or Cash Based Awards may be paid in cash, Shares, or a combination of cash and Shares, as determined by the Administrator, and may be available as a form of payment in the settlement of other Awards granted under the Plan, as stand-alone payments, as a part of a bonus, deferred bonus, deferred compensation or other arrangement, and/or as payment in lieu of compensation to which an Eligible Individual is otherwise entitled.

9.2 Dividend Equivalents. Dividend Equivalents may be granted by the Administrator, either alone or in tandem with another Award, based on dividends declared on the Shares, to be credited as of dividend payment dates during the period between the date the Dividend Equivalents are granted to a Holder and the date such Dividend Equivalents terminate or expire, as determined by the Administrator. Such Dividend Equivalents shall be converted to cash or additional Shares by such formula and at such time and subject to such restrictions and limitations as may be determined by the Administrator. In addition, Dividend Equivalents with respect to an Award that are based on dividends paid prior to the vesting of such Award shall only be paid out to the Holder to the extent that the vesting conditions are subsequently satisfied and the Award vests. Notwithstanding the foregoing, no Dividend Equivalents shall be payable with respect to Options or Stock Appreciation Rights.

ARTICLE 10.

ADDITIONAL TERMS OF AWARDS

10.1 Payment. The Administrator shall determine the method or methods by which payments by any Holder with respect to any Awards granted under the Plan shall be made, including, without limitation:

- (a) cash or check;
- (b) Shares (including, in the case of payment of the exercise price of an Award, Shares issuable pursuant to the exercise of the Award) or Shares held for such minimum period of time as may be established by the Administrator, in each case, having a Fair Market Value on the date of delivery equal to the aggregate payments required;
- (c) delivery of a written or electronic notice that the Holder has placed a market sell order with a broker acceptable to the Company with respect to Shares then issuable upon exercise or vesting of an Award, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company in satisfaction of the aggregate payments required; provided that payment of such proceeds is then made to the Company upon settlement of such sale;
- (d) other form of legal consideration acceptable to the Administrator in its sole discretion; or
- (e) any combination of the above permitted forms of payment.

Notwithstanding any other provision of the Plan to the contrary, no Holder who is a Director or an “executive officer” of the Company within the meaning of Section 13(k) of the Exchange Act shall be

permitted to make payment with respect to any Awards granted under the Plan, or continue any extension of credit with respect to such payment, with a loan from the Company or a loan arranged by the Company in violation of Section 13(k) of the Exchange Act.

10.2 Responsibility for Taxes and Tax Withholding.

(a) As a condition of the grant, vesting and/or exercise of any Award (or any Substitute Award) granted to a Holder, the ultimate liability for all income tax, National Insurance contributions and any other social security contributions (including employer's National Insurance contributions or other employer's social security contributions to the extent such amounts may be lawfully recovered from the relevant Holder, unless the Company or (if different) the Holder's employer (the "Employer") decides not to pursue such recovery at its absolute discretion), or any other relevant taxes (including, but not limited, to any federal, state, local or foreign taxes) or tax related items (or any equivalent or similar taxes, contributions or other relevant tax-related items in any relevant jurisdiction) or required deductions, withholdings or payments legally applicable to the relevant Holder related to: (i) the grant, vesting or exercise of or any benefit derived from an Award (or any Substitute Award); (ii) the transfer or issue of Shares or cash to a Holder on satisfaction of an Award (or any Substitute Award); (iii) any restrictions applicable to Shares held by a Holder ceasing to apply to those Shares; (iv) the disposal of any Shares by or on behalf of a Holder; or (v) participation in the Plan (any, a "Tax Liability") is and remains the responsibility of the relevant Holder and may exceed the amount actually withheld by the Company or (if different) the Employer. For the avoidance of doubt, any references to National Insurance contributions or NICs in the Plan shall be deemed to include a reference to the United Kingdom tax known as the health and social care levy.

(b) The Company or any Subsidiary (including the Employer, if applicable) shall have the authority and the right to deduct or withhold, or require a Holder to remit to the Company, an amount sufficient to satisfy any Tax Liability required by law to be withheld or otherwise arising with respect to any taxable event concerning a Holder arising as a result of the Plan or any Award.

(c) The Holder irrevocably agrees to pay to the Company or (if different) the Employer the amount of any Tax Liability or enter into arrangements to the satisfaction of the Company or the Employer (as appropriate) for payment of any Tax Liability that the Company, Subsidiary or the Employer is required or authorized, or reasonably believes it is required or authorized, to withhold, pay, or account for, including (but not limited) by way of (i) cash or check for the relevant amount paid or made payable, as applicable, to the Company or the Employer (or other relevant Subsidiary) with respect to which the relevant Tax Liability arises; (ii) withholding from the Holder's wages or other compensation paid to the Holder by the Company or the Employer (or any other relevant Subsidiary), including (for the avoidance of doubt) any payment due to Participant pursuant to the relevant Award, (iii) withholding from proceeds of the sale of Shares acquired on satisfaction of an Award either through a voluntary sale or through a mandatory sale arranged by the Company (on the Holder's behalf pursuant to this authorization) without further consent, (iv) withholding Shares that would otherwise be issued upon satisfaction of an Award or (v) in any combination of the foregoing or such other method as determined by the Company or the Administrator.

(d) The Holder will indemnify and keep indemnified the Company and any relevant Subsidiary (including the Employer, if applicable) from and against any liability for or obligation to pay any Tax Liability, regardless of any action taken by the Company or any Subsidiary (including the Employer, if applicable). Neither the Company nor any Subsidiary (including the Employer, if applicable) makes any representation or undertaking regarding the treatment of any Tax Liability in connection with the grant, vesting, exercise or payment of any Award (or any Substitute Award), any subsequent disposal of Shares or the receipt of any dividend. Neither the Company nor any Subsidiary (including the Employer, if applicable) commits to or is under any obligation to structure any Award (or any Substitute Award) to reduce or eliminate any Tax Liability or to achieve any particular tax result.

10.3 Transferability of Awards.

(a) Except as otherwise provided in Sections 10.3(b) and 10.3(c):

(i) No Award under the Plan may be sold, pledged, assigned or transferred in any manner other than (A) by will or the laws of descent and distribution or (B) other than in respect of an Incentive Stock Option, subject to the consent of the Administrator, pursuant to a DRO, unless and until such Award has been exercised or the Shares underlying such Award have been issued, and all restrictions applicable to such Shares have lapsed;

(ii) No Award or interest or right therein shall be liable for or otherwise subject to the debts, contracts or engagements of the Holder or the Holder's successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, hypothecation, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy) unless and until such Award has been exercised, or the Shares underlying such Award have been issued, and all restrictions applicable to such Shares have lapsed, and any attempted disposition of an Award prior to satisfaction of these conditions shall be null and void and of no effect, except to the extent that such disposition is permitted by Section 10.3(a)(i); and

(iii) During the lifetime of the Holder, only the Holder may exercise any exercisable portion of an Award granted to such Holder under the Plan, unless (other than in respect of an Incentive Stock Option) it has been disposed of pursuant to a DRO. After the death of the Holder, any exercisable portion of an Award may, prior to the time when such portion becomes unexercisable under the Plan or the applicable Program or Award Agreement, be exercised by the Holder's personal representative or by any person empowered to do so under the deceased Holder's will or under the Applicable Laws of descent and distribution.

(b) Notwithstanding Section 10.3(a), the Administrator, in its sole discretion, may determine to permit a Holder or a Permitted Transferee of such Holder to transfer an Award other than an Incentive Stock Option (unless such Incentive Stock Option is intended to become a Nonqualified Stock Option) to any one or more Permitted Transferees of such Holder, subject to the following terms and conditions: (i) an Award transferred to a Permitted Transferee shall not be assignable or transferable by the Permitted Transferee other than (A) to another Permitted Transferee of the applicable Holder or (B) by will or the laws of descent and distribution or, subject to the consent of the Administrator, pursuant to a DRO; (ii) an Award transferred to a Permitted Transferee shall continue to be subject to all the terms and conditions of the Award as applicable to the original Holder (other than the ability to further transfer the Award to any Person other than another Permitted Transferee of the applicable Holder); and (iii) the Holder (or transferring Permitted Transferee) and the receiving Permitted Transferee shall execute any and all documents requested by the Administrator, including, without limitation documents to (A) confirm the status of the transferee as a Permitted Transferee, (B) satisfy any requirements for an exemption for the transfer under Applicable Law and (C) evidence the transfer. In addition, and further notwithstanding Section 10.3(a), hereof, the Administrator, in its sole discretion, may determine to permit a Holder to transfer Incentive Stock Options to a trust that constitutes a Permitted Transferee if, under Section 671 of the Code and other Applicable Law, the Holder is considered the sole beneficial owner of the Incentive Stock Option while it is held in the trust.

(c) Notwithstanding Section 10.3(a), a Holder may, if permitted, and in the manner determined, by the Administrator, designate a beneficiary to exercise the rights of the Holder and to receive any distribution with respect to any Award upon the Holder's death. A beneficiary, legal guardian, legal representative, or other person claiming any rights pursuant to the Plan is subject to all terms and conditions of the Plan and any Program or Award Agreement applicable to the Holder and any additional restrictions deemed necessary or appropriate by the Administrator. If the Holder is married or a domestic partner in a domestic partnership qualified under Applicable Law and resides in a community property state or jurisdiction, a designation of a person other than the Holder's spouse or domestic partner, as applicable, as the Holder's beneficiary with respect to

more than 50% of the Holder's interest in the Award shall not be effective without the prior written or electronic consent of the Holder's spouse or domestic partner. If no beneficiary has been designated or survives the Holder, payment shall be made to the person entitled thereto pursuant to the Holder's will or the laws of descent and distribution. Subject to the foregoing, a beneficiary designation may be changed or revoked by a Holder at any time; provided that the change or revocation is delivered in writing to the Administrator prior to the Holder's death.

10.4 Conditions to Issuance of Shares.

(a) The Administrator shall determine the methods by which Shares shall be delivered or deemed to be delivered to Holders. Notwithstanding anything herein to the contrary, the Company shall not be required to issue or deliver any certificates or make any book entries evidencing Shares pursuant to the exercise of any Award, unless and until the Administrator has determined, with advice of counsel, that the issuance of such Shares is in compliance with Applicable Law and the Shares are covered by an effective registration statement or applicable exemption from registration. In addition to the terms and conditions provided herein, the Administrator may require that a Holder make such reasonable covenants, agreements and representations as the Administrator, in its sole discretion, deems advisable in order to comply with Applicable Law.

(b) All share certificates delivered pursuant to the Plan and all Shares issued pursuant to book entry procedures are subject to any stop-transfer orders and other restrictions as the Administrator deems necessary or advisable to comply with Applicable Law. The Administrator may place legends on any share certificate or book entry to reference restrictions applicable to the Shares (including, without limitation, restrictions applicable to Restricted Stock).

(c) The Administrator shall have the right to require any Holder to comply with any timing or other restrictions with respect to the settlement, distribution or exercise of any Award, including a window-period limitation, as may be imposed in the sole discretion of the Administrator.

(d) No fractional Shares shall be issued and the Administrator, in its sole discretion, shall determine whether cash shall be given in lieu of fractional Shares or whether such fractional Shares shall be eliminated by rounding down.

(e) The Company, in its sole discretion, may (i) retain physical possession of any share certificate evidencing Shares until any restrictions thereon shall have lapsed and/or (ii) require that the share certificates evidencing such Shares be held in custody by a designated escrow agent (which may but need not be the Company) until the restrictions thereon shall have lapsed, and that the Holder deliver a stock transfer form, endorsed in blank, relating to such Shares.

(f) Notwithstanding any other provision of the Plan, unless otherwise determined by the Administrator or required by Applicable Law, the Company shall not deliver to any Holder certificates evidencing Shares issued in connection with any Award and instead such Shares shall be recorded in the books of the Company (or, as applicable, its transfer agent or share plan administrator).

10.5 Malus and Claw-Back Provisions. All Awards (including any proceeds, gains or other economic benefit actually or constructively received by a Holder upon any receipt or exercise of any Award or upon the receipt or resale of any Shares underlying the Award) shall be subject to the terms of Applicable Law, regulation and governance codes that regulate or govern executive remuneration and compensation from time to time and the provisions of any malus or claw-back policy implemented by the Company, including, without limitation, the LivaNova Compensation Recoupment Policy and any malus or claw-back policy adopted to comply with the requirements of Applicable Law, including, without limitation, the Dodd-Frank Wall Street Reform and Consumer Protection Act and any rules or regulations promulgated thereunder, to the extent set forth in such malus or claw-back policy and/or in the applicable Award Agreement.

10.6 Prohibition on Repricing. Subject to Section 12.2, the Administrator shall not, without the approval of the shareholders of the Company, (a) authorize the amendment of any outstanding Option or Stock Appreciation Right to reduce its price per Share, or (b) cancel any Option or Stock

Appreciation Right in exchange for cash or another Award when the Option or Stock Appreciation Right price per Share exceeds the Fair Market Value of the underlying Shares. Furthermore, for purposes of this Section 10.6, except in connection with a corporate transaction involving the Company (including, without limitation, any dividend in specie, sub-division of shares, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination or exchange of shares), the terms of outstanding Awards may not be amended to reduce the exercise price per Share of outstanding Options or Stock Appreciation Rights or to cancel outstanding Options or Stock Appreciation Rights in exchange for cash or other Awards with an exercise price per Share that is less than the exercise price per Share of the original Options or Stock Appreciation Rights without the approval of the shareholders of the Company.

10.7 Amendment of Awards. Subject to Applicable Law, the Administrator may amend, modify or terminate any outstanding Award, including but not limited to, substituting therefor another Award of the same or a different type, changing the date of exercise or settlement, and converting an Incentive Stock Option to a Non-Qualified Stock Option. The Holder's consent to such action shall be required unless (a) the Administrator determines that the action, taking into account any related action, would not materially and adversely affect the Holder, or (b) the change is otherwise permitted under the Plan (including, without limitation, under Section 12.2 or 12.9).

10.8 Data Protection. The Holder acknowledges and understands that the Company or a Subsidiary (including the Holder's employer), as applicable, shall process personal information about the Holder for the purpose of managing and administering the Plan and the Awards, as described in the relevant Award Agreement and subject to Applicable Law.

ARTICLE 11.

ADMINISTRATION

11.1 Administrator. The Committee shall administer the Plan (except as otherwise permitted herein). To the extent necessary to comply with Rule 16b-3 of the Exchange Act, the Committee shall take all action with respect to such Awards, and the individuals taking such action shall consist solely of two or more Non-Employee Directors, each of whom is intended to qualify as a "non-employee director" as defined by Rule 16b-3 of the Exchange Act or any successor rule. Additionally, to the extent required by Applicable Law, each of the individuals constituting the Committee shall be an "independent director" under Nasdaq Rule 5605(d)(2) or any successor rule. Notwithstanding the foregoing, any action taken by the Committee shall be valid and effective, whether or not members of the Committee at the time of such action are later determined not to have satisfied the requirements for membership set forth in this Section 11.1 or the Organizational Documents. Except as may otherwise be provided in the Organizational Documents or as otherwise required by Applicable Law, (a) appointment of Committee members shall be effective upon acceptance of appointment, (b) Committee members may resign at any time by delivering written or electronic notice to the Board and (c) vacancies in the Committee may only be filled by the Board.

11.2 Duties and Powers of Administrator. It shall be the duty of the Administrator to conduct the general administration of the Plan in accordance with its provisions. The Administrator shall have the power to interpret the Plan, all Programs and Award Agreements, and to adopt such rules for the administration, interpretation and application of the Plan and any Program as are not inconsistent with the Plan, to interpret, amend or revoke any such rules and to amend any Program or Award Agreement; provided that the rights or obligations of the Holder of the Award that is the subject of any such Program or Award Agreement are not materially and adversely affected by such amendment, unless the consent of the Holder is obtained or such amendment is otherwise permitted under Sections 10.5, 10.7 or 12.9. In its sole discretion, the Board may at any time and from time to time exercise any and all rights and duties of the Committee in its capacity as the Administrator under the Plan except with respect to matters which under Rule 16b-3 under the Exchange Act or any successor rule, or Nasdaq Rule 5605(d) or any successor rule are required to be determined in the sole discretion of the Committee.

11.3 Action by the Administrator. Unless otherwise established by the Board, set forth in any Organizational Documents or as required by Applicable Law, a majority of the Administrator shall constitute a quorum and the acts of a majority of the members present at any meeting at which a quorum is present, and acts approved in writing by all members of the Administrator in lieu of a meeting, shall be deemed the acts of the Administrator. Each member of the Administrator is entitled to, in good faith, rely or act upon any report or other information furnished to that member by any director, officer or employee of the Company or any Subsidiary, the Company's independent certified public accountants, or any executive compensation consultant or other professional retained by the Company to assist in the administration of the Plan.

11.4 Authority of Administrator. Subject to the Organizational Documents, any specific designation in the Plan and Applicable Law, the Administrator has the exclusive power, authority and sole discretion to:

- (a) Designate Eligible Individuals to receive Awards;
- (b) Determine the type or types of Awards to be granted to each Eligible Individual (including, without limitation, any Awards granted in tandem with another Award granted pursuant to the Plan);
- (c) Determine the number of Awards to be granted and the number of Shares to which an Award will relate;
- (d) Determine the terms and conditions of any Award granted pursuant to the Plan, including, but not limited to, the exercise price, grant price, purchase price, any Performance Criteria any restrictions or limitations on the Award, any schedule for vesting, lapse of forfeiture restrictions or restrictions on the exercisability of an Award, and accelerations or waivers thereof, and any provisions related to non-competition and claw-back and recapture of gain on an Award, based in each case on such considerations as the Administrator in its sole discretion determines;
- (e) Determine whether, to what extent, and under what circumstances an Award may be settled in, or the exercise price of an Award may be paid in cash, Shares, other Awards, or other property, or an Award may be canceled, forfeited, or surrendered;
- (f) Prescribe the form of each Award Agreement, which need not be identical for each Holder;
- (g) Decide all other matters that must be determined in connection with an Award;
- (h) Establish, adopt, or revise any Programs, rules and regulations as it may deem necessary or advisable to administer the Plan;
- (i) Interpret the terms of, and any matter arising pursuant to, the Plan, any Program or any Award Agreement;
- (j) Make all other decisions and determinations that may be required pursuant to the Plan or as the Administrator deems necessary or advisable to administer the Plan;
- (k) Permit any Award or portion thereof to continue to vest on the date(s) set out in the applicable Program or Award Agreement in the event of a Holder's Termination of Service due to retirement, subject to whatever terms and conditions it selects; and
- (l) Accelerate wholly or partially the vesting or lapse of restrictions of any Award or portion thereof in the event of a Holder's Termination of Service due to death or disability, subject to whatever terms and conditions it selects and Section 12.2.

11.5 Decisions Binding. The Administrator's interpretation of the Plan, any Awards granted pursuant to the Plan, any Program or any Award Agreement and all decisions and determinations by the Administrator with respect to the Plan are final, binding and conclusive on all Persons.

11.6 Delegation of Authority. The Board or Committee may from time to time delegate to a committee of one or more members of the Board or one or more officers of the Company the authority

to grant or amend Awards or to take other administrative actions pursuant to this Article 11 provided, however, that in no event shall a member of the Board or an officer of the Company be delegated the authority to grant Awards to, or amend Awards held by: (a) such individual; (b) any other individual to whom authority to grant or amend Awards has been delegated hereunder; or (c) any individual who is subject to Section 16 of the Exchange Act; provided, further, that any delegation of administrative authority shall only be permitted to the extent it is permissible under any Organizational Documents and Applicable Law. Any delegation hereunder shall be subject to the restrictions and limits that the Board or Committee specifies at the time of such delegation or that are otherwise included in the applicable Organizational Documents, and the Board or Committee, as applicable, may at any time rescind the authority so delegated or appoint a new delegatee. At all times, the delegatee appointed under this Section 11.6 shall serve in such capacity at the pleasure of the Board or the Committee, as applicable, and the Board or the Committee may abolish any committee at any time and re-vest in itself any previously delegated authority.

ARTICLE 12.

MISCELLANEOUS PROVISIONS

12.1 Amendment, Suspension or Termination of the Plan.

(a) Except as otherwise provided in Section 12.1(b), the Plan may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Board; provided that, except as provided in Sections 10.5, 10.7 or 12.9, no amendment, suspension or termination of the Plan shall, without the consent of the Holder, materially and adversely affect any rights or obligations under any Award theretofore granted or awarded, unless the Award itself otherwise expressly so provides.

(b) Notwithstanding Section 12.1(a), the Board may not, except as provided in Section 12.2, take any of the following actions without approval of the Company's shareholders: (i) increase the limit imposed in Section 3.1 on the maximum number of Shares which may be issued under the Plan or the Award Limit, (ii) reduce the price per share of any outstanding Option or Stock Appreciation Right granted under the Plan or take any action prohibited under Section 10.6, (iii) cancel any Option or Stock Appreciation Right in exchange for cash or another Award in violation of Section 10.6, or (iv) any other action that may require approval of the Company's shareholders under Applicable Law.

(c) No Awards may be granted or awarded during any period of suspension or after termination of the Plan, and notwithstanding anything herein to the contrary, in no event may any Award be granted under the Plan after the tenth (10th) anniversary of the earlier of: (i) the date on which the Plan was adopted by the Board or (ii) the date the Plan was approved by the Company's shareholders (such anniversary, the "Expiration Date"). Any Awards that are outstanding on the Expiration Date shall remain in force according to the terms of the Plan, the applicable Program and the applicable Award Agreement.

12.2 Changes in Shares or Assets of the Company, Acquisition or Liquidation of the Company and Other Corporate Events.

(a) In the event of any dividend in specie, sub-division of shares, combination or exchange of shares, merger, consolidation of shares or other distribution (other than normal cash dividends) of Company assets to shareholders, or any other change affecting the shares of the Company, or the share price of the Company's shares, other than an Equity Restructuring, the Administrator will make equitable adjustments, if any, as the Administrator, in its sole discretion, may deem appropriate to reflect such change with respect to: (i) the aggregate number and kind of Shares that may be issued under the Plan (including, but not limited to, adjustments of the limitations in Section 3.1 on the maximum number and kind of Shares which may be issued under the Plan and adjustments of the Award Limit); (ii) the number and kind of Shares (or other securities or property) subject to outstanding Awards; (iii) the terms and conditions of any outstanding Awards

(including, without limitation, any applicable performance targets or criteria with respect thereto); and (iv) the grant or exercise price per share for any outstanding Awards under the Plan.

(b) In the event of any transaction or event described in Section 12.2(a) or any unusual or nonrecurring transactions or events affecting the Company, any Subsidiary of the Company, or the financial statements of the Company or any Subsidiary, or of changes in Applicable Law or Applicable Accounting Standards, the Administrator, in its sole discretion, and on such terms and conditions as it deems appropriate, either by the terms of the Award or by action taken prior to the occurrence of such transaction or event, is hereby authorized to take any one or more of the following actions whenever the Administrator determines that such action is appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan or with respect to any Award under the Plan, to facilitate such transactions or events or to give effect to such changes in Applicable Law or Applicable Accounting Standards:

(i) To provide for the termination of any such Award in exchange for an amount of cash and/or other property with a value equal to the amount that would have been attained upon the exercise of such Award or realization of the Holder's rights (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction or event described in this Section 12.2 the Administrator determines in good faith that no amount would have been attained upon the exercise of such Award or realization of the Holder's rights, then such Award may be terminated by the Company without payment);

(ii) To provide that such Award be assumed by the successor or survivor corporation, or a parent or subsidiary thereof, or shall be substituted for by similar options, rights or awards covering the stock of the successor or survivor corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares and applicable exercise or purchase price, in all cases, as determined by the Administrator;

(iii) To make adjustments in the number and type of Shares (or other securities or property) subject to outstanding Awards, and/or in the terms and conditions of (including the grant or exercise price), and the criteria included in, outstanding Awards and Awards which may be granted in the future;

(iv) To provide that such Award shall be exercisable or payable or fully vested with respect to all Shares covered thereby, notwithstanding anything to the contrary in the Plan or the applicable Program or Award Agreement;

(v) To replace such Award with other rights or property selected by the Administrator; and/or

(vi) To provide that the Award cannot vest, be exercised or become payable after such event.

(c) In connection with the occurrence of any Equity Restructuring, and notwithstanding anything to the contrary in Sections 12.2(a) and 12.2(b):

(i) The number and type of securities subject to each outstanding Award and the exercise price or grant price thereof, if applicable, shall be equitably adjusted (and the adjustments provided under this Section 12.2(c)(i) shall be nondiscretionary and shall be final and binding on the affected Holder and the Company); and/or

(ii) The Administrator shall make such equitable adjustments, if any, as the Administrator, in its sole discretion, may deem appropriate to reflect such Equity Restructuring with respect to the aggregate number and kind of Shares that may be issued under the Plan (including, but not limited to, adjustments of the limitation in Section 3.1 on the maximum number and kind of Shares which may be issued under the Plan and adjustments of the Award Limit).

(d) Notwithstanding any other provision of the Plan, in the event of a Change in Control, unless the Administrator elects to (i) terminate an Award in exchange for cash, rights or property, or (ii) cause an Award to become fully exercisable and no longer subject to any forfeiture restrictions prior to the consummation of a Change in Control, pursuant to this Section 12.2, (A) such

Award (other than any portion subject to performance-based vesting) shall continue in effect or be assumed or an equivalent Award substituted by the successor corporation or a parent or subsidiary of the successor corporation and (B) the portion of such Award subject to performance-based vesting shall be subject to the terms and conditions of the applicable Award Agreement and, in the absence of applicable terms and conditions, the Administrator's discretion.

(e) In the event that the successor corporation in a Change in Control refuses to assume or substitute for an Award (other than any portion subject to performance-based vesting), the Administrator may cause (i) any or all of such Award (or portion thereof) to terminate in exchange for cash, rights or other property pursuant to Section 12.2(b)(i) or (ii) any or all of such Award (or portion thereof) to become fully exercisable immediately prior to the consummation of such transaction and all forfeiture restrictions on any or all of such Award to lapse. If any such Award is exercisable in lieu of assumption or substitution in the event of a Change in Control, the Administrator shall notify the Holder that such Award shall be fully exercisable for a period of fifteen (15) days from the date of such notice, contingent upon the occurrence of the Change in Control, and such Award shall terminate upon the expiration of such period.

(f) For the purposes of this Section 12.2, an Award shall be considered assumed if, following the Change in Control, the Award confers the right to purchase or receive, for each Share subject to the Award immediately prior to the Change in Control, the consideration (whether in shares, cash, or other securities or property) received in the Change in Control by holders of the Shares for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the Change in Control was not solely shares of the successor (or acquiring) corporation or its parent, the Administrator may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise of the Award, for each Share subject to an Award, to be solely shares of the successor (or acquiring) corporation or its parent equal in fair market value to the per-share consideration received by holders of the Shares in the Change in Control; and provided, further, an Award that vests, is earned or paid-out based upon achievement of Performance Goals will not be considered assumed if such Performance Goals are modified without the Holder's consent in a manner that could reasonably be expected to have a material adverse impact on the Holder, although a modification to such Performance Goals only to reflect the successor corporation's post-Change in Control corporate structure will not be deemed to invalidate an otherwise valid Award assumption.

(g) The Administrator, in its sole discretion, may include such further provisions and limitations in any Award, agreement or certificate, as it may deem equitable and in the best interests of the Company that are not inconsistent with the provisions of the Plan.

(h) Unless otherwise determined by the Administrator, no adjustment or action described in this Section 12.2 or in any other provision of the Plan shall be authorized to the extent it would (i) cause the Plan to violate Section 422(b)(1) of the Code, (ii) result in short-swing profits liability under Section 16 of the Exchange Act or violate the exemptive conditions of Rule 16b-3 of the Exchange Act, or (iii) cause an Award to fail to be exempt from or comply with Section 409A.

(i) The existence of the Plan, any Program, any Award Agreement and/or the Awards granted hereunder shall not affect or restrict in any way the right or power of the Company or the shareholders of the Company to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, any merger or consolidation of the Company, any issue of shares or of options, warrants or rights to purchase shares or of bonds, debentures, or preference shares whose rights are superior to or affect the Shares or the rights thereof or which are convertible into or exchangeable for Shares, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

(j) In the event of any pending dividend in specie, sub-division of shares, combination or exchange of shares, merger, consolidation of shares, or other distribution (other than normal cash dividends) of Company assets to shareholders, or any other change affecting the Shares or the

share price of the Shares including any Equity Restructuring, for reasons of administrative convenience, the Administrator, in its sole discretion, may refuse to permit the exercise of any Award during a period of up to thirty (30) days prior to the consummation of any such transaction.

12.3 No Shareholders Rights. Except as otherwise provided herein or in an applicable Program or Award Agreement, a Holder shall have none of the rights of a shareholder with respect to Shares covered by any Award until the Holder becomes the record owner of such Shares.

12.4 Paperless Administration. In the event that the Company establishes, for itself or using the services of a third party, an automated system for the documentation, granting or exercise of Awards, such as a system using an internet website or interactive voice response, then the paperless documentation, granting or exercise of Awards by a Holder may be permitted through the use of such an automated system.

12.5 Effect of Plan upon Other Compensation Plans. The adoption of the Plan shall not affect any other compensation or incentive plans in effect for the Company or any Subsidiary. Nothing in the Plan shall be construed to limit the right of the Company or any Subsidiary: (a) to establish any other forms of incentives or compensation for Employees, Directors, Non-Employee Directors or Consultants of the Company or any Subsidiary, or (b) to grant or assume options or other rights or awards otherwise than under the Plan in connection with any proper corporate purpose including without limitation, the grant or assumption of options in connection with the acquisition by purchase, lease, merger, consolidation or otherwise, of the business, shares or assets of any corporation, partnership, limited liability company, firm or association.

12.6 Compliance with Laws. The Plan, the granting and vesting of Awards under the Plan and the issuance and delivery of Shares and the payment of money under the Plan or under Awards granted or awarded hereunder are subject to compliance with all Applicable Law (including but not limited to state, federal and foreign securities law and margin requirements), and to such approvals by any listing, regulatory or governmental authority as may, in the opinion of counsel for the Company, be necessary or advisable in connection therewith. Any securities delivered under the Plan shall be subject to such restrictions, and the person acquiring such securities shall, if requested by the Company, provide such assurances and representations to the Company as the Company may deem necessary or desirable to assure compliance with all Applicable Law. The Administrator, in its sole discretion, may take whatever actions it deems necessary or appropriate to effect compliance with Applicable Law, including, without limitation, placing legends on share certificates and issuing stop-transfer notices to agents and registrars. Notwithstanding anything to the contrary herein, the Administrator may not take any actions hereunder, and no Awards shall be granted, that would violate Applicable Law. To the extent permitted by Applicable Law, the Plan and Awards granted or awarded hereunder shall be deemed amended to the extent necessary to conform to Applicable Law.

12.7 Titles and Headings, References to Sections of Applicable Law. The titles and headings of the Sections in the Plan are for convenience of reference only and, in the event of any conflict, the text of the Plan, rather than such titles or headings, shall control. References to sections of the Code or the Exchange Act or any other Applicable Law shall include any amendment or successor thereto.

12.8 Governing Law. The Plan and any Programs and Award Agreements hereunder shall be administered, interpreted and enforced under the internal laws of the State of Delaware without regard to conflicts of laws thereof or of any other jurisdiction.

12.9 Section 409A. To the extent that the Administrator determines that any Award granted under the Plan is subject to Section 409A, the Plan, the Program pursuant to which such Award is granted and the Award Agreement evidencing such Award shall incorporate the terms and conditions required by Section 409A. To the extent applicable, the Plan, the Program and any Award Agreements shall be interpreted in accordance with Section 409A. Notwithstanding any provision of the Plan to the contrary, in the event that following the Effective Date the Administrator determines that any Award may be subject to Section 409A, the Administrator may (but is not obligated to), without a Holder's consent, adopt such amendments to the Plan and the applicable Program and Award Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or

take any other actions, that the Administrator determines are necessary or appropriate to (a) exempt the Award from Section 409A and/or preserve the intended tax treatment of the benefits provided with respect to the Award, or (b) comply with the requirements of Section 409A and thereby avoid the application of any penalty taxes under Section 409A. The Company makes no representations or warranties as to the tax treatment of any Award under Section 409A or otherwise. The Company shall have no obligation under this Section 12.9 or otherwise to take any action (whether or not described herein) to avoid the imposition of taxes, penalties or interest under Section 409A with respect to any Award and shall have no liability to any Holder or any other person if any Award, compensation or other benefits under the Plan are determined to constitute non-compliant, “nonqualified deferred compensation” subject to the imposition of taxes, penalties and/or interest under Section 409A.

12.10 Unfunded Status of Awards. The Plan is intended to be an “unfunded” plan for incentive compensation. With respect to any payments not yet made to a Holder pursuant to an Award, nothing contained in the Plan or any Program or Award Agreement shall give the Holder any rights that are greater than those of a general creditor of the Company or any Subsidiary.

12.11 Indemnification. To the extent permitted under Applicable Law and the Organizational Documents, each member of the Administrator shall be indemnified and held harmless by the Company from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by such member in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action or failure to act pursuant to the Plan and against and from any and all amounts paid by him or her in satisfaction of judgment in such action, suit, or proceeding against him or her; provided he or she gives the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled pursuant to the Organizational Documents, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

12.12 Relationship to other Benefits. No payment pursuant to the Plan shall be taken into account in determining any benefits under any pension, retirement, savings, profit sharing, group insurance, welfare or other benefit plan of the Company or any Subsidiary except to the extent otherwise expressly provided in writing in such other plan or an agreement thereunder.

12.13 Expenses. The expenses of administering the Plan shall be borne by the Company and its Subsidiaries.

APPENDIX A

Appendix of Additional Terms and Conditions for Holders who are Canadian Holders (as defined below)

PURPOSE AND APPLICATION

Pursuant to Section 4.5 of the Plan, the Administrator may, in order to comply with the laws in countries other than the United States in which the Company and its Subsidiaries operate or have Employees, or in order to comply with the requirements of any foreign securities exchange or other Applicable Law, modify the terms and conditions of any Award granted to Eligible Individuals to comply with Applicable Law, and modify exercise procedures and other terms and procedures, to the extent such actions may be necessary or advisable.

This Appendix (“Appendix A”), which is part of the Plan, contains the additional “terms and conditions” of the Plan, any Program, and the Award Agreements that will apply to a Holder if:

- (a) at the time the Holder receives a grant of an Award under the Plan, such Holder performs some or all of the duties of the Holder’s engagement with the Company (or any Subsidiary) in Canada (other than where such performance in Canada is not significant in scope and is incidental to duties performed by the relevant Holder outside Canada); or
- (b) after the receipt by the Holder of a grant of an Award under the Plan, such Holder commences performing some or all of the duties of the Holder’s engagement with the Company (or any Subsidiary) in Canada (other than where such performance in Canada is not significant in scope and is incidental to duties performed by the relevant Holder outside Canada, in which case the additional terms and conditions of this Appendix A shall be deemed to apply from the date on which the relevant Award was granted), in each case such a Holder being a “Canadian Holder”.

In the event of a conflict between the terms of the Plan, any applicable Program or an Award Agreement and the terms of this Appendix A with respect to a Canadian Holder, the terms of this Appendix A shall govern. Capitalized terms used but not defined herein shall have the same meanings assigned to them in the Plan, any applicable Program or the Award Agreements.

ADDITIONAL TERMS OF AWARDS

1. Transferability of Awards

In Section 10.3(c) of the Plan, all references to a Holder being “married” and/or the Holder’s “spouse” shall be read as including references to a Holder being in a common law or civil partnership and/or being a spouse, and all references to a Holder’s “spouse” shall be read as including references to a Holder’s civil or common law partner as well as being married.

2. Relationship to other Benefits

The following supplements Section 12.12 of the Plan:

- (a) The Plan shall not form part of any contract of employment between any Canadian Holder and his or her Employer.
- (b) No Canadian Holder shall have any right to compensation or damages from the Company, any Subsidiary or the Administrator or any of their respective affiliates on account of any loss of any right to vest or the lapsing, cancellation or forfeiture of any Award under the Plan, where such loss arises (or is claimed to arise) in whole or in part from (i) the termination of such Canadian Holder’s employment by, or (ii) notice to terminate such Canadian Holder’s employment given by or to, the Company or any Subsidiary, subject only to the minimum entitlements under the Applicable Laws, including the applicable employment standards legislation.

3. Miscellaneous

The parties acknowledge having requested that the present Agreement and all related documents be drafted in English only. *Les parties reconnaissent avoir demandé que le présent contrat et les documents joints soient rédigés en anglais seulement.*

APPENDIX B

Appendix of Additional Terms and Conditions for Holders who are French Holders (as defined below)

The Administrator has adopted this French sub-plan (the “French Sub-Plan”) pursuant to the powers granted to the Administrator in Section 4.5 of the Plan (as it may be amended or restated from time to time), subject to the approval of the shareholders of the Company which was received on June 13, 2022. This French Sub-Plan provides additional definitions and conditions that will apply to the operation of the Plan with respect to Restricted Stock Units granted to a French Holder in the employ of a French Subsidiary (as defined below).

The primary purpose of the French Sub-Plan is to amend those provisions of the Plan which are required to be amended in order for Awards of Restricted Stock Units made under the Plan, to comply with French tax, social and corporate rules, applicable to shares granted for no consideration under Sections L. 225-197-1 to L. 225-197-6 of the French Commercial Code, as amended, in order to allow the French Holder to benefit from the related favorable tax and social regime as set out in particular in 80 *quaterdecies* of the French Tax Code and L. 242 1 of the French Social Security Code; provided, however, that, nothing in the French Sub-Plan shall be construed as a guarantee or an undertaking by the Company, or any of its French Subsidiaries that such regime will effectively apply. In particular, the Company reserves the right to take actions that may subsequently result in the disqualification of the Restricted Stock Units granted under the French Sub-Plan for French tax and/or social security purposes.

The additional terms and conditions provided for by the French Sub-Plan are specific to the French Holders in the employ of a French Subsidiary only and do not affect the rights afforded to any other individual granted Restricted Stock Units or any other award under the Plan. The additional terms and conditions provided for by the French Sub-Plan also do not affect the terms of the Plan for purposes of compliance with U.S. laws (including, without limitation, tax and securities laws).

Capitalized terms not specifically defined herein shall have the meanings specified in the Plan. In addition, the following terms shall have the meanings set forth below:

“Fair Market Value” shall mean, as of any given date, the opening sales price for a Share as quoted on the Nasdaq Global Select Market for such date or, if there is no opening sales price for a Share on the date in question, the closing sales price for a Share on the last preceding date for which such quotation exists, as reported in The Wall Street Journal or such other source as the Administrator deems reliable.

“French Holder” shall mean an Eligible Individual who has been granted Restricted Stock Units pursuant to the Plan as amended by the French Sub-Plan.

“French Subsidiary” shall mean a company incorporated according to the laws of France in which the Company holds, directly or indirectly, at least 10% of the share capital or the voting rights.

“Grant Date” shall mean the date on which the Administrator (i) makes the determination granting the Restricted Stock Units to an Eligible Individual, and (ii) determines the number of Restricted Stock Units granted to such Eligible Individual and (iii) determines the consideration to be paid, if any.

The provisions of this French Sub-Plan form an integral part of the Plan and each Restricted Stock Unit granted to an Eligible Individual in the employ of a French Subsidiary shall be governed by the provisions of this French Sub-Plan (unless provided otherwise in the Award Agreement). In the event of any inconsistency between the Plan and the French Sub-Plan, the terms of the French Sub-Plan shall control; provided, however, that French Holders may not obtain rights or benefits under the French Sub-Plan if not entitled to such rights or benefits pursuant to the provisions of the Plan.

Notwithstanding any other provisions of the Plan, only Restricted Stock Units as provided under article 8 of the Plan may be granted under the French Sub-Plan to Eligible Individuals resident in France as follows:

1. Eligible Individual

Any person employed by a French Subsidiary under the terms of a written or oral employment agreement, resident and providing services in France who might be granted Restricted Stock Units under French law and who would be subject to taxation in France with respect to income derived from such grants is an Eligible Individual for the purpose of this French Sub-Plan, provided that this person does not own, on the Grant Date and/or will not own as a result of the delivery of the Shares derived from the Restricted Stock Units, shares representing more than 10% of the issued share capital of the Company. Compliance with this 10% threshold will be analyzed on the Grant Date.

2. Number of Restricted Stock Units

The total number of Restricted Stock Units granted under the French Sub-Plan is subject to the Plan limits and, in no event, may exceed 10% of the Company's stock upon the Grant Date (when added together with other Restricted Stock Units granted by the Company under the Plan, but excluding Restricted Stock Units which have not vested at the end of the Acquisition Period and Shares underlying the Restricted Stock Units which are no longer subject to a Holding Period).

3. Nature of grant

A grant of Restricted Stock Units under this French Sub-Plan is an irrevocable commitment of the Company for the benefit of the French Holder, subject to such French Holder's compliance with the provisions of the Plan, the French Sub-Plan and any applicable vesting conditions.

4. Consideration

The grant of Restricted Stock Units and the related delivery of Shares to a French Holder will be made for no consideration or, if consideration is required by the law governing the Plan or the company law to which the Company is subject, for a consideration that will not exceed 5% of the Fair Market Value of the Shares on the Grant Date.

5. Vesting / Delivery of Shares

Restricted Stock Units may only be settled in Shares. Without prejudice to any additional vesting and/or delivery conditions that may be set by the Administrator and included in the Award Agreement, Shares delivered in settlement of the Restricted Stock Units cannot be delivered (the "Delivery Date") to a French Holder prior to the expiration of a one year period (the "Acquisition Period") from the Grant Date. The Shares shall be definitely vested at the end of the Acquisition Period or any longer vesting period provided in the Award Agreement and shall be delivered shortly thereafter. No forfeiture of the Shares can happen between the term of the Acquisition Period, or such longer vesting period provided in the Award Agreement, and the delivery (or the maturity or payment date) of the Shares.

In the event of the French Holder's disability of the second or third category (as determined in accordance with Article L 341-4 of the French Social Security Code), the Restricted Stock Units shall immediately vest and the Administrator shall cause the accelerated delivery of the Shares promptly after such event. In addition, in the event of the French Holder's death, the heirs may request in writing the delivery of the Shares within a six-month period following the French Holder's death, and the Administrator shall cause such accelerated vesting and delivery promptly after the receipt of such request. Finally, the Administrator may substitute for any outstanding Restricted Stock Units an alternative award, upon the occurrence of the corporate transactions and under the conditions referred to under Article L 225-197-1, III of the French Commercial Code. Otherwise, the Restricted Stock Units may neither be assigned nor transferred in any way during the Acquisition Period.

Shares delivered in settlement of the Restricted Stock Units will be kept in book-entry registration.

6. Transferability of Shares.

Shares delivered to the French Holder prior to the end of the second anniversary of the Grant Date cannot be transferred in any manner whatsoever by the French Holder for the period of time from the Delivery Date until after the expiry of the second anniversary of the Grant Date (the “Holding Period”), except:

- (a) in the case of death of the French Holder or in the event of the French Holder’s disability of the second or third category (as determined in accordance with Article L 341-4 of the French Social Security Code), or
- (b) in the event of the corporate transactions and under the conditions referred to under Article L 225-197-1, III of the French Commercial Code (*Code de commerce*), subject to complying with the rollover mechanisms set forth therein.

The duration of the Holding Period, if any, shall be determined in the Award Agreement.

Even when transferability restrictions have lapsed, the Shares cannot be sold (i) during the thirty calendar day period preceding the announcement of an annual or intermediary financial report that the Company is required to publish and (iii) during the black-out periods provided under applicable law.

In the event that a French Holder does not comply with these requirements, such French Holder shall be liable for all consequences that the French Subsidiary may suffer as a result of such breach and undertakes to indemnify the French Subsidiary in respect of any amounts that may become payable by the French Subsidiary as a result of such breach.

Beneficiaries will not benefit from the payment in cash provided for by Section 8.5 of the Plan nor from the payment of Dividend Equivalents provided for by Section 9.2 of the Plan.

7. Tax Withholding

Section 10.2 of the Plan will apply to Awards of Restricted stock Units; provided, however, that French Holders will not satisfy their obligations by having the Company withhold from the number of Shares distributable, if any, a number of Shares having an aggregate value equal to the amount of the required withholding tax. For the avoidance of doubt, any sale of Shares to satisfy the payment of any Tax Liability shall occur only after the expiration of the Holding Period.

8. Adjustments provisions

The provisions of Section 12.2 of the Plan will apply to the Restricted Stock Units granted under this French Sub-Plan; provided, however, that the Administrator may in its sole discretion decide not to apply all or part of the provisions of Section 12.2 of the Plan to such Restricted Stock Units or to apply to such Restricted Stock Units different measures than those applied to other Restricted Stock Units granted pursuant to the Plan, in each case, in order to comply with French law requirements; provided, further, that, for the avoidance of doubt, the provisions of this Section 9 shall not be construed as an undertaking of the Company or the Administrator to apply the provisions of Section 12.2 in a way that would preserve the favorable tax and social regime as set out in particular in Articles 80 *quaterdecies* of the French Tax Code and L. 242 1 of the French Social Security Code.

9. Amendment

Subject to the terms of the Plan, the Administrator reserves the right to amend or terminate this French Sub-Plan at any time.

10. Other Terms

Without prejudice to the provisions of the Plan expressly or impliedly set aside or modified by this French Sub-Plan, Article 5, Article 6, Article 7 and Article 9 of the Plan and Sections 10.3(a)(iii), 10.6, 11.6 of the Plan will not apply to French Holders. Unless provided otherwise in this French Sub-Plan, the terms and conditions of the Plan shall remain unchanged.

11. Language

Any Eligible Individual accepting an Award of Restricted Stock Units under this French Sub-Plan acknowledges in doing so that he or she is proficient in English and that he or she fully understands the terms and conditions thereof, as well as those of the Plan. ***L'Individu Eligible qui accepte une attribution gratuite d'actions reconnaît qu'il ou elle maîtrise l'anglais et qu'il ou elle comprend entièrement les termes et conditions du Sous Plan ainsi que ceux du Plan.***

APPENDIX C

Appendix of Additional Terms and Conditions for Holders who are German Holders (as defined below)

PURPOSE AND APPLICATION

Pursuant to Section 4.5 of the Plan, the Administrator may, in order to comply with the laws in countries other than the United States in which the Company and its Subsidiaries operate or have Employees, or in order to comply with the requirements of any foreign securities exchange or other Applicable Law, modify the terms and conditions of any Award granted to Eligible Individuals to comply with Applicable Law, and modify exercise procedures and other terms and procedures, to the extent such actions may be necessary or advisable.

This Appendix (“Appendix D”), which is part of the Plan, contains the additional “terms and conditions” of the Plan, any Program, and the Award Agreements that will apply to a Holder if:

- (a) at the time the Holder receives a grant of an Award under the Plan, such Holder is resident in Germany for tax purposes or performs some or all of the duties of the Holder’s engagement with the Company (or any Subsidiary) in Germany (other where such performance in Germany is not significant in scope and is incidental to duties performed by the relevant Holder outside Germany); or
- (b) after the receipt by the Holder of a grant of an Award under the Plan, such Holder becomes resident in Germany for tax purposes, or commences performing some or all of the duties of the Holder’s engagement with a Subsidiary in Germany (other than where such performance in Germany is not significant in scope and is incidental to duties performed by the relevant Holder outside Germany), in which case the additional terms and conditions of this Appendix D shall be deemed to apply from the date on which the relevant Award was granted); or
- (c) in all other cases if a Holder is subject to tax in Germany with respect to any Award or grant, vesting, exercise or event or payment or otherwise in connection therewith, in each case such a Holder being a “German Holder”.

In the event of a conflict between the terms of the Plan, any applicable Program or an Award Agreement and the terms of this Appendix D with respect to a German Holder, the terms of this Appendix D shall govern. Capitalized terms used but not defined herein shall have the same meanings assigned to them in the Plan, any applicable Program or the Award Agreements.

ADDITIONAL TERMS OF AWARDS

1. Taxation

The following supplements, but does not limit, Section 10.2 of the Plan:

- (a) The Holder irrevocably agrees to pay to the Company or (if different) the Employer the amount of any Tax Liability or enter into arrangements to the satisfaction of the Company or the Employer (as appropriate) for payment of any Tax Liability.
- (b) The Holder further irrevocably agrees to fully indemnify the Company and (if different) the Employer against any and all liabilities vis-à-vis the German tax authorities in connection with the grant, vesting, exercise of or otherwise in connection with an Award, the transfer or issue of Shares to such Holder on satisfaction of an Award, any restrictions applicable to Shares held by a Holder ceasing to apply to those Shares, the disposal of any Shares, the release or assignment of an Award for consideration, or the receipt of any other benefit in connection with an Award, including any secondary liability (*Haftung*) for taxes by the Employer or the Company and including any interest and penalties as well as reasonable costs and fees thereon, if any.
- (c) The Holder hereby undertakes and shall be responsible for notifying and reporting to the Company or (if different) the Employer any taxable benefits, payments or other taxable events for German tax purposes without undue delay upon the Holder becoming aware thereof, and in any event at the latest

six weeks before accrual (*Zufluss*) to the Holder and moreover in any event in compliance with all applicable German tax provisions, rules, regulations and guidance issued by the German tax authorities. The Holder will obtain tax advice by own individual qualified German tax counsel to ensure compliance in connection with this undertaking also will also comply with any other reporting, notification and German tax filing obligation vis-à-vis the German tax authorities.

2. Transferability of Awards

In Section 10.3(c) of the Plan, all references to a Holder being “married” shall be read as including references to a Holder being in a civil partnership, and all references to a Holder’s “spouse” shall be read as including references to a Holder’s civil partner.

3. Grant by the Company

(a) The Awards are granted to German Holders by the Administrator on behalf of the Company as part of a group-wide program and not on behalf of his or her Employer.

(b) The Plan shall not form part of the employment relationship between any German Holder and his or her Employer.

(c) The Awards granted to German Holders shall not form a part of the remuneration under the German Holder’s employment relationship with his or her Employer (including, without limitation, normal or expected wages, salary or any kind of fixed or variable components of remuneration).

(d) As regards Other Stock or Cash Based Awards granted to a German Holder, the last sentence of Section 9.2 shall be deleted in its entirety and replaced with the following:

“Other Stock or Cash Based Awards may be paid in cash, Shares, or a combination of cash and Shares, as determined by the Administrator, and may be available as a form of payment in the settlement of other Awards granted under the Plan, as stand-alone payments, but not as part of the remuneration under the German Holder’s employment relationship with his or her Employer (in particular, not as: (i) a part of any kind of fixed or variable components of remuneration, any bonus, deferred bonus, deferred compensation or other arrangement; or (ii) a payment in lieu of compensation to which an German Holder is otherwise entitled under the German Holder’s employment relationship).”

(e) In addition to Section 12.12, any income recognized by the German Holder as a result of any Award will not be included in the formula for calculating benefits under the German Holder’s employment relationship or any retirement, disability or any other benefit plan or any other plan (including, but not limited to, any social plan, as well as any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, holiday pay, long-service awards, pension or retirement benefits or similar payments, or any post-contractual non-compete compensation, if any) provided by, or otherwise applicable under the German Holder’s employment relationship with, his or her Employer.

(f) No German Holder shall have any right to compensation or damages from the Company, any Subsidiary (including his or her Employer) or the Administrator or any of their respective affiliates on account of any loss of any right to vest or the lapsing, cancellation or forfeiture of any Award under the Plan, where such loss arises (or is claimed to arise) in whole or in part from: (i) the termination of such German Holder’s employment by; or (ii) notice to terminate such German Holder’s employment given by or to, his or her Employer. For the avoidance of doubt, any rights of a German Holder against his or her Employer under German law in connection with an unfair dismissal remain unaffected.

4. Language

(a) Before any Award is granted to any German Holder, the relevant German Holder, when accepting the Award, shall acknowledge in doing so that he or she is proficient in English (or thought appropriate advice) and that he or she fully understands the terms and conditions thereof, as well as those of the Plan.

(b) The German Holder shall not have any entitlement against the Company, any Subsidiary (including his or her Employer) or the Administrator or any of their respective affiliates to be provided with a version of the Award, the Plan or any other documents related thereto in the German language.

Any costs, fees or expenses incurred by a German Holder in connection with the delivery of any Award, the Plan and any other documents related thereto in the English language shall be solely borne by the German Holder. For the avoidance of doubt, any such costs, fees or expenses shall not be considered as expenses of administering the Plan; Section 12.13 shall be interpreted and construed accordingly.

APPENDIX D

Appendix of Additional Terms and Conditions for Holders who are Singapore Holders (as defined below)

PURPOSE AND APPLICATION

Pursuant to Section 4.5 of the Plan, the Administrator may, in order to comply with the laws in countries other than the United States in which the Company and its Subsidiaries operate or have Employees, or in order to comply with the requirements of any foreign securities exchange or other Applicable Law, modify the terms and conditions of any Award granted to Eligible Individuals to comply with Applicable Law, and modify exercise procedures and other terms and procedures, to the extent such actions may be necessary or advisable.

This Appendix (“Appendix E”), which is part of the Plan, contains the additional “terms and conditions” of the Plan, any Program, and the Award Agreements that will apply to a Holder who is resident in the Republic of Singapore, and an Employees of a company incorporated according to Singapore law, which is controlled by the Company either directly or indirectly (a “Singapore Subsidiary”) (a “Singapore Holder”).

The purpose of this Appendix is to establish certain rules and limitations applicable to the allotment, acceptance and exercise and settlement of Awards and to any Shares that may be allotted in connection with Awards under the Plan from time to time, in compliance with securities and other applicable laws currently in force. Except as otherwise provided by this Appendix, and/or by any Singaporean mandatory provision regarding employment, central provident fund matters, personal capacity/disability, succession (inheritance) applicable to the Singapore Holders, all Awards granted pursuant to this Appendix and the relevant Shares shall be governed by the terms of the Plan, save as otherwise set out in this Appendix.

The Plan and this Appendix shall be read together. In any case of any inconsistency between the provisions of this Appendix and the Plan, the provisions of the Plan shall govern unless expressly stated otherwise in this Appendix.

Any capitalized term not specifically defined in this Appendix shall be construed according to the definition or interpretation given to it in the Plan.

1. Eligibility

All Singapore Holders are eligible to be awarded Awards under the Plan, if they are employed by a Singapore Subsidiary and meet the conditions set out in the Plan. The personal capacity to be an Eligible Employee shall be constructed and determined in accordance with Singapore law.

Any Eligible Employee resident in the Republic of Singapore must qualify as a “Qualifying Person” in accordance with Section 273(1)(i) and 273(4) of the Securities and Futures Act 2001 of Singapore.

2. Events related to the Employment Relationship

The provisions applicable in case of Termination of Service, disability, inability to work and inheritance rights shall be constructed and regulated in accordance with Singapore law.

3. Restrictions on Transfer

Eligible Employees resident in the Republic of Singapore are not permitted to transfer:

- (a) any Awards until a period of at least 6 months has elapsed from the Grant Date; or
- (b) any Shares received upon the exercise or settlement of any Award until a period of at least 6 months has elapsed from the date the Shares are issued or transferred to them.

APPENDIX E

Appendix of Additional Terms and Conditions for Holders who are United Kingdom Holders (as defined below)

PURPOSE AND APPLICATION

Pursuant to Section 4.5 of the Plan, the Administrator may, in order to comply with the laws in countries other than the United States in which the Company and its Subsidiaries operate or have Employees, or in order to comply with the requirements of any foreign securities exchange or other Applicable Law, modify the terms and conditions of any Award granted to Eligible Individuals to comply with Applicable Law, and modify exercise procedures and other terms and procedures, to the extent such actions may be necessary or advisable.

This Appendix (“Appendix F”), which is part of the Plan, contains the additional “terms and conditions” of the Plan, any Program, and the Award Agreements that will apply to a Holder if:

- (a) at the time the Holder receives a grant of an Award under the Plan, such Holder is resident in the United Kingdom for tax purposes or performs some or all of the duties of the Holder’s engagement with the Company (or any Subsidiary) in the United Kingdom (other where such performance in the United Kingdom is not significant in scope and is incidental to duties performed by the relevant Holder outside the United Kingdom); or
- (b) after the receipt by the Holder of a grant of an Award under the Plan, such Holder becomes resident in the United Kingdom for tax purposes, or commences performing some or all of the duties of the Holder’s engagement with the Company (or any Subsidiary) in the United Kingdom (other than where such performance in the United Kingdom is not significant in scope and is incidental to duties performed by the relevant Holder outside the United Kingdom), in which case the additional terms and conditions of this Appendix F shall be deemed to apply from the date on which the relevant Award was granted),

in each case such a Holder being a “United Kingdom Holder”.

In the event of a conflict between the terms of the Plan, any applicable Program or an Award Agreement and the terms of this Appendix F with respect to a United Kingdom Holder, the terms of this Appendix F shall govern. Capitalized terms used but not defined herein shall have the same meanings assigned to them in the Plan, any applicable Program or the Award Agreements.

ADDITIONAL TERMS OF AWARDS

1. Taxation

The following supplements Section 10.2 of the Plan:

- (a) The Holder irrevocably agrees to pay to the Company or (if different) the Employer the amount of any Tax Liability or enter into arrangements to the satisfaction of the Company or the Employer (as appropriate) for payment of any Tax Liability. This paragraph and the following paragraphs (b) and (c) shall apply to any Tax Liability to the extent that the Company, any Subsidiary or the Employer is required or authorized, or reasonably believes it is required or authorized, to withhold, pay or account for such Tax Liability, and paragraphs (b) and (c) shall be read accordingly.
- (b) The Holder further irrevocably agrees that if the Holder does not pay or the Employer or the Company does not withhold from the Holder the full amount of any Tax Liability that the Holder owes in connection with the grant or exercise of an Award, the transfer or issue of Shares to such Holder on satisfaction of an Award, any restrictions applicable to Shares held by a Holder ceasing to apply to those Shares, the disposal of any Shares, the release or assignment of an Award for consideration, or the receipt of any other benefit in connection with an Award (the “Taxable Event”) within ninety (90) days of the end of the UK tax year in which the Taxable Event occurs, or such other period specified in Section 222(1)(c) of the UK Income Tax (Earnings and Pensions) Act 2003 (“ITEPA 2003”) (the “Due

Date”), then the amount of any uncollected Tax Liability shall (unless the Company or (if different) the Employer determines otherwise at its discretion) constitute a loan owed by the Holder to the Company or (if different) the Employer, effective on the Due Date. The Holder agrees that the loan will bear interest at the then-current official rate of Her Majesty’s Revenue and Customs (“HMRC”) and will be immediately due and repayable by the Holder, and the Company or the Employer (as appropriate) may recover it at any time thereafter by any of the means referred to in Section 10.2(c) of the Plan. The Holder also authorizes the Company to withhold the transfer of any Shares unless and until the loan is repaid in full.

(c) Notwithstanding the foregoing, if the Holder is a director or other officer of the Company or the Employer (including an executive officer of the Company), the Holder will not be eligible for such a loan to cover any relevant uncollected Tax Liability. In that case, or in any other case where the Company or the Employer determines not to treat the amount of any uncollected Tax Liability as a loan in accordance with the preceding paragraph, the amount of any uncollected Tax Liability that are not collected from or paid by the Holder by the Due Date will constitute a benefit to the Holder on which additional income tax and National Insurance contributions (“NICs”) will be payable. The Holder shall be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime (unless the Company or the Employer has confirmed that such income tax has been accounted for through payroll) and for reimbursing the Company or the Employer (as applicable) for the value of any employee NICs due on this additional benefit which the Company and/or the Employer may recover from the Holder at any time thereafter by any of the means referred to in Section 10.2(c) of the Plan.

(d) To the extent required by the Administrator or the Company (or, if different, the Employer), and subject to this being permitted by Applicable Law, the grant, vesting and/or exercise of an Award granted to any Holder shall be conditional on:

(e) the Holder entering into a joint election with the Company or (if different) the Employer (as appropriate) pursuant to section 431(1) or 431(2) of ITEPA 2003 (or such other election as the Company or (if different) the Employer may direct for the same purpose) in respect of any Shares acquired (or to be acquired) on the grant, vesting or exercise of the relevant Award; and

(f) the Holder entering into a joint election with the Company or (if different) the Employer (as appropriate), made in accordance with paragraph 3B(1) of Schedule 1 of the UK Social Security Contributions and Benefits Act 1992, to transfer to Holder the liability for and secondary Class 1 (employer) NICs arising in respect of “relevant employment income” as defined in paragraph 3B(1A) of Schedule 1 of the Social Security Contributions and Benefits Act 1992.

2. Transferability of Awards

In Section 10.3(c) of the Plan, all references to a Holder being “married” shall be read as including references to a Holder being in a civil partnership, and all references to a Holder’s “spouse” shall be read as including references to a Holder’s civil partner.

3. Relationship to other Benefits

The following supplements Section 12.12 of the Plan:

(a) The Plan shall not form part of any contract of employment between any United Kingdom Holder and his or her Employer.

(b) No United Kingdom Holder shall have any right to compensation or damages from the Company, any Subsidiary or the Administrator or any of their respective affiliates on account of any loss of any right to vest or the lapsing, cancellation or forfeiture of any Award under the Plan, where such loss arises (or is claimed to arise) in whole or in part from: (i) the termination of such United Kingdom Holder’s employment by; or (ii) notice to terminate such United Kingdom Holder’s employment given by or to, the Company or any Subsidiary. This exclusion of liability shall apply however the termination of employment, or the giving of notice, is caused, and however compensation or damages may be claimed.

LivaNova

Health innovation that matters

LivaNova Plc
20 Eastbourne Terrace
London, W2 6LG
United Kingdom

T +44 203 325 0660

www.livanova.com

